



## **ANNUAL REMUNERATION REPORT 2020**

Drafted according to article 112 of L. 4548/2018

**«PROFILE SYSTEMS & SOFTWARE S.A.»**

**MAY 2021**

General Commercial Registry (GEMI) No.: 122141660000  
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## **1. Introduction**

I. This Remuneration Report (hereinafter referred to briefly as the 'Report') has been prepared in accordance with the provisions of Article 112 of the Law. 4548/2018, as applicable, in line with the European Commission's Guidelines of 1 March 2019 on the standardized presentation of the Remuneration Report in accordance with Directive 2007/36/EC, as amended by Directive (EU) 2017/828.

II. The Report reflects the total remuneration of the members of the Board of Directors (hereinafter referred to briefly as "BoD") and explains, in order to fully and adequately inform the shareholders of the Company, how it was implemented; for the closing fiscal year 2020 (01.01.2020-31.12.2020), the Remuneration Policy (hereinafter referred to briefly as "Policy") of the Société Anonyme under the name "PROFILE COMMERCIAL AND INDUSTRIAL INFORMATICS SOCIETE ANONYME" and the distinctive title "PROFILE SYSTEMS & SOFTWARE S.A." (hereinafter referred to as the "Company"), and therefore provides a comprehensive overview of the Company's remuneration model, in compliance with Article 112 par. 1 of Law 4548/2018, as regards to the implementation of the Remuneration Policy.

III. This Report, which contains a comprehensive overview of the total remuneration regulated in the Company's Remuneration Policy for the above fiscal year, is to be submitted for discussion at the Annual Ordinary General Meeting of the Company's Shareholders, convened on 24 June 2021 and is included as an Item (and specifically Item 8<sup>th</sup>) on its Agenda.

IV. In compliance with the provisions of Articles 110 and 111 of Law 4548/2018, the Company has established a Remuneration Policy, which applies to all members of the Board of Directors (executive and non-executive, with the necessary differences mentioned), including the Chief Executive Officer, as well as to the Senior Management (Directors, Managers and Heads of Units), was approved by a majority by decision of the Annual Ordinary General Meeting of the Company's shareholders of 7 May 2020, and is valid for four (4) years from its approval.

The Policy is posted since its approval on the Company's website and in particular on the link [www.profilesw.com](http://www.profilesw.com).

V. Although the closing fiscal year 2020 began as a year of recovery for the Greek economy, as political and economic developments have been improved, yet the emergence and rapid spread of coronavirus COVID-19 around the world, which resulted in the declaration of a pandemic by the World Health Organization (WHO), was an unprecedented situation that caused significant and unforeseen disruptions to supply chains, increased financial instability, altered consumer habits and had a negative impact on service sectors such as transport, travel and tourism. Nevertheless, PROFILE Group (hereinafter

referred to as the "Group") managed, in a highly volatile and fluid economic environment, characterized by severe shocks to both global and domestic economic growth, to maintain to a large extent its turnover and profitability levels. An important role in this event was played by the further increase of the Group's activity in international markets, as well as the Group's ability to complete complex projects even in an unstable and uncertain environment.

**VI.** Turnover for the year 2020 for the Group amounted to €15,040,892 compared to €15,763,884 in the comparable fiscal year of 2019, noting a slight decrease of 4.6% attributed to the time slippage (back-to-back shift) of some new projects due to the particular global market conditions resulting from the COVID-19 coronavirus pandemic.

EBITDA for the year 2020 amounted to €4,217,255 compared to €4,346,126 for the corresponding period of 2019, recording a decrease of 2.96%.

Earnings before taxes, financial and investment results (EBIT) amounted to 1,853,066€ compared to 2,084,395€ in the previous financial year, showing a decrease of 11.1%.

With the deduction of income tax of €347,450, Net profit after tax is set for the Group at €906,421, compared to €1,769,595, showing a decrease of 48.77%.

**VII.** No derogations and deviations from the approved Policy were found in 2020.

**VIII.** These events did not affect the remuneration of the members of the Board of Directors included in the scope of the Remuneration Policy.

## **2. Overall remuneration for members of the BoD**

**I.** For the clear and understandable presentation of all remunerations granted or paid to the members of the Board of Directors of the Company as well as any remuneration of any company belonging to the Group, Table 1 was prepared (shown below), which reflects the total remuneration of the members of the Board of Directors for the fiscal year 2020 by the Company. No other remuneration was paid to the members of the Board of Directors by the other companies of the Group (other than the parent company).

**II.** The remuneration in this Table 1 is presented in gross amounts.

**III.** In addition to the following, no further remuneration or compensation was granted or paid in any way in the year 2020 to the members of the Board of Directors, in any form.

**Table 1 Total Remuneration of members of BoD for fiscal year 2020 for the Company**

		1 Fixed remuneration			2 Variable remuneration					
Name of the member, position	Fiscal year	Annual fixed remuneration	Remuneration for involvement in Committees	Benefits	Payment within the year	Payments within the following years	3 Extraordinary Events	4 Corporate contribution to pension program	5 Total Remuneration	6 Ratio Fixed to Variable remuneration
Charalampos Stasinopoulos <sup>(1)</sup> , President of the BoD & Chief Executive Officer, Executive member	2020	344.000		49.436	189.166				582.602	67,53%/32,47%
Spyridon Barbatos, Vice President of the BoD, Executive member	2020	73.125							73.125	100%/0%
Evangelos Angelides <sup>(2)</sup> , Chief Executive Officer, Executive member	2020	55.658		30.360	88.710				174.728	49,22%/50,78%
Konstantinos Mantzavinatos, Executive member	2020	68.555		11.385					79.940	100%/0%
Aristides Iliopoulos, Non-executive member	2020	73.849		9.735	9.775				93.359	89,53%/10,47%
Antonios Roussos, Independent non-executive member	2020									0% / 0%
Emmanuel Tsiritakis, Independent non-executive member	2020									0% / 0%

<sup>(1)</sup> Taking over as Chief Entrepreneur since 30 November 2020

<sup>(2)</sup> Taking over as Chief Executive Officer since 30 November 2020

### **3. Remuneration in shares and/or stock options**

The 1st Recurring Annual Ordinary General Meeting of Shareholders of 25 May 2018 approved the establishment of a Stock Options Plan for the members of the Board of Directors, directors and staff of the Company. The Board of Directors of the Company at its meeting of 16 January 2020 drafted the specific terms of the Plan. In particular, the total number of allowances to be made available amounts to six hundred thousand (600,000), with the duration of the Plan set by November 2025. The respective rights will mature partially and more specifically (a) by 33% on 1 November of the first year following the grant, (b) by 33% on 1 November of the second year following the grant, (c) by 34% on 1 November of

the third year following the grant. The offer price of the shares to be delivered to the beneficiaries as a result of the exercise of the options awarded to them, is €1.70.

During the fiscal year 2020 (01.01.2020-31.12.2020) and in particular during the period from 01.11.2020 to 15.11.2020, thirty-two (32) executives made a written declaration on the exercise of stock options. A total of 91,368 common, nominal shares of the Company, with a nominal value of 0.47 Euros each, were made available. The cash payment of the price for the purchase of the above shares was completed on time i.e., until 30.11.2020, the relevant amount amounted to 155,325.60 € and was deposited at the company's special bank account. A total of 91,368 new shares, resulting from the above increase, began trading on the Athens Stock Exchange on 31.12.2020. The number of options granted under this Plan to the members of the Board of Directors is shown in the table below.

More information regarding the terms of the Stock Options Plan is available on the Company's website and specifically in the link <https://www.profilesw.com/el/financial-news/2487-profile.php>.

Name of the member, position	No. of Stock Options Granted	No. of Stocks Options matured	No. of Stock Options exercised within 2020
Charalampos Stasinopoulos <sup>(1)</sup> , President of the BoD & Chief Executive Officer, Executive member	60.000	19.800	19.800
Evangelos Angelides <sup>(2)</sup> , Chief Executive Officer, Executive member	40.000	13.200	13.200
Spyridon Barbatos, Vice President of the BoD, Executive member	20.000	6.600	0
Konstantinos Mantzavinatos, Executive member	15.000	4.950	4.950
Aristides Iliopoulos, Non-executive member	15.000	4.950	3.000

<sup>(1)</sup> Taking over as Chief Entrepreneur since 30 November 2020

<sup>(2)</sup> Taking over as Chief Executive Officer since 30 November 2020

#### **4. Use of recovery right**

I. No use was made of a right to recover variable remuneration, as described in the approved Policy, during the financial year 2020.

#### **5. Compliance with the Remuneration Policy and how payment criteria are applied**

##### **5.1 Remuneration of independent non-executive members of the BoD**

I. During the fiscal year 2020 (01.01.2020-31.12.2020) and in line with the Company's approved Policy regarding the remuneration of Independent Non-Executive Board Members:

→ Independent Non-Executive Members may receive compensation for their participation in the meetings of the Board of Directors, which is approved by a special resolution of the Ordinary General Meeting.

→ This compensation must be paid in cash and is subject to the deductions provided for by the applicable tax and insurance legislation.

→ During the fiscal year 2020, the Independent Non-Executive Members of the Board of Directors did not receive any remuneration for their participation in the meetings of that corporate body.

→ Independent Non-Executive Members do not participate in any bonus or long-term incentive scheme and are not granted additional bonuses, stock options, or performance-related compensation.

##### **5.2 Remuneration of the rest of Board members**

I. During the financial year 2020 and in alignment with the Company's approved Policy regarding the remuneration of other Board Members (Executive and Non-Executive):

###### **5.2.1 Contracts of the Company with Board members**

During the fiscal year 2020 (01.01.2020-31.12.2020) the Company maintained contracts with five (5) Members of the Board of Directors. In particular, it maintained:

(a) a fixed-term contract with the Chairman of the Board of Directors, to which the provisions of the applicable labor law concerning the conditions of termination apply and which provides for special compensation in the event of termination or dismissal without reasonable grounds or termination of his term of office or employment as a result of any public offering,

**(b)** contracts of indefinite duration with the Vice-President of the Board of Directors, with the CEO of the Company, with one (1) Executive and one (1) Non-Executive Member, to which the provisions of the applicable labor law regarding the terms and deadlines of termination and the compensation paid apply.

During the financial year 2020 there were no such cases (complaint, payment of compensation) in relation to the above-mentioned persons (President, Vice-President, CEO, Executive and Non-Executive Member of the Board of Directors).

### **5.2.2 Fixed Remuneration for the Other members of BoD**

→ The components taken into account in determining the fixed remuneration of the Other Members of the Board of Directors (Executive and Non-Executive) were the academic background, professional experience, skills and competences, responsibilities and tasks entrusted to such individuals, the importance and operational requirements of the position, the state of the economy, the terms of individual employment contracts and labor law data.

→ The fixed remuneration paid was competitive with the aim of maintaining in the Company's Management individuals who possess the appropriate skills, experiences and behaviors that the Company and the Group need, with the aim of enhancing their value and maximizing their performance.

→ Other Members were paid benefits in accordance with the Policy, consisting on a case-by-case basis of participation in a group insurance plan, use of a company car, mobile telephony program, travel-performance expenses, stock options, etc.,

→ The Other Members (Executive and Non-Executive) did not receive any remuneration for their participation in the meetings of the Board of Directors of the Company and its subsidiaries.

### **5.2.3 Variable Remuneration for the Other members of BoD**

→ The variable remuneration of the Other Members of the Board of Directors is linked both to the individual performance and to the performance of the Company and the Group. Indicative criteria based on which the level of variable remuneration is calculated are the following: personal objectives, agreed before the start of the evaluation period, operating profit for the fiscal year, business initiative and personal characteristics, such as leadership skills, the inspiration of the team and so on.



→ The annual Ordinary General Meeting of Shareholders of 7 May 2020 approved the payment of a total gross amount of €320,166.00 from prior-year profits to three (3) Members of the Board of Directors for their intense and systematic activity in the expansion of the Group's turnover and profitability.

## **6. Derogations and deviations from the Remuneration Policy**

I. There were no deviations or deviations from the Policy during the 2020 fiscal year in all its fields of application.

## **7. Comparative information on the change in remuneration and Company's performance**

I. Below is a table with information regarding the annual change in the remuneration of the Members of the Board of Directors, the performance of the Company and the average earnings of the Company's full-time employees in the years 2019-2020. The corresponding analysis over the last five (5) financial years is not presented due to the application of the transitional provision of Article 187(7) of Law 4548/2018.

	2020	2019
<b>Turnover for the Group in EUR</b>	15.040.892	15.763.884
<i>Annual Change in EUR</i>	-722.992	
<i>Annual Change %</i>	-4,6%	
<b>EBITDA for the Group in EUR</b>	4.217.255	4.346.126
<i>Annual Change in EUR</i>	-128.871	
<i>Annual Change %</i>	-3,0%	
<b>Turnover for the parent Company in EUR</b>	9.253.416	8.577.914
<i>Annual Change in EUR</i>	675.502	
<i>Annual Change %</i>	7,9%	
<b>EBITDA for the parent Company in EUR</b>	818.319	676.793
<i>Annual Change in EUR</i>	141.526	
<i>Annual Change %</i>	20,9%	
<b>Remuneration for BoD</b>	1.157.129	1.069.495
<i>Annual Change in EUR</i>	87.634	
<i>Annual Change %</i>	8,2%	
<b>Number of Staff</b>	105	106
<i>Annual Change in persons</i>	-1	
<i>Annual Change %</i>	-0,9%	
<b>Staff's Remuneration per person</b>	38.430	36.617
<i>Annual Change in EUR/person</i>	1.814	
<i>Annual Change %</i>	5,0%	

## **8. Compliance with provisions on personal data**

I. In compliance with para. 5 of Article 112 of Law 4548/2018, no specific categories of personal data have been included in this Report, within the meaning of Article 9 para.1 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals regarding the processing of personal data and on the free movement of such data and the repeal of Directive 95/46/EC, nor personal data relating to the family situation of the members of the Board of Directors of the Company.

II. Any personal data of the members of the Board of Directors of the Company referred to in this Report are included in it according to Article 112 of Law 4548/2018 with a view to increasing corporate transparency regarding the remuneration of the members of the Board of Directors, in order to enhance the accountability of members and the supervision of shareholders over such remuneration.

## **9. Publicity of the Report**

I. This Report, which according to the Board of Directors of the Company, is clear and understandable, after the completion of the Ordinary General Meeting of Shareholders of 24 June 2021, will become, with diligence and responsibility of the Board of Directors, without delay available to the public on the Company's website, free of charge, where it will remain posted for a period of ten (10) years, as provided for by law.

II. Any retention of the Report on the Company's website, for a time period longer than the above, is permitted provided that the Report no longer contains personal data for the members of the Board of Directors within the meaning of this Regulation.

III. Since, in accordance with para. 3 of Article 112 of Law 4548/2018, the shareholder vote is advisory in nature, the Board of Directors of the Company will explain in the next Remuneration Report how the result of the vote was taken into account at the Ordinary General Meeting of Shareholders of 24 June 2021.

Nea Smyrni, 27 May 2021

For the Board of Directors