

**AUDIT COMMITTEE ACTIVITY REPORT
OF THE SOCIÉTÉ ANONYME
"PROFILE COMMERCIAL AND
INDUSTRIAL INFORMATION
TECHNOLOGY COMPANY"
Financial Year 2022**

1. Introduction

1.1 The Audit Committee of Anonymous Company under the name "PROFILE **COMMERCIAL AND INDUSTRIAL INFORMATION TECHNOLOGY SOCIETE ANONYME**" and the distinctive title "**PROFILE SYSTEMS & SOFTWARE S.A.**" (hereinafter referred to as the "Company" or "**Issuer**"), is a Committee of the Board of Directors, in accordance with the specific provisions and regulations of the current regulatory framework and corporate governance principles and is organized and operates on the basis of its approved by the Board of Directors of the Company, as in force from time to time.

2. Purpose – Basic Responsibilities of the Audit Committee

2.1 The Audit Committee has the following main responsibilities:

(a) informs the Company's Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of financial information and what was the role of the Audit Committee in this process.

(b) monitor the financial reporting process and make recommendations or proposals to ensure its integrity, objectivity, correctness, and completeness.

(c) monitor and evaluate the effectiveness of the Company's internal control, quality assurance and risk management systems and, where applicable, its Internal Audit Unit, about the Company's financial reporting, without violating the independence of this entity.

(d) monitors the statutory audit of the Company's annual and consolidated financial statements and in particular its performance and effectiveness.

(e) review and monitor the independence of statutory auditors or audit firms

(f) is responsible for the selection process of certified public accountants or audit firms and proposes the certified public accountants or audit firms be appointed for each audited fiscal year of the Company.

(g) monitors and oversees the Company's compliance procedures

(h) submits an annual activity report to the Annual Ordinary General Meeting of the Company's shareholders

2.2 In the performance of its duties throughout the financial year 2022, the Audit Committee confirms that it had full, free and unhindered access to the data, books, records, records and information that were necessary for the fulfillment of its purpose, while was provided by the Company's Management with the appropriate resources, means and infrastructure for the

proper implementation of its work, as well as the possibility to use the services of external consultants, which, however, it did not make use of, as there was no relevant need. That is the case. The Company's staff, its individual organizational units and the competent executives of the Company provided all members of the Committee with the necessary assistance and support for the execution of its work.

2.3 The Audit Committee has Rules of Procedures, which were approved by the Company's Board of Directors at its meeting of July 14, 2021. This Regulation records, inter alia, the responsibilities, duties, and obligations of the members of the Committee and is posted on the Company's website in accordance with the express legislative requirement of article 10 par. 4 of Law 4706/2020.

3. Composition of the Audit Committee

3.1 The existing Audit Committee of the Company consists of two (2) independent non-executive members and one (1) non-executive member of the Board of Directors, who were appointed by the Board of Directors of the Company at its meeting of June 25, 2021, following the relevant authorization provided by the Annual Ordinary General Meeting of shareholders of June 24, 2021.

3.2 In particular, the Audit Committee consists of:

- (a)** Mr. Emmanouil Tsiritakis, Chairman Demetriou of the Committee, independent non-executive member of the Board of Directors,
- (b)** Mr. Antonios Roussos, independent non-executive member of the Board of Directors and
- (c)** Mr. Aristides Iliopoulos of Spyridon, non-executive member of the Board of Directors.

3.3 The service of office of the Committee coincides with the service of office of the Board of Directors elected by the Annual Ordinary General Meeting of shareholders on 24 June 2021, i.e. it is five years, expiring on 24 June 2026, extended until the expiry of the deadline within which the next Ordinary General Meeting must be held, but in no case may it exceed six years

3.4 Meeting criteria and conditions

The members of the Audit Committee continue to meet all the criteria and conditions set by the provisions of the current legislative and regulatory framework in general, and in particular:

(a) the independence criterion (as referred to in article 9 par. 1 and 2 of Law 4706/2020) is fulfilled in the person of Messrs. Emmanuel Tsiritakis and Antonios Roussos, i.e. the majority of the members of the Audit Committee, who:

- (i) do not hold, directly or indirectly, a percentage of voting rights exceeding 0.5% of the Company's share capital and
- (ii) are free from any financial, business, family or other relationship of subordination which may influence their decisions and their objective, independent and impartial judgment.

(b) the criterion of sufficient knowledge of the sector in which the Company operates, is fulfilled in the person of all members, since the above persons participate in the Board of Directors of the Company for a sufficient period of time, so that as a result of this participation they have acquired a full, detailed and clear picture of the products developed and marketed and of the services provided by the Company, for the business model and strategy it follows, as well as for the way it is organized, managed and operated, as well as for the particularities in general of the industry and sector in which the Company develops its activity and

(c) the criterion of adequate knowledge in auditing or accounting is sufficiently and demonstrably met:

(i) on the one hand, in the person of Mr. Emmanuel Tsiritakis, who is a graduate of the School of Economics of the National Kapodistrian University of Athens, holds a Master and Ph.D. in industrial structure from the Department of Economics of the State University and Polytechnic Institute of Virginia, USA (Virginia Tech), he is currently working as a professor at the Department of Financial and Banking Management of the University of Piraeus, He has teaching and research interests in the areas of Financial Management (Corporate Finance) and Asset Pricing, while his rich research work has been published in prestigious scientific journals. Therefore, due to his remarkable theoretical training and successful professional career, he can play a decisive role in the effective fulfillment of the responsibilities of the Audit Committee and in the further enhancement of its efficiency.

(ii) on the other hand, in the person of Mr. Antonios Roussos, who is a graduate of the Athens University of Economics and Business, a member of the Economic Chamber and holder of a license to practice the profession of Accountant - Tax Consultant of the Economic Chamber of First Class, he has been working in the economic and accounting-tax sector since 1988, while since 1994 he has been exercising the duties of Director of Financial Services in a large Greek Industrial Enterprise.

4. Audit Committee meetings

4.1 During the financial year 2022 (01.01.2022-31.12.2022) the Audit Committee met five (5) times, while from the beginning of the current financial year 2023 and until the date of drafting the Annual Financial Report , the Committee met 3 times

All these meetings took place with the participation of all its members, while its decisions were taken unanimously.

During each meeting, the examination of all the items on the agenda was completed, after the required information notes and relevant suggestions had been distributed, and the competent managers, the Certified Auditors, the Head of the Internal Audit Unit, and other persons were invited to participate, as appropriate, in order to provide any necessary clarifications and/or explanations.

5. Activities of the Audit Committee during the financial year 2022 (01.01.2022-31.12.2022) and until the preparation of the Annual Financial Report for the said year.

5.1 The issues dealt with by the Audit Committee during the financial year 2022 as well as up to the date of preparation of the Annual Financial Report for the said financial year were the following:

5.1.1 Financial reporting process – statutory audit

In the field of external audit and financial reporting, the Commission has taken the following steps:

(a) was informed by the Chief Financial Officer of the Company about the financial statements of the Company and the Group for the year ended December 31, 2022 and about the main issues that concerned the Financial Management during the preparation of the annual financial statements,

(b) was informed of the accounting principles and policies applied in preparing the financial statements, as well as the basis of consolidation and the measurement and valuation methods used for the assets and liabilities included in the financial statements;

(c) held meetings with the Company's Management and was informed about the financial reporting process and its flow

(d) proceeded to an evaluation of the statutory audit program of the Certified Public Accountant and confirmed that it will cover the most important audit areas and consider the main areas of business and financial risks of the Company

(e) reviewed the annual financial statements of the Company and the Group for the year 2022 (01.01.2022-31.12.2022) prior to their approval by the Board of Directors and evaluated them in terms of their accuracy and completeness,

(f) ascertained the conformity of the annual financial statements with the legally required content and framework for their preparation and recommended their approval,

(g) informed the Board of Directors on the issues arising from the statutory audit, on the contribution of the statutory audit to the quality and integrity of financial reporting and on the role of the Audit Committee in this process,

(h) verified compliance with the rules governing the disclosure of financial statements and the possibility of immediate, continuous and free access to them,

(i) was informed by the Certified Public Accountant about the most important issues of the audit for the year 2022, the risks that were assessed as most significant and how to deal with them and took note of the final draft of the Audit Report for the year ended 31 December 2022,

(j) took note of the supplementary report of the Certified Auditors - Accountants provided for in article 11 of the Regulation of the European Union (EU) 537/2014 on the financial statements of the Company and the Group,

(k) submitted a proposal to the Annual Ordinary General Meeting of the shareholders of its Company for the election of the Audit Firm under the name "COOPERATING CHARTERED ACCOUNTANTS SOCIETE ANONYME OF CERTIFIED AUDITORS", for the conduct of the statutory audit of the annual and half-yearly (corporate and consolidated) financial statements of the year 2023,

(jb) was informed by the Certified Public Accountant regarding the procedure and methodology to be followed during the audit of the half-yearly and annual financial statements of the year 2023, the design and schedule of his audit, as well as the audit procedures to be followed,

(jc) confirmed the impartiality, objectivity, independence and integrity of the external auditors in accordance with the Code of Professional Ethics of the International Federation of Accountants, Regulation (EU) 537/2014 and Law 4449/2017, as well as the failure to provide any external direction, instruction, suggestion or recommendation by the Company's Management,

(jd) was informed by the Certified Public Accountant about the audit approach of the review of the interim financial statements of the first half of the financial year 2022 and discussed the main issues that concerned the Auditor during his audit,

(ie) oversaw the proper and timely disclosure to investors of corporate announcements related to financial reporting;

5.1.2 Internal Audit

(a) evaluated the staffing, organizational structure, and operation of the Internal Audit Unit (IAU), to identify any weaknesses,

(b) was informed about the annual audit program of the Internal Audit Unit prior to its implementation, proceeded to its evaluation and found that it will consider the main areas of business and financial risk of the Company,

(c) assessed the work, competence and effectiveness of the Internal Audit Unit (IAU), without, however, affecting in any way its independence.

(d) reviewed the disclosed information regarding internal control and the Company's principal risks and uncertainties in relation to financial reporting;

(e) had meetings with the Head of the Internal Audit Unit (IAU) to discuss issues of his/her competence, as well as problems that may arise during the internal audit process, and to ensure the smooth implementation of the internal audit process,

(f) took note of the Internal Audit Unit's Reports and reviewed and evaluated the methods used to identify, monitor and address the main risks, as well as to disclose/disclose them in the financial statements in an appropriate manner.

(g) confirmed that the Head of the Internal Audit Unit (IAU) is a full-time and exclusive employee, personally and functionally independent in the performance of his duties and that there is no incompatibility with the provisions of the applicable legislative framework,

(h) confirmed that the Internal Audit Unit has continuous and unhindered access to all data, books, documents and records of the Company in general, which are necessary for the proper

exercise of its duties, that it has direct and unhindered access to all its individual services and departments and that the members of the Management and the Company's staff cooperate to the maximum extent possible with the Internal Audit Unit and generally facilitate with any its way of doing its work, providing the necessary resources, means and infrastructure,

(i) informed the Board of Directors of the findings and results of its audit and submitted proposals for improvement in order for the Internal Audit Unit to be more adequately staffed with competent human resources, equipped with the necessary theoretical training, education and experience.

(j) held a meeting with the Audit Firm (Evaluator) which was assigned the implementation of the evaluation process of the Company's Internal Control System in order to determine the degree of compliance of the Company with the provisions of Law 4706/2020 as well as any weaknesses and / or deficiencies of the Internal Control System

5.1.3 Other

(a) in cooperation with the Company's Management and in response to the letter no. 2707/09.11.2022 of the Hellenic Capital Market Commission, it assisted, to the extent and to the extent that it concerned it, in the preparation of an announcement for the purpose of informing the investment public regarding the formation and development of the Company's fundamental financial figures, activities, as well as prospects for the third (third) quarter of the financial year 2022, as well as any impact of the energy crisis and the ongoing war conflict between Russia and Ukraine on the financial results, overall performance and course of both the Company and the Group in general,

(b) provided to the Company's Management the necessary assistance to comply with the provisions of Law 4706/2020, in order to properly and within the set time frame complete the process of full harmonization with the provisions and regulations of the said legislation,

(c) approved the content of the information provided to the shareholders of the Company during the Annual Ordinary General Meeting of 12 May 2022 regarding its activities for the fiscal year 2021 (01.01.2021-31.12.2021),

6.Sustainable Development Policy

The Sustainable Development Policy adopted and implemented by the Company in accordance with the provisions of article 151 of Law 4548/2018, is set out in detail in this Activity Report, in accordance with the requirements of article 44 par. 1 case Law 4449/2017, as in force.

The text and content of this Policy is as follows:

**SUSTAINABLE DEVELOPMENT
POLICY**

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1. Introduction

1.1 This Sustainable Development Policy (hereinafter referred to as the "**Policy**") was designed and prepared by the Board of Directors of the Société Anonyme under the name "**PROFILE COMMERCIAL AND INDUSTRIAL INFORMATION TECHNOLOGY SOCIETE ANONYME**" and the distinctive title "**PROFILE SYSTEMS & SOFTWARE S.A.**" (hereinafter referred to as the "Company"), in the context of the systematic undertaking of actions for the full and effective compliance of the Company with the provisions of Law 4706/2020 (Government Gazette A' 136/17.07.2020) on corporate governance, in order to integrate sustainability issues and environmental, social (social responsibility) and corporate governance, with a view to creating long-term value and making a positive contribution to society.

1.2 "Sustainable development" is defined as development policy aimed at meeting the economic, social, and environmental needs of society and ensuring short- and long-term prosperity in the corporate and social environment, while achieving economic growth and environmental protection.

Sustainability is measured based on non-financial indicators relating to the environmental, social responsibility and governance ("ESG") that are economically significant (material) for the Company and the collective interests of key stakeholders, such as employees, customers, suppliers, local communities and other important stakeholders.

1.3 This Policy entered into force pursuant to the decision of the Board of Directors of the Company dated 5/12/2022, following a relevant suggestion-proposal of the Company's Compliance Officer.

1.4 It is noted that a summary of this Policy will be incorporated into the current Internal Regulation of Operation of the Company, in accordance with the provisions of article 14 of Law 4706/2020 on corporate governance.

2. Scope of the Policy

2.1 This Policy applies to the Company and the other companies of the Group, including those based abroad, the Management, employees, partners, as well as other interested parties.

3. Purpose of the Policy

3.1 This Policy reflects the Company's responsibility and commitments towards employees, the market, society, and the environment in matters of sustainable development. The Company has incorporated the principles of sustainable development into its business activities, its organizational structure, and its overall way of operation, recognizing that these principles are a prerequisite for its long-term development.

Concern for the health and safety of employees, respect and protection of the environment, comprehensive coverage of customer needs and harmonious coexistence with the local communities in which it operates, are the main issues of the Company's sustainable development.

4. Scope of the Policy

4.1 Company's commitments

4.1.1 Sustainable development is a strategic goal and commitment of the Company and is in accordance with the principles and values it adopts and applies in the exercise of its business activity, which consist of integrity, responsibility, transparency, efficiency, teamwork, knowledge, continuous effort to satisfy customer needs and requirements and innovation.

4.1.2 With this Policy, the Company's Management is committed to:

- the continuous development of the Company and the other companies of the Group,
- the evolution of the business model and the creation of long-term economic value for shareholders and stakeholders,
- adopting mechanisms for interacting with and understanding stakeholder expectations and monitoring their effectiveness,
- meeting the expectations of stakeholders (employees, customers, suppliers, shareholders, social actors, business community, institutional bodies, etc.),
- the observance and protection of the principles and values of the Company and the Group in general,
- ensuring business ethics and regulatory compliance,

- monitoring the implementation of internal regulations, policies, procedures and sustainable development directives at all levels of activity of the Company and the other companies of the Group,
- fostering innovation,
- the provision of optimal products and services taking into account, inter alia, environmental protection,
- ensuring the health and safety of staff, developing employees' competences and skills, and providing equal opportunities, respecting diversity,
- supporting local communities with actions that contribute to addressing local issues,
- commitment to the continuous improvement of the products and services provided,
- the formation of strong professional relationships of cooperation and trust with its customers and suppliers
- the systematic monitoring of its environmental footprint.

To achieve the above commitments, the Company and the other Group companies focus on the thematic pillars of sustainable development as described below.

4.2 Corporate Governance

4.2.1 The Company has developed and implements a system of modern and sound corporate governance, which is in full compliance and harmonization with applicable legislation, the Greek Corporate Governance Code (HCGC) and best practices. In this context, the Company operates with adequately defined structures, management bodies, policies, procedures and regulations that contribute to enhancing transparency and optimal decision-making; taking into account the interests of stakeholders. The Company's Management has set high standards of ethical behavior and demonstrates zero tolerance for incidents of fraud, corruption, bribery, market abuse, etc.

4.2.2 The Company is active in order to strengthen:

- effective governance
- regulatory compliance
- effective risk management
- optimizing operational performance
- the use of modern systems
- the principles and values of the Company and the Group in general for the benefit of shareholders' interests and to demonstrate responsibility to stakeholders and society.

4.3 Environment

4.3.1 The Company operates responsibly towards the environment and the use of natural resources. It is committed to taking actions and developing initiatives to protect the environment and reduce its environmental footprint, through the reduction of energy consumption, the adoption of systematic recycling and waste management practices, the reduction of plastic use and the reduction of pollutants from transport. Environmental protection is everyone's business and environmental policy permeates all aspects of corporate activity.

4.3.2 In collaboration with KLIMAKA, a non-profit organisation caring for the socially weak, it collects and compresses paper for recycling, which not only contributes to environmental protection but also provides food and shelter for the homeless, who participate in recycling and collection.

The Company is also an active supporter of "Think Before You Print", including its logo in all its electronic communications.

4.3.3 In the context of the Sustainable Development Goals (SDGs), the Paris Climate Agreement (2015) and the European Green Deal (2019), monitoring international developments, improving the Company's environmental performance, and identifying risks arising from climate change are key areas for strengthening the Company's environmental policy.

4.4 Society

4.4.1 The Company, recognizing the social impact of its activity, plans and implements actions aimed at upgrading the quality of life, improving the technological skills of society as a whole and the transition of the country to the digital era. In cooperation with Non-Governmental Organizations and other charitable bodies, it undertakes actions to strengthen the livelihood opportunities of less advantaged social groups, It makes donations and stands in solidarity with the actions organized to support vulnerable social groups.

4.4.2 Within this framework, the Company:

- invests in the younger generation and participates in various entrepreneurship and candidate search actions such as [Regeneration](#), [Job-Pairs](#), [Junior Achievement GR](#), Alliance [for Digital Employability](#), aiming to help students and young professionals broaden their professional ambitions and plan their next steps,
- launched the [Stackforce Coding School](#) Scholarship Program, offering scholarships to graduates of Technological Schools to further enrich their programming skills, offering them the opportunity to work alongside experienced executives,

- supports a number of non-profit organizations that provide medical care and support to less privileged children and societies at home and abroad, such as [Doctors Without Borders](#), [ELEPAP](#), [Orama Elpidas](#) and the non-profit organization [KEEPEA](#);

It offers IT equipment to schools, as well as to children from socially weaker families.

4.5 Human resources – Health and safety at work

4.5.1 One of the main priorities of the Management is to maintain and strengthen the climate of labor peace and the continuous improvement of working conditions, to achieve the maximum possible utilization at a productive level of the Company's and the Group's human resources in general. Ensures daily that all necessary measures are taken and that best practices are adopted, in order to fully and fully comply with the applicable provisions of labor and insurance legislation. It strictly applies to the applicable labor legislation and respects the relevant provisions and provisions on child labor, human rights as well as the possibility of employee participation in trade unions.

4.5.2 Management does not discriminate in terms of recruitment, remuneration and promotion on grounds of sex, race, colour, ethnic or social origin, religion, belief, property, birth, disability, age, sexual orientation, marital status, trade union membership or any other characteristics. The only factors taken into account are training, specialisation, experience, efficiency and general abilities of the individual, while urging and recommending to all employees of the Group to respect the diversity of each employee, customer and supplier and not to accept any behavior that may create discrimination of any kind. Importance is attached to the professional development of women, providing equal opportunities in terms of pay and career advancement.

4.5.3 The protection of the health and safety of employees of both the Company and the Group in general is a top priority for the Management, which systematically monitors and controls all risks that may arise from its activity and takes all necessary preventive measures to avoid accidents. All Group employees attend training seminars on occupational health and safety issues, while the Management constantly ensures compliance with fire safety rules and emergency response, as well as the training of personnel on fire protection, firefighting, the use of portable firefighting means and the conduct of preparedness exercises in order to prevent and deal with emergency events. Finally, it supports various actions to promote the well-being and work-life balance of employees and ensures the creation of a climate of mutual trust and understanding through appropriate communication channels, allowing employees to share concerns, concerns and any other issue related to their work.

4.5.4 The business success of both the Company and the Group relies on its people. Management provides a working environment characterized by security and stability, so that all employees are motivated to be productive and oriented to achieve the best result, to take initiatives for the benefit of the corporate interest and to manage their personal development with zeal and integrity. Through the Human Resources Department, Management discerns the skills of its employees and places them in positions where they will contribute to the greatest extent to the achievement of common goals with dedication and team spirit and will have the opportunity to distinguish themselves.

4.6 Customers – Suppliers

4.6.1 In a rapidly changing environment, businesses need technologically advanced and reliable software systems that provide innovative solutions and security. The Company is committed to providing high quality products and services, characterized by innovation, high quality standards, ensuring the safety of their customers and offered at competitive prices. It invests in research and development, aiming at development, innovation, provision of integrated solutions, high quality products and innovative services that meet the needs, requirements and desires of even the most demanding customers. The Company's goal is to form strong and long-term relationships of cooperation and trust with its customers and not just typical business transactions.

4.6.2 The Company ensures effective cooperation with its suppliers by clearly communicating the terms of cooperation and evaluates them on the basis of approved criteria (qualitative and quantitative), in order to ensure that the selected suppliers / partners have the necessary know-how, as well as the ability to perform and provide the assigned works and services. The Company during the evaluation of its suppliers, before and during the cooperation, takes into account both financial criteria and the adoption by them (suppliers) of specific environmental, social and governance criteria, in order to have a holistic picture of their performance on sustainable development issues. Basic prerequisites for establishing cooperation are integrity, honesty, transparency, and the cultivation of relationships of mutual trust with each supplier.

4.7 Other interested parties

4.7.1 The Company develops relationships with all other interested parties based on trust and honesty. Through the implementation of procedures, regulations and policies, as well as the principles and values that govern it, it promotes and enhances transparency and open and two-way communication with all stakeholders. Sets goals regarding material sustainable development issues, which shall be evaluated annually for their effectiveness and updated or revised as necessary.

5. Approval and Communication

5.1 All actions undertaken in the context of sustainable development are included in the Company's financial statements in the context of non-financial reporting. The aim is to inform stakeholders in a comprehensive, transparent, and effective manner about the Company's strategy, objectives and performance on material sustainable development issues.

5.2 The Policy is communicated to all employees of the Company and other companies of the Group and is posted on the Company's website.

6. Policy Monitoring

6.1 The Board of Directors evaluates the adequacy, appropriateness, and effectiveness of this Policy, monitors its implementation, records through its competent executives any weaknesses and deficiencies identified and makes the necessary and appropriate proposals-recommendations for improvement.

6.2 The Policy is reviewed and reviewed on an annual basis and its design and implementation is modified and revised whenever deemed appropriate, necessary, appropriate, or necessary.

7. Validity and revision of the Policy

This procedure is new, does not replace an older one and is effective from 5/12/2022.

Nea Smyrni, 21st April 2023
The President of the Audit Committee
Emmanouil Tsiritakis