PROFILE SYSTEMS & SOFTWARE SA

Annual Financial Report 2022

PROFILE SYSTEMS & SOFTWARE SA
General Commercial Registry (GEMI) No.: 122141660000
NEA SMYRNI ATTICA (SYGROU AVENUE 199)

It is certified that the present Annual Financial Report concerning the financial year 2022 (01.01.2022-31.12.2022), is the one unanimously approved by the Board of Directors of the Societe Anonyme under the name "PROFILE SYSTEMS & SOFTWARE SA", at its meeting of April 6ης 2023 and is posted on the internet and legally registered in the General Commercial Registry (GEMI), electronic address www.profile.gr, where it shall remain at the disposal of the retail investors for a period of at least ten (10) years from the date of its drafting and publication.

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STATEMENTS OF REPRESENTATIVES OF THE BOARD OF DIRECTORS (PURSUANT TO ARTICLE 4 § 2 OF L. 3556/2007)

The below statements, which take place according to article 4 par. 2 of l. 3556/2007, as currently in force, are made by the representatives of the Company's Board of Directors, namely the following:

1. Charalambos Stasinopoulos of Panayiotis, resident of Nea Smyrni, 199 Sygrou Ave., **President of the Board of Directors**.
2. Spyridon Barbatos of Antonios-Ioannis, resident of Psychiko Attica, 20 P. Hatzikonstanti str., **Vice-President of the Board of Directors**.
3. Evangelos Angelides of Ioannis, resident of Nea Smyrni, 31 Adramytiou str., **Managing Director**.

The below undersigned, in our capacity stated above, according to the definitions of law (article 4 par. 2 [c΄] of l. 3556/2007), but also as especially appointed to this end by the Board of Directors of the Societe Anonyme under the name "PROFILE COMMERCIAL AND INDUSTRIAL INFORMATICS SOCIETE ANONYME" and the distinctive title "PROFILE SYSTEMS & SOFTWARE S.A." (Hereinafter called, for short, "**Company**" or "**PROFILE**") at its meeting of April 6, 2023, we hereby declare and certify that to the best of our knowledge:

(a) The annual financial statements (corporate and consolidated) of the Company of the financial year 2022 (01.01.2022-31.12.2022), which have been prepared according to the current International Financial Reporting Standards (IFRS), as these have been adopted by the European Union, depict in a true way the assets and liabilities, the net position and the results of the Company as well as those of the enterprises which are included in the consolidation, taken as a whole, according to the provisions of paragraphs 3 to 5 of article 4 of l. 3556/2007 and the delegated thereby implementing decisions of the Board of Directors of the Capital Market Commission, and

(b) The annual Management Report of the Company's Board of Directors depicts in a true way the significant events that took place during the closing financial year 2022 (01.01.2022-31.12.2022), their influence on the annual financial statements, including the description of the main risks and uncertainties facing it, the important transactions entered into between the Company and the persons associated with it (as these are defined in IAS 24), as well as the evolution of activities, the performance and the position of both the Company and the enterprises included in the consolidation, taken as a whole and sundry information required according to the stipulations of paragraphs 6 to 8 of article 4 of l. 3556/2007, as well as the delegated thereby implementing decisions of the Board of Directors of the Capital Market Commission.

Nea Smyrni, April 6, 2023
The declarants

Charalambos Stasinopoulos	Spyridon Barbatos	Evangelos Angelides
ID Σ 577589	ID AE 077416	ID 1157610

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2022

The present Annual Management Report of the Board of Directors of the Company "PROFILE COMMERCIAL AND INDUSTRIAL INFORMATICS SOCIETE ANONYME", which follows, (hereinafter called for short "**Report**" or "**Annual Report**") refers to the financial year 2022 (01.01.2022–31.12.2022), has been drawn up and is aligned with both the relevant provisions of l. 4548/2018 (GG A' 104/13.06.2018), and l. 3556/2007 (GG A' 91/30.04.2007) and particularly its article 4, as well as the delegated thereby implementing decisions of the BoD of the Capital Market Commission. The Consolidated and Corporate Financial Statements have been drafted according to the International Financial Reporting Standards (IFRS), as these have been adopted by the European Union.

The present Report comprises, in a concise, but readily understood, substantial and comprehensive way, all the significant individual thematic sections, which are necessary, based on the above legislative context, and depicts in a true and correct way all the related information required by law, in order to reach an essential and in-depth update for the activity, at that particular period, of the Societe Anonyme "PROFILE COMMERCIAL AND INDUSTRIAL INFORMATICS SOCIETE ANONYME", (hereinafter called for short "**Company**", or "**PROFILE**", or "Parent Company"), as well as of the PROFILE Group, in which Group, apart from PROFILE, the following related companies are included:

- "GLOBALSOFT DEVELOPMENT AND MARKETING OF SOFTWARE AND COMPUTING SYSTEMS MATERIAL SOCIETE ANONYME", with registered office in Nea Smyrni, Attica, in which the Company participates with 97,09%;
- "PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD", with registered office in Cyprus, in which the Company participates with 100%;
- "COMPUTER INTERNATIONAL FRANCHISE LIMITED LIABILITY COMPANY", with registered office in Nea Smyrni, Attica, in which the Company participates with 50,18%;
  In relation to the said Limited Liability Company it is noted that by virtue of notarial deed under number 5055/01.07.2008 of the Athens Notary Public Haricleia Serveta-Phili, it has been dissolved and is currently under liquidation, that has not been yet concluded;
- "PROFILE SOFTWARE (UK) LTD", with registered office in the United Kingdom, in which the above Cypriot subsidiary participates with 100%;
- "PROFILE DIGITAL RECORDING, STORAGE AND RELEASE OF MINUTES OF COURT MEETINGS SOCIETE ANONYME", with registered office in Nea Smyrni, Attica, in which the Company participates with 100%;
- "LOGIN S.A.", with registered office in France, in which PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD participates with 99,92% and PROFILE SOFTWARE (UK) LTD with 0,08%;
- "PROFILE TECHNOLOGIES COMMERCAIL AND INDUSTRIAL COMPANY SINGLE MEMBER SOCIETE ANONYME", with registered office in Thessaloniki, in which the Company participates with 100%;
- "CENTEVO A.B.", with registered office in Stockholm, Sweden and presence through a branch in Oslo, Norway, in which PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD participates with 100%.

The present Report accompanies the annual financial statements (corporate and consolidated) of the financial year 2022 (01.01.2022-31.12.2022) and, in view of the fact that the Company draws up consolidated and non-consolidated financial statements, it constitutes a single report, with main reference the consolidated financial data of the Company and those of its affiliated enterprises and with reference to individual (non-consolidated) financial data, solely on the points where it has been deemed advisable or necessary for the better understanding of its content.

The Report is included as such, together with the financial statements and other data and statements required by law, in the Annual Financial Report concerning the closing year 2022 (01.01.2022-31.12.2022).

Business Model and Value Creation

Since 1990, PROFILE is a leading company developing software solutions for the international financial industry, the wider enterprise industry and the public sector. The PROFILE Group of companies has international presence in Europe, Middle East, Asia, Africa and America and consistently invests in technologically advanced solutions both for start-ups and established banking and financial institutions, either through direct cooperation or through a trustworthy network of partners.

The PROFILE Group provides innovative, award-winning and flexible software solutions, based on the international quality standards and aims to the best client service. The continuous investment in Research and Development in combination with the constant communication with clients and business partners all around the world, allow to design, develop and deliver software solutions that meet the requirements of the fast-growing market. The Company has a dynamic work environment, which promotes taking initiatives in order to provide a customer-centric approach. The Group’s deliverable solutions are recognized by international rating houses, analysts and consultants, while the Group is also awarded and included in international studies of the industry as a distinguished supplier of software solutions.

The PROFILE Group has been expanded relied on the support, the expertise and the professionalism of its employees, its management and its business partners. Through all the years of the operation, the Company has a robust financial position, maintaining its vision and enhancing its international presence, with both new and existing clients and well-trained personnel. The Company is recognized as reliable and specialized partner in financial services software and our clients are aware of the continually integrated and scalable solutions which are able to address their continuously developing needs.

The PROFILE Group delivers integrated solutions to the sectors of Investment Management, Banking, Treasury, Risk & Compliance, Capital Markets and Ticketing. Additionally, the Group has significant presence in public sector projects.

During the past years, the sector of Investment Management has changed dramatically in order to address the investors’ (both institutional and private) requirements regarding immediate monitoring with accuracy and transparency. A wide range of operations is covered, such as Wealth Management, Fund Management, Custody, Insurance Investment Management, Family Office, Financial Advisors, and Brokerage and other. Specifically, Axia Suite is an award-winning, web-based, omni-channel solution which provides integrated investment managements with full compliance with MiFID II. Axia Suite is designed in cutting-edge technologies and provides the required functionality in order to respond and surpass the market requirements with holistic approach.
IMSplus is an internationally award-winning Investment Management platform (accessible from desktop, web and mobile) that meets the requirements of the wider financial services sector through a

set of specialized solutions. These solutions can be deployed either as stand-alone or as an integrated investment management platform which fulfill any IT ecosystem's needs of an organization.

Regarding the Banking sector, the Group's solutions are focused on the new trend which incorporates digital and flexible banks, while the requirements for competitive services in banking and financial sectors are increasing continuously. As a result, financial institutions need flexible solutions in order to provide advanced client-centric services and new products directly and reliably.

Finuevo Core is a modern integrated solution from PROFILE which addresses the banking related needs of FinTech start-ups, Universal Banks, Private Banks, Islamic Banks, financial institutions that offer Auto & Leasing services and Peer-to-Peer Lending/Crowdfunding platforms and Alternative Finance institutions. Furthermore, Finuevo Core Payments delivers an integrated payments solution, through a number of different channels, including the end users, payment schemes and interbank networks in a secure work environment. The solution covers all major payments instruments (credit transfers, direct debits, corporate payments) and can be deployed as stand-alone or as a part of the Finuevo Core Banking platform.

Acumen^{net} is a cloud-native fully integrated Front-to-Back office and accounting platform which is able to support all financial transactions, such as cash management, forex operations, collateral deals, securities, interest, currency and asset swaps, equities, futures and FRA, Over The Counter (OTC) and listed options, credit linked instruments, commodities and Islamic deals.

Moreover, every financial institution needs a holistic approach to manage the Risk & Compliance issues, while supporting the goals that have been set by the management and the governance. PROFILE, combining tested software, services and functionalities, delivers a wide range of solutions for market and credit risk management, as also for GRC, ALM and fund management. RiskAvert is a reliable and cloud-enabled solution that allows to calculate, manage and produce reports for credit, operational and market risk through an integrated modular environment. It covers all supervisory approaches of risk calculation allowing the bank to smoothly evolve from a standardized approach towards the IRB approach.

Regarding the Capital Markets sector, during the past years, it has been changed rapidly and there is increased pressure in order to provide investors with faster and more reliable services. Modern tools are able to achieve higher effectiveness and lower costs for remote access and on-the-go transactions, while ensuring compliance with the market requirements. PROFILE, taking advantage of its extended experience, delivers a set of solutions for Mobile Data Feed, Online Trading, Shareholder's Management andReal-Time Data Feeds. Mobius Wealth, developed by PROFILE, is a top-quality mobile wealth management app, providing a compelling digital experience, full interface with back-end systems and data display across all communication devices (smartphones/tablets, iOS Universal Application & Android). Additionally, GS Market provides the end users, both institutional investors and retail, with unique flexibility. GS Market (ex. Monopoly) is the most trustworthy choice among investors for following stock exchange market data (both spot and derivative), mainly due to its user-friendliness and its dynamic environment. Plexus app, developed by PROFILE, provides real time Market Data streaming on iPhone® and iPad® devices.

PROFILE's Registry is the most effective and widespread solution for managing/monitoring the stock market of a multi-shareholding company. Finally, Profile Vote is an innovative digital voting system that fully meets the most advanced needs of modern companies.

PROFILE Group also undertakes important projects in the public sector. In particular, through the Company Profile Anonymous Company of Digital Recording of Storage and Disposal of Court Meeting Practices, it is active in the public sector and specifically, in the project of the Ministry of Justice concerning the digitization and automation of the practical meetings of the courts. At the same time, it is in continuous monitoring of the projects announced by the various organizations and bodies of the public sector in order to participate in projects of interest, either through a company of the PROFILE Group or as a member of an Association of Companies.

In addition, PROFILE Group solutions are developed in cloud technologies in accordance with international security standards. PROFILE is ISO certified. Its solutions utilize artificial intelligence (AI) tools to fully meet the evolving needs of the market. In addition, Profile Technologies S.A. will focus on developing new features primarily related to financial software, with cutting-edge technologies, adopting the latest developments in artificial intelligence (AI), machine learning (ML), robotic process automation (RPA) and blockchain, and will also invest in Augmented Reality (AR) for investment management and banking. It will also undertake part of the PROFILE Group’s development work carried out to date in Europe (Athens - Paris - Nicosia) and Asia (India), thus allowing the other parts of the Company to focus on further specialization and project implementation. Thessaloniki is developing into one of the cities in Greece that bring out technology companies by attracting and offering unique development opportunities for new developers.

Profile Technologies S.A. has attracted experienced and talented professionals from Northern Greece, computer scientists in the fields of research, as well as graduates of the universities of the region, thus enhancing the professional development of the local community.

PROFILE Group also provides a range of services to its customers to fully meet their needs, from the beginning of a project to their training, in order to make full use of the available solutions and products. Implementation services cover: Project Planning and Implementation, Setup and Adaptation Services, Consulting services and Education.

In addition, PROFILE provides reliable professional services for the effective implementation of each of its projects, with a range of services even after implementation for its international clientele such as Customer Support, Technical Support and Consulting Services. PROFILE's Customer Support department is designed to facilitate the prompt processing of requests for optimal and immediate resolution of any issues that arise. Support offers a common point of contact and monitoring for the customer.

PROFILE Group also has a significant international presence through its subsidiaries abroad. More specifically, through the subsidiary Cypriot company Profile Systems & Software (Cyprus) LTD the Group has a presence in the Cypriot market as well as in the Middle East (Dubai) and Africa promoting and supporting the Group's products and solutions in these markets. Also, through Profile Software (UK) LTD,

based in the United Kingdom, the Group has a presence in the UK market as well as in the wider region of Western Europe.
In France, Login S.A., which was incorporated into the PROFILE Group in 2017, has developed and evolved the Acumen^{net} product and taking advantage of the Group's technological infrastructure and commercial channels worldwide promotes and combines the solution of Acumen^{net} with the other product solutions of the PROFILE Group. Since March 2021, with the acquisition of Centevo AB, the Group acquires a presence with two units in the wider region, namely in Sweden and Norway. More detailed information regarding the position of the Company and the Group, important events, discrimination of implementations of new projects and the completion and promotion of new solutions of the Group are presented in sections A, B and C of the Management Report of the Board of Directors of the Company.

PROFILE Group is managed in accordance with the principles and applicable corporate governance legislation, having created internal structures and incorporating into the operation of the Manuals, Codes, Policies and Procedures and Regulations, aimed at enhancing transparency, responsible operation and decision-making in a collective manner, in all areas aimed at the Sustainable Development of Companies and the safeguarding of the interests of Shareholders and all its Stakeholders. The Group Companies comply with and apply the applicable legislation in each country where they operate. Furthermore, the Parent Company complies with and applies, inter alia, the legislation of the Capital Market and the Regulation of the Athens Stock Exchange.

The Policies ensure the compliance of the PROFILE Group with the applicable institutional framework, the incorporation of best practices in its operation and are specified in terms of implementation with the corresponding Standard Procedures. They cover all critical areas of operation and development of companies, in the areas of Governance and Compliance, Risk Management, Operations, Human Resources, Personal Data Protection, Infrastructure Management and Physical Security. At the same time, PROFILE Group has highlighted the Values and Principles of Customer Satisfaction, Ethos and Integrity, Teamwork, Knowledge/Continuous Improvement/Innovation, Entrepreneurship and Documentation and Evaluation, as the building blocks that mark what is important, has priority, is right, accurate and desirable for the Group.

The thematic Sections of the present Report and their content, are, in particular, as follows:

SECTION A΄

Evolution, performance and position of the Company and Group – Financial and non-financial key performance indicators

In the present Section, is included a correct and brief representation of the development, activities and position of all enterprises included in the consolidation. This representation takes place in such a way so as to provide a balanced and comprehensive analysis in relation to the above categories of themes, corresponding to the size and complexity of the activities of these enterprises. Also, at the end of the relevant representation certain indicators are set out (financial or not) which the Company's Management evaluates as useful for a fuller understanding of the above issues.

1. Financial Data

The year 2022 was an unprecedented and highly volatile year for the global economy. The combination of the effects of the coronavirus pandemic, with geopolitical developments focusing on Ukraine and the ensuing energy crisis, contributed to high inflationary formations and an increase in interest rates by Central Banks after at least a decade.

PROFILE Group, despite the extremely volatile and liquid financial environment of the year 2022, has managed to meet the challenges by strengthening its market shares, increasing its turnover to a satisfactory level, strengthening its assets and maintaining its liquidity and capital adequacy. A significant role to this fact played the further considerable increase of the Group's activities in international markets (a direction towards which the Group has been steadily investing over recent years), as well as the Group's ability to complete complex projects even against an unstable, fluctuating and uncertain environment.
At the same time the Group, with the utmost sense of responsibility, continues to watch closely the developments in the global and Greek economy and to take every step necessary to ensure the unobstructed continuation of its business activity, in and particularly out of Greece.

Out of the continuous and systematic effort to increase productivity, both of the human and the financial resources, the Group aims at stabilizing the financial indicators and further improving the positive operating results both at Company and –mainly– Group level.

2. Evolution and performance records of the Group

The course of the Group's economic fundamentals, during the last three years, is as follows:

THE GROUP					
(Amounts in EUR)	**31.12.2022**	**31.12.2021**	**31.12.2020**	**2022-2021**	**2021-2020**
Total Assets	47.172.983	43.437.647	37.247.638	8,60%	16,62%
Total Equity	27.873.031	24.941.942	22.278.367	11,75%	11,96%
Revenue	25.035.221	19.265.835	15.040.891	29,95%	28,09%
Gross Profit	11.719.682	9.610.688	8.102.792	21,94%	18,61%
Profit before tax	3.826.607	2.575.699	1.311.174	48,57%	96,44%
Profit after tax	3.266.348	2.036.804	951.117	60,37%	114,15%
EBITDA	6.202.275	5.152.320	4.274.557	20,38%	20,53%

In June 2022 the sale of the Ticketing and Customs Operations Management Business Unit took place and in order to provide a more complete and accurate (from a comparative point of view) presentation of the basic Consolidated Financial Results, a table based on "continuing" and "discontinued" activities is presented below.
Note 7 to the financial statements provides details of discontinued activities.

	2022			2021		
GROUP	**Total**	**Continuing activities**	**Discontinued activities (*)**	**Total**	**Continuing activities**	**Discontinued activities (*)**
Turnover	25.364.688	25.035.221	329.467	20.117.254	19.265.835	851.419
Profit before tax	5.223.298	3.826.607	1.396.691	2.789.102	2.575.699	213.403
Profit after tax	4.355.767	3.266.348	1.089.419	2.203.258	2.036.804	166.454
EBITDA	7.671.196	6.202.275	1.468.921	5.485.246	5.152.320	332.926

(*) including the gain on the sale of the business segment

Revenue, EBITDA

The Group continued during the closing year 2022 the development, promotion and distribution of mainly own products, with the Gross Profit Margin amounting to 46,81%, a fact which reflects the dynamics of the Group but also rewards the strategic direction of its Management in the development and production of new reliable products with an emphasis on innovation and cutting-edge technology. The turnover amounted to € 25.035 thousand compared to € 19.266 thousand in the corresponding financial year 2021, recording an increase of 30% as a result of successful acquisitions and the company's extroverted policy, and against the general uncertainty that exists in the macroeconomic environment due to continuously rising inflation and interest rates. The Group's EBITDA/Turnover percentage amounted to 25%, while After-tax Profits appear increased to € 3.266 thousand from € 2.037 thousand the previous year.

3. Financial and non-financial key performance indicators of the Group and the Company

Listed below are certain measurable indicators, financial and non-financial, that relate to the key performance, position and financial status of the Group and the Company.

	THE GROUP		THE COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Asset Capitalization: (The ratio measures the proportion of funds allocated to fixed assets)	39,43%	38,78%	51,99%	51,40%
Equity/ Fixed Assets: (The ratio measures the capital structure)	1,50	1,48	1,20	1,19
Days Sales Outstanding-DSO: (The ratio measures the days required to collect receivables from customers)	85	94	61	72
Total Liabilities / Total Equity & Liabilities: (The ratio measures the debt dependency)	40,91%	42,58%	37,41%	38,73%
Equity / Total Equity & Liabilities: (The ratio measures debt dependency)	59,09%	57,42%	62,59%	61,27%
Loans / Equity: (The ratio measures the proportion of equity in the total debt)	23,91%	27,77%	26,55%	30,94%
Current Assets / Short-Term Liabilities: (The ratio measures Group's and company's ability to cover short-term obligations with current assets)	1,89	2,02	1,59	1,87
Return on Assets: (The ratio measures net profit after taxes as a percentage of assets)	6,92%	4,69%	6,71%	2,36%
Return on Equity: (The ratio measures net profit after taxes as a percentage of Equity)	11,72%	8,17%	10,73%	3,85%
Gross Profit Margin: (The ratio measures Gross Profit as a percentage of sales)	46,81%	49,88%	33,59%	47,92%
Net Profit Margin: (The ratio measures net profit after taxes and minority interests as a percentage of sales)	13,04%	10,58%	20,41%	8,51%

4. Alternative indicators for performance measurement

An Alternative Performance Measure indicator (APM's), according to the definition of the European Securities and Markets Authority, is a financial measure of the historical or future financial performance, financial position, or cash flow which, however, is not defined or specified in the current financial reporting framework. Although not included in the IFRS, APM's should be assessed as ancillary and always in combination with the results arising from the IFRS, with the aim to better understand the operating results of the Group and its financial position, in order to facilitate the decision making for the users of the financial statements.
The Group during the closing financial year and its comparative, has not made adjustments to funds of the statements of comprehensive income, statements of financial position or statements of cash flows and has not implemented extraordinary actions or non-recurring revenues or expenses that have a significant effect on the formation of the said indicators.

In the context of the Alternative Performance Measure Indicators (APM's) the Group sets out the indicator "Earnings before Interest, Taxes, Depreciation and Amortization – EBITDA". EBITDA is defined as pre-tax profit plus/minus financial and investment results plus total depreciation and amortization. The investment results include profits or (losses) from the revaluation of fixed assets, goodwill and intangible assets impairment as well as profits or (losses) of subsidiaries held for sale. EBITDA also exempts lump-sum and non-recurring charges that are not included in the company's usual activities, such as compensation provisions due to court actions as well as other extraordinary provisions. These readjustments are made so that the said indicator stays comparable and consistent over time, in compliance with and pursuant to the applicable guidelines in relation to the Alternative Performance Measure Indicators (APM's).

	THE GROUP		THE COMPANY	
Continued activities	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Operating results (Earnings before taxes, funding & investment results) (A)	4.155.753	2.484.938	(743.262)	(140.885)
Total Depreciation (B)	2.046.522	2.667.382	704.710	703.515
EBITDA (A) + (B) = (C)	**6.202.275**	**5.152.320**	**(38.552)**	**562.630**
Revenue (D)	25.035.221	19.265.835	10.738.687	8.319.898
(%) EBITDA Margin (C) / (D)	**25%**	**27%**	**-0,36%**	**7%**

Furthermore, if non-recurring and non-cash charges are not taken into account, the results are as follows:

	THE GROUP		THE COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
EBITDA (C)	**6.202.275**	**5.152.320**	**(38.552)**	**562.630**
Plus: Stock Option Accounting (E)	306.854	228.126	306.854	228.126
Plus: Goodwill Impairment of Subsidiary (F)	250.000	-	250.000	-
Revalued EBITDA (C) + (E) + (F) = (G)	**6.759.129**	**5.380.446**	**518.302**	**790.756**
(less) Total Depreciation (H)	(2.046.522)	(2.667.382)	(704.710)	(703.515)
Plus: Depreciation from valuation of Login's intangible assets (I)	231.927	231.927	-	-
Plus: Depreciation from valuation of Centevo's intangible assets (J)	329.914	271.021	-	-
(plus/ less) Financial Total (K)	(329.146)	90.761	2.904.264	1.049.858

Revaluated Profit Before Taxes (G) + (H) + (I) + (J) + (K) = (L)	**4.695.302**	**3.306.773**	**2.717.856**	**1.137.099**
(less) Income tax (M)	(560.259)	(538.895)	31.165	(201.314)
Revaluated Profit After Taxes (L) + (M) = (N)	**4.135.043**	**2.767.878**	**2.749.021**	**935.785**

SECTION B΄

Significant events arising during the closing financial year 2022

The significant events that took place, during the financial year 01.01.2022-31.12.2022 at Group and Company level, as well as their possible influence on the annual Financial Statements, are, in brief, the following:

Sale of the Ticketing Business Unit and Customs Operations Management for Customs Brokers

On 14 June 2022, PROFILE Group sold and transferred the Ticketing and Customs Operations Management Business Unit to CRS LIKNOSS for a total consideration of EUR 2.250.000. The transferred Business Unit concerns the UTS TicketLink ferry ticket booking system and the customs management software, while the total turnover of this unit in 2021 amounted to EUR 851 thousand. For the period 01/01/2022 to 14/06/2022, the turnover of this Business Unit amounted to EUR 330 thousand, representing approximately 1,3% of the PROFILE Group's turnover for the closing financial year.

2. Significant Implementations

1. Cirdan Capital, in the UK, has chosen Axia to offer its clients - professional investors, Private Banks, Wealth Managers and Family Offices - solutions that leverage advanced technologies to provide easily accessible, even more personalised investment recommendations Axia Suite, an award-winning investment management system, will extend and enhance Cirdan Capital's existing advanced platform across all services available to its capital markets clients, while fully supporting the functionality of its direct indexing solution, which Cirdan Capital will introduce to the market in the second half of the current financial year. PROFILE Group continues to have an active presence and a leading role in the digital transformation of the Greek public sector, with the participation and awarding of major projects that promote the service of citizens and the upgrading of state services.

2. The **Central Bank of Egypt (CBE),** has chosen Acumen.plus, the cash platform for compliance and automation, offering its customers efficient management and optimization of its operations, with a full range of reports for reserve and debt management. By moving to an integrated platform and optimizing workflows, CBE drastically reduces costs and complexity, thus benefiting from a secure scalable technology, optimally meeting the current and future requirements of its Treasury.

3. **UBCI Bank** has chosen Acumen.plus, the internationally implemented Treasury Management System, to effectively manage the entire spectrum of Treasury and optimize its operations, offering a fully digital experience to its customers. Customised processes and automation contribute to increased productivity, reducing implementation time and resources spent.

4. **Forte Fondsforvaltning AS**, based in Norway, has enhanced its Asset Management operations with Profile Centevo Suite's competitive Asset Management solution to automate and optimize

its operations, making a significant contribution to achieving compliance control. The speed and quality of project execution is a milestone, as Profile Centevo's experienced team completed the installation of the solution at the company in record time - compared to the industry average."

5. Finally, the projects of the **teka.gov.gr** portal and the online application myTEKA, on behalf of the new Temporary Capital Insurance Fund, were completed, offering direct digital information to insured persons. Both projects offer modern digital value-added solutions for the modernisation of the country's public sector, promoting the service of citizens.

3. Completing and launching new solutions

1. The new innovative Acumen.plus Loan Portfolio Management solution for businesses was presented. The solution fully supports businesses in the area of loan portfolio management and treasury management, including shipping companies and family offices, offering advanced functionality, as well as risk management, while covering all financial products.

2. Finuevo Suite was presented, the new generation banking platform that combines innovative and flexible Core Banking, Lending, Loan Management and Payments functionalities through modern and smart Digital Banking channels for the end user, representing the evolution in digital banking. With Finuevo Suite, organizations such as traditional banks, Electronic Payment Institutions (EMIs), Microfinance Institutions (MFIs) and Digital Banks of various types (Digital Banks, Challenger Banks, Neo-Banks, Digital Lenders) have at their disposal a front-to-back banking platform that covers a wide range of end-to-end banking operations and customer journeys, always in full compliance with modern regulatory guidelines and regulations

3. Subsequently, Finuevo Core was presented, the new generation banking system that is the evolution of the leading banking system Finueco Core. The platform has been radically redesigned for efficiency and ease of use, leading to increased productivity and better customer service. Finuevo Core adopts a modern banking logic and offers a new personalized user navigation experience through a completely redesigned front-end.

4. The Group also launched the new advanced onboarding feature of Finuevo Digital, the innovative mobile-first platform for Digital Banking in-a-box, in order to improve the user experience and make the process of online transactions safer and easier. Specifically, through an interactive interface that offers instructions, the user easily enters the necessary data during the enrollment process, which eliminates drop-outs and automates the process to completion. The customer receives personalized imaging easily and quickly.

5. RiskAvert, the competitive risk management system for advanced capital requirement calculation, has been upgraded with the addition of new functions to cover the supervisory requirements for NPE Backstopping, as well as for Interest Rate Risk in the Banking Portfolio (IRRBB).

6. PROFILE Group announced a major upgrade of Axia Suite, the award-winning investment management platform for Mutual Fund Management and Investment Services Companies, offering an

integrated and omnichannel customer experience with seamless service. The upgraded version enables improved management of large volumes of data, better execution of daily tasks and automatic generation of multiple reports, saving significant time and resources.

4. Significant International Distinctions

The Group was once again included in important industry reports of global prestige, such as Gartner, Aite, Celent and Forrester, while it was nominated for a number of awards for product specialization and functionality. It is worth noting that the Company has been included in the IBS Sales League Table - Leadership Club, Rank 2 for Investment & Fund Management, Islamic - Wholesale Banking and Treasury & Capital Market.

The major awards for the closed fiscal year 2022 include:

- "Best Investment Management Solutions Provider UK 2022" and "Best Digital Banking Solutions Provider Europe 2022" by World Economic Magazine
- "Best Investment Management Solutions Greece 2022" by International Business Magazine
- "Best Digital Banking Software Company UK 2022" and "Best Treasury Management Software Company UK 2022", by Finance Derivative
- "Digital Banking Software in Europe 2022" by Innovatech Awards
- "Islamic Banking | Wholesale Banking | Treasury & Capital Market and "Wealth Management | Investment & Fund Management" 2022 by IBSi Sales League Table (SLT) 2022
- "Software Solutions Provider – The Next 100 Global Awards 2022" and "Best Treasury Management Software Solution Provider Europe 2022 – Banking & Finance Technology Awards" by Global Banking and Finance Review
- "Business Innovation – 2022" by Chrima Business Awards 2022

At the same time it was included in the Finalists for "Banking Tech of the Year" by Europe FinTech Awards 2022.

More information on the international distinctions of the Group is available on the Company's web page: https://www.profilesw.com/el/news.php

5. Event Organization and Participation

PROFILE Group was present at important events in the financial sector, promoting digital transformation through innovative solutions at an international level.
In particular,

1. participated in the **Banking Summit** as a Bronze Sponsor. With the main pillars of discussion being the recovery projects of the European economy, the attractiveness of the financial sector in Greece, as well as the expected investments, emphasis was placed on digital transformation and the future of the banking sector, while PROFILE Group executives had the opportunity to talk to market experts about the new trends and their influence on the banking sector.
2. PROFILE CENTEVO, a leading developer of Asset/Fund Management solutions in Scandinavia and a subsidiary of the PROFILE Group, was a sponsor of the **Fondmarknadsdagen**, held on 16 February in Stockholm. Profile Centevo executives discussed with the delegates about the

developments in the industry, the range of the Group's new, sophisticated solutions and the international approach the Company offers, supporting the local market needs in Fund Management.

3. On March 29-30, PROFILE Group sponsored the **6th Digital Integration in Wealth Management Conference** in London where it presented Axia Suite, the innovative and internationally recognized Wealth Management platform that contributes to the digital transformation of investment firms to provide a competitive user experience in an automated environment, while being fully compliant with the regulatory framework.

4. The Group was a central supporter of the **7th Delphi Economic Forum** which took place in the city of Delphi between 6-9 April. During the conference, the Group's executives delved with their interlocutors into the market trends for the banking industry, as well as how digital transformation is reshaping the landscape of the Greek Public Sector.

5. The Group participated in the **9th Digital Banking Forum** held on 28 April and discussed the developments in the Digital Banking market and presented the new Finuevo Digital solution, a major innovation in the field of digital banking.

6. PROFILE CENTEVO, a subsidiary of the Group, participated in **Fondsdagen**, held on May 19 in Oslo, Norway, presenting Centevo Suite, an integrated solution that empowers financial institutions, offering full automation and optimization of their daily processes.

7. By participating in the **Nordics Cash and Treasury Management Conference** as a sponsor, PROFILE Group presented the specialized solutions it develops for the needs of the local market in the Treasury sector.

8. It also participated as a Bronze Sponsor at the M**iddle East Banking Innovation Summit (MEBIS)** 2022 held on 25 and 26 May in the United Arab Emirates, presenting its innovative and internationally recognized solutions for the Banking and Investment Management sectors, which are targeted at Fintechs, Banks and Investment Institutions.

9. With its participation in the largest FinTech exhibition, **MONEY 20/20 Europe**, held between 7-9 June in Amsterdam, PROFILE Group presented its innovative banking solutions.

10. PROFILE Group participated in important events of the financial industry, promoting digital transformation through innovative solutions, at national and international level. In particular, it participated in the **12th e-Government Forum** as a Gold Sponsor, which was held on 2-3 November 2022, supporting with its sponsorship the digital reform in the Public Sector. The company presented in the Thematic Section "Principles of Development and Technologies for the Implementation of Integrated e-Government Services" the project of Digital Recording, Storage and Availability of Minutes of Court Sessions and Plaque Promotion Actions to Citizens.

11. In addition, it dynamically supported the **20th Bank Management Conference**, which was held on 23 November 2022, by participating in the presentation of the dimensions and dynamics of the Customer Centric Model and the different ways it is used by market clients. The aim of the Conference was to improve customer service through the use of digital technology.

12. Active participation and support on behalf of the Group in the conference **"Greek Economy and Entrepreneurship"** successfully organized by "Naftemporiki" on 29 November 2022, contributing to the presentation of the challenges and opportunities that are emerging in the Greek economy and changing the balance in entrepreneurship.

13. In addition, PROFILE Group participated in the **Digital Economy Forum** as a Gold Sponsor, which was held on 19 December 2022, supporting with its sponsorship the annual conference of the SEPA on the digital economy. The Company presented in the Thematic Session "Roundtable

Discussion - The Challenges and Opportunities of the Next Day", the investments it makes in Research & Development (R&D) and the challenges it faces in the successful implementation of large-scale projects, while highlighting the best practices addressed to the institutions and organizations of the Public Sector, as well as international organizations.

6. Affiliations - Associations

PROFILE CENTEVO, a member of the PROFILE Group, has announced that it has become a member of the Swedish Fintech Association, aiming to spread innovation and expertise within the organisation and the Swedish market as a whole. Membership marks the beginning towards great synergies to accelerate the pace of innovation in Sweden.

7. Corporate Social Responsibility (CSR) activities

The PROFILE Group, with continuous and selfless social contribution, actively supported the **Workshop of Special Vocational Education (S.V.E.E.E.E.) of Kallithea** in the framework of Corporate Social Responsibility (CSR), by providing equipment for the school's offices (office computers, wardrobes, lockers, etc.). In this way, it contributes significantly to upgrading the infrastructure, facilitating the work of the administrative staff, the teaching of students and full accessibility to their education.

In addition, the Group supported the **charitable organization "MANA",** in order to support and contribute significantly to the proper information regarding the prevention, early diagnosis, rehabilitation and reintegration into society of every woman who has been diagnosed with gynecological cancer.

SECTION C ΄

Anticipated course and evolution of the Group for the financial year 2023

For 2023, the PROFILE Group’s strategy aims to further strengthen extroversion and continue growth in new markets as well as enhanced participation in domestic IT projects, mainly of the wider public and private sector. The Group systematically strengthens its presence and activities in foreign markets, in order to fully cover and serve the needs of the banking and investment sector, in which it has significant expertise, either through existing products - solutions of the Group, or through acquisitions in markets where the Group had no presence till now or can provide software solutions that could be combined with the existing ones. In addition, it substantially strengthens the staffing and structures of the departments of the Group's companies that monitor the tenders for public IT projects, coordinate and implement the proposals for participation in tenders and subsequently implement the realization of the projects undertaken by the Group.

However, it should not be overlooked that in view of the Group's highly export-concentrated orientation, the prospects, results and course of both the Group and the Company are directly related to the situation and conditions prevailing in the global economy and market (e.g. Ukraine crisis, energy crisis, inflation and bank interest rates as well as the development of international relations, etc.).

On the other hand, the Greek economy, which in the last decade has experienced the worst crisis in its post-war history, has managed to recover and enter a medium-term growth trajectory. The upgrade of Greece's debt, the issuance of low-interest bonds, the improvement of bank financing conditions, the recovery of confidence in the banking system and the complete abolition of restrictions on capital movements from 2019, certify the substantial progress made. According to the data to date, and especially in view of the recent crisis in Ukraine, which has created geopolitical, economic and energy distortions, as well as rising inflationary developments with the consequent increase in borrowing rates, are holding back global economic growth for the year 2023. It should be noted, however, that the Group does not operate in Ukraine through a subsidiary, nor has it undertaken any project in that country.

The above compose a special environmental mix which is currently difficult to assess, and which in any case creates a growing insecurity as to drawing definitive conclusions about developments during the financial year 2023.

In any case, the Management monitors the developments and adjusts the Group's strategy accordingly.

The Group's priorities for the current year include further improving its position in the markets of the United Kingdom, France, Cyprus, the United Arab Emirates and Scandinavia as well as infiltrating new markets, mainly through:

(a) further enhancing the Group's activity abroad, as long as it maintains and consolidates its presence with offices, subsidiaries and other representative collaborations in Greece, France, Cyprus, the United Kingdom, the United Arab Emirates, Singapore and Scandinavia;

(b) hiring of new, specialized personnel;

(c) development and presentation of new operations and innovative products in domestic and foreign market;

(d) further rationalization of costs, which is already being implemented through restructuring of the corporate operations and its individual directorates, in order to achieve optimal utilization of the possibilities provided within the IT industry at global level;

(e) targeted approach of new projects and particularly complex information technology projects both in the domestic public and private sector and in similar projects abroad.

The flexibility of the internal structure and organization that has already been created by the Group over the past years, allows it to adapt more quickly and efficiently to the market conditions that are formed each time, in order to effectively use, if presented, substantial growth opportunities and hedge the recessionary external environment which occurs due to the factors mentioned above.

In addition, the investments of previous years aimed at maintaining the competitive advantage and the development of the Group's operations in sectors with high added value, are expected to continue to have a beneficial effect on profit margins, both on Group figures and the current financial year.

The Group and in particular the Management of the Company are expected to maintain a development attitude regarding the presentation of new solutions based on cutting-edge technologies (Axia Suite, Acumen.plus, RiskAvert as well as the new finuevo suite for core and digital banking which is the evolution of the Group's banking platforms). In particular, they remain focused on creating innovative technologies and integrated quality solutions, in order to improve and continuously expand the range of products produced, with an emphasis on their competitiveness, combined with continuous and systematic monitoring of market trends and needs, using modern production and development methods according to international standards.

The Group systematically enhances its presence and its activities in global markets, aiming to provide integrated solutions and address the needs of the international banking and investment sectors, in which it is specialized. Additionally, the Company invests in office activities in countries abroad efficiently.

This includes strengthening the Group's activities both in the Asian region and in the neighboring geographical areas, increasing the number of specialized staff in the Dubai office for greater penetration into the wider region through local service and collaborations, while in general the strategy pursued aims to consolidate the presence of the Company and the Group in these markets of high interest and dynamics and to promote its specialized products in new markets.

It is particularly important that these efforts are recognized by the international media by awarding business excellence awards, in connection with the development of new solutions.

SECTION D΄

Main risks and uncertainties

The Company and the Group operate, as is known, in a highly competitive and particularly demanding international environment, which is changing swiftly and rapidly. During the last years, the Company and the Group, systematically and with a specific development plan, try to strengthen their extroversion with steady and safe steps, not single meaningly, but in the geographical areas that are of strategic interest, with emphasis on cutting-edge technologies and continuous technological upgrade of the products and solutions they provide, while at the same time developing new activities and promoting their entry into new markets, in order to further strengthen their competitiveness. At the same time, they monitor the developments also in the domestic market.

The Company’s specialized know-how, its many years of experience and presence in the field, its organization and the intense activity of all its executives, its wide renown in combination with the study, development and marketing of new products, but also the continuous improvement and upgrading of the existing ones, with emphasis on the quality and the ability of immediate satisfaction of demand but also of the changing needs of the final customers, as well as the creation of strong infrastructures and the infiltration of new markets, help the Company and the Group remain competitive, notwithstanding the inherent problems facing the sector, which problems have intensified especially during the financial crisis.

The Group's positive financial situation and its significant quality and product differentiation, combined with the continuous development and upgrading of its products, as well as the Group's expansion into new geographical markets, are the main supplies it has to minimize the negative consequences from the unprecedented health crisis of the last three (3) years, but also the recent energy crisis as a consequence of the Russian invasion of Ukraine and the resulting geopolitical and financial instability. In any case, the Management monitors on a systematic basis and evaluates the evolution of the above events and their impact on the financial results, given that their evolution cannot be predicted with certainty. Therefore, depending on the intensity and duration of the phenomena, there is a possibility that part of the broad customer base to which the Group is addressed may be driven to a suspension and/or time variation of investment plans and the postponement of modernization programs.

The usual financial and other risks to which the Group is exposed and which it is likely to face during the financial year 2023 are the following:

1. Risk of reduction in demand due to the general recession

Although this specific risk is of a limited extent owing to the special software categories developed and marketed by the Group, nevertheless, to avoid the reduction in demand due to the greater financial situation prevailing in the Greek market but also due to the global recessionary environment, a consequence of the high inflation, the rising flow of interest rates and the geopolitical and energy crisis, the Group develops a large and wide range of products in different categories, addressing the international market in order to counterbalance possible losses in specific market branches. The development and evolution of software products is based on the uninterrupted everyday monitoring and research of the market and new technologies, so that on entering new markets it may balance possible losses.

However, in view of the latest negative developments due to the war between Russia and Ukraine, which has had a particularly adverse impact on the global supply chain, financial stability and economic activity and has led to a spike in the prices of energy, raw materials and consumer goods in general, the said risk is considered real and quite significant. For this reason, special emphasis is placed on strengthening the extroversion of the Company and expanding the International presence of the Group, as the geographical dispersion of the Group's activities acts as hedging to the recessionary environment.

2. Risk of increased competition by imported businesses

This risk is always real and appreciable in the area where the Group operates, especially if we consider the fact that barriers to entry are not so strong in this area, as most of the technical terms used to implement and complete information systems and software product configuration are widespread, which allows foreign companies to penetrate the market with relative ease, taking advantage of comparative advantages, especially in terms of sizes.

The Company, having now consolidated its extroverted orientation, confronts this risk with emphasis on the design and development of quality and modular products, on the systematic and targeted improvement, upgrade and adaptability of the products already marketed by it, on the representation of strong and world-renowned houses, on establishing long-term, trusting relationships with its customer base and on the expansion of its activities abroad. This risk is timeless and in that sense it is dealt with by the Management of the Company and the Group, always placing special emphasis in the field of quality and product differentiation and in general, in providing to customers high level services, while at the same time, by systematic reinforcement of extroversion, it upgrades its role and presence in the international market, a fact which renders it more resilient in confronting this risk. In addition, the constant increase in the global market size partially abates the effects of competition, so that the activity that takes place outside Greece, which constitutes a strategic orientation for the Company in recent years, compensates for the inevitable losses in the Greek market.

3. Risk of technological developments

The technological developments affect to a high degree the competitiveness of companies operating in the field of information technology. Companies that operate in the IT industry must be constantly aware of possible differentiations and developments in existing technology and make the necessary investments to ensure a high level of technology.

Based on the above, and for the greatest possible reduction of the risk of technological developments, the Group:

- ✓ develops products in particularly efficient and internationally recognized platforms;
- ✓ moves to continuous training and education of the staff in technological matters, in cooperation with internationally recognized bodies in the field of high technology;
- ✓ offers innovative applications, corresponding to the complex needs and demands of the market.

For the above reasons, this specific risk is assessed as real, but in any case as absolutely manageable at this particular period of time.

4. Credit risk

The Management of the Company and the Group, on the basis of its internal principles of operation, ensures that the sales of goods and services take place towards customers of high credit reliability and lending capacity. Owing to the expansion of the activities of the Company and the Group abroad, the said risk is real in relation to customers originating from other countries (especially from countries of Africa, Asia and S. America) for whom the efficient check of their creditworthiness and reliability is not always easy. For this reason the Company and the Group constantly develop and evolve internal mechanisms of operation (regarding the process of negotiations, contracts and project management), with the view to more completely addressing the specific danger. Within the said context and the assessment methods available to the Group, it has not faced so far any possible exposures of significant size, for which no adequate provision has been formed. Therefore, the said risk, although real in view of the greater negative economic climate, is assessed today as controllable and manageable. However, if there is a deterioration of the conditions for the development of economic activity in the coming months, especially in the Greek market, this risk may affect the results of the Company. Note 17 of the financial statements provides an analysis of customer receivables.

5. Liquidity risk

The Management attaches particular importance to the management of this risk, to its monitoring by conducting monthly and quarterly forecasts, to the continuous monitoring of cash flows and to the continuous evaluation and reassessment of the strategy related to its effective management.
In the above context and based on the existing data, this risk is completely controllable and manageable. However, the deterioration of the economic conditions of the global market and the reversal of the forecasts for the expected economic growth combined with the prevailing conditions of uncertainty and insecurity, cannot be ruled out to affect, to a controlled extent, the liquidity of the Company and the Group.

Notes 24, 28 and 29 of the financial statements set out a table of the loans and other liabilities of the Group.

6. Exchange risk

The Group operates internationally and is therefore at risk of exchange rates arising mainly from the US Dollar and the British Pound. This type of risk mainly results from commercial transactions in foreign currency as well as from net investment in economic entities abroad. The Management of the Company constantly monitors the foreign exchange risks that may arise and evaluates any need to take relevant measures; however, at the present time the uncertainty in the global financial environment and the fluctuation of exchange rates makes this risk real and capable of affecting the Group's results and performance during the current financial year.

7. Interest rate risk

The Company's interest rate risk is considered to be manageable, despite the increase in bank interest rates given that the Company has controlled exposure to bank borrowings. The Group's policy is to maintain the total amount of borrowing at variable interest rates and to intervene correctively, whenever necessary, and at the same time to avoid, to the extent permitted by business activity in general, exposure to further lending.

The limited exposure of the Group to loan funds is the essential counterbalance and makes any change in interest rates unimportant for the Group's results. It is noted that the Group's cash reserves and cash equivalents exceed all bank loans.

8. Risk from the effects of the spread of COVID-19

The COVID-19 coronavirus, which was first detected in December 2019, has had an extremely adverse impact on both global and domestic economic growth. The impact of government restrictive measures on entire sectors has been severe; production has been negatively affected and aggregate demand in the economy has fallen.

Three years after the outbreak of the pandemic, the intensification of vaccination programmes in a multitude of countries around the world has reinforced hopes for a return to economic and social normality and a return to economic recovery, mainly from the second half of 2022.

At the present time there appears to be a decline in the phenomenon, given that there has been a near-universal lifting of proliferation restrictions and related health protocols and there is global optimism that within 2023 the virus will become endemic.

In view of the above andι given the significant presence of the Group in the global market, this risk is assessed as real, delays in the implementation of existing projects or assignment of new ones; however , there is cautious optimism in both the domestic and international economic environment that the pandemic is in remission and the situation is under control.

In any case, the Management of the Company and the Group closely monitors the developments, evaluates and takes any measures necessary to protect the health and safety of employees and maintain the business activities of the Group at satisfactory levels. In addition, government interventions and aid have been used to ensure its operational continuity and uninterrupted operation and to restrict the impact on the Group's financial situation, financial performance and results.

On the basis of the developments and the measures taken, and also the Group’s implementations in progress, neither the Group nor any individual activity thereof, are faced at the time of drafting of the present Report with the possibility of going concern.

9. Risks from climate change

The term 'Climate change' means global climate change due to human activities and caused mainly by an increase in the concentration of greenhouse gases in the atmosphere.

The Company, recognizing both the risks associated with the phenomenon of climate change and its obligations in relation to the need to continuously improve its environmental performance, follows a

path of sustainable development and carries out its activities in a way that ensures the protection of the environment.
To address the risks of climate change, the Company promotes and implements a policy that focuses on the following axes:
✓ design of an emergency plan for the management and reaction to extreme natural phenomena on the premises of the Group's companies;
✓ assessment of the impact of the Company's activities on the environment, recording and evaluating potential risks, taking the necessary preventive measures, carrying out regular checks to confirm implementation and assessing the effectiveness of the measures;
✓ replacement of energy-intensive equipment with new, lower energy requirements;
✓ continuous monitoring of energy consumption and taking measures to further reduce it;
✓ raising awareness and informing the Company's employees about energy saving issues;
✓ continuous information, training and awareness of staff, in a manner adapted to the tasks and needs of each employee in order to promote an environmentally responsible culture;
✓ motivation of the Company's partners in environmental protection and strengthening their environmental awareness.

10. Risks from the current developments in Ukraine

Given that the Group does not have a presence in Russia and Ukraine through a subsidiary, there does not appear to be an immediate risk in terms of both the Group's productive operation or employee safety. Additionally, there seems to be no direct impact on the Group's turnover since there are no significant implementations in these countries.
However, given the extroversion of the Group, the negative impact of the ongoing military conflict on global economic activity, the continuing increases in raw material prices, interest rates and energy prices, the delays in the supply chain and the strong inflationary pressures, the management closely follows the developments that are changing rapidly in order to ensure the uninterrupted operation of both the Company and the Group.
The continuation of the energy crisis may result in a further increase in the Group's operating costs and may also reduce the demand for the Group's products and services depending on the duration and intensity of the phenomenon. In any case, the Group's management closely monitors developments on a daily basis and evaluates and takes the measures deemed appropriate.

SECTION E΄

Significant transactions with related parties

The Company and the Group purchase products and services and provide services, according to their usual activity, to related companies. The transactions with the related parties pursuant to the meaning of IAS 24 were conducted during the closing financial year on the usual market terms.

In particular, this Section includes:

(a) the transactions between the Company and every related party, which substantially affected the financial position or performance of the Company during the closing financial year 2022 and
(b) any changes in the transactions between the Company and every related party, described in the last annual Report, which could materially affect the Company’s financial position or performance during the financial year 2022.

The Group's transactions with the related parties are listed below:

	Sales		Purchases	
Inter-company transactions	**2022**	**2021**	**2022**	**2021**
GLOBAL SOFT S.A.	124.742	125.912	37.085	108.750
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	1.443.605	2.003.033	-	-
PROFILE SOFTWARE (UK) Ltd	387.514	199.161	-	-
PROFILE DIGITAL SERVICES S.A.	2.273.929	2.002.200	-	-
PROFILE TECHNOLOGIES SINGLE MEMBER S.A.	51.256	16.818	444.784	104.400
LOGIN S.A.	368.545	367.524	-	-
CENTEVO AB	-	49.900	-	-
Total	**4.649.591**	**4.764.548**	**481.869**	**213.150**

The balances of the Company's receivables and liabilities with the related companies at the end of the closing financial year 2022 are analyzed as follows:

	Receivables		Liabilities	
Inter-company balances	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
GLOBAL SOFT S.A.	17.951	18.071	69.065	1.569
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	515.658	601.455	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	171.987	171.685	-	-
PROFILE SOFTWARE (UK) LTD	47.602	92.107	-	5.225
PROFILE DIGITAL SERVICES S.A.	141.020	157.104	-	-
PROFILE TECHNOLOGIES SINGLE MEMBER S.A.	181.829	25.541	50.332	89.456
LOGIN S.A.	37.250	-	-	-
CENTEVO AB	-	49.900	-	-
Total	**1.113.297**	**1.115.863**	**119.397**	**96.250**

The balance of the Parent Company's bond loan to its wholly owned subsidiary "PROFILE TECHNOLOGIES MON.AEBEP" amounted on 31/12/2022 to € 3.400.000 (31/12/2021: € 1.400.000). The amount of € 1.400.000 has been granted pursuant to the decision of the Board of Directors dated 31/08/2021 and the amount of € 2.000.000 has been granted pursuant to the decision of the Board of Directors dated 01/11/2022.
The product of the above Joint Bond Loan will be used by the wholly owned subsidiary exclusively for the uninterrupted and timely implementation of the medium-term business plan it has designed, in accordance with the specific terms and conditions of the relevant notice of the Development Law 4399/2016, to which it has been subjected.

Transactions with related parties, as defined in International Accounting Standard 24, for the year ended 2022 are as follows:

For the year 2022:	**Group**	**Company**
Remuneration of Directors and members of Management	1.604.228	1.434.071

On top of the above it is noted that:
- There are no transactions with other related parties to the Company, in the sense of the International Accounting Standard 24, except for the aforementioned.

- No loans or credit facilities in general have been given to members of the Board of Directors or other Company executives and their families.
- The amounts referred to in the above Table relate to remuneration for the personal services-work they provide to the Company, remuneration for such performances and transactions of the members of the Company's Management and its executives as well as stock options during the said period.
- During the second year of implementation of the Stock Option Plan to selected executives of the Company and its affiliates and in particular from 01.11.2022 up to 30.11.2022, 349.963 rights of the beneficiaries were exercised, with the sale price of the shares delivered to the beneficiaries as a result of the exercise of the rights granted to them amounting to EUR 0.85. The said Plan was adopted pursuant to the resolution of the Board of Directors dated 16.01.2020 following the authorisation granted by the First Repetitive Annual General Meeting of Shareholders of 25 May 2018 and as amended by the resolution of the Board of Directors dated 25.10.2022.
- The said transactions do not contain any extraordinary or individualized features, which would render necessary the further analysis, per related person, thereof.
- Except for the above remunerations, no other transactions subsist between the Company and executives and members of the Board of Directors.
- There is no transaction whatsoever that has been conducted outside and beyond the usual market terms.
- There is no transaction whatsoever, the value of which exceeds 10% of the value of the Company's assets, as represented in its last published statements.
- There is no transaction whatsoever that is deemed significant, according to the stipulations of the Circular number 45/2011 of the Capital Market Commission.

SECTION F΄

Explanatory report of the Board of Directors

The present Explanatory Report of the Board of Directors contains additional detailed information according to paragraphs 7 and 8 of article 4 of l. 3556/2007, constituting a single and integrated part of the present Report of the Board of Directors.

Share Capital – Own shares

1. Structure of the Company's share capital

The Company is listed on the Athens Stock Exchange and its shares are publicly traded in total, on the Athens Stock Exchange market. The Company's shares are intangible, common, and registered after voting, freely negotiable and transferable.

Pursuant to the decision of the Annual Ordinary General Meeting of the Company's shareholders of 12.05.2022, the nominal value of the Company's shares was reduced from forty-seven euro cents (€ 0.47) to twenty-three euro cents (€ 0,23) and the total number of shares was increased from 12.013.916 to 24.027.832 common registered shares (stock split), replacing each one (1) old common registered share with two (2) new common registered shares, with a simultaneous reduction (for rounding purposes) of the share capital of the Company by the amount of one hundred twenty thousand one hundred thirty-nine Euros and sixteen cents (€ 120.139,16) and the creation of a special purpose reserve, in accordance with the provisions of article 31 par. In accordance with Article 31(2) of Law No. 31.2 of the Law, the Special Purpose Vehicle is to be set up for the purpose of establishing a special purpose vehicle for the financing of the Special Purpose Vehicle. 4548/2018, equal to the amount of the reduction of the share capital.

Pursuant to the decision of the Board of Directors of the Company dated 06.12.2022 and in the framework of the annual implementation of the Share Allocation Plan approved by the 1st Repetitive Annual General Meeting of the shareholders of 25 May 2018, the share capital was increased by the amount of eighty thousand four hundred and ninety one Euro and forty nine cents (80.491,49€), through the issue of three hundred and forty-nine thousand nine hundred and ninety-three (349.963) new common shares with a nominal value of twenty-three Euro cents (€ 0,23) each and an issue price of eighty-five Euro cents (€ 0,85) per share, the difference between the issue price of the new shares and the nominal value of the shares, amounting to Euro 216. 977,06, to be paid into a special reserve account "Difference from the issue of premium shares".

Accordingly, the Company's share capital currently amounts to five million six hundred and six thousand eight hundred and ninety two thousand Euro and eighty five cents (€ 5.606.892,85) and is divided into twenty four million three hundred and seventy seven thousand seven hundred and ninety five (24.377.795) ordinary, registered shares, with a nominal value of twenty three cents of Euro (€ 0,23) each.

All the rights and obligations defined by the law and the Articles of Association of the Company are derived from each share. The ownership of the share automatically implies the acceptance of the Company's Articles of Association and the decisions that have been made by the various bodies of the Company, in accordance with the law and the Articles of Association. Each share provides the right to one (1) vote, subject to the provisions of Article 50 of l. 4548/2018 in respect of own shares.

The Company on 05/04/23 (in particular after the meeting of the Athens Stock Exchange on Wednesday 05/04/23) holds 415.416 own shares, at the average purchase price of 3,1243 Euro per share, which constitute approximately 1,70% of its share capital and voting rights related thereto.

2. Restrictions as to the transfer of Company shares

The transfer of Company shares is conducted as defined by law and there are no restrictions in its Articles of Association in respect of their transfer, especially since these are intangible shares listed on the regulated market of the Athens Stock Exchange.

3. Significant direct or indirect participations in the sense of l. 3556/2007

The information referring to the number of shares and the voting rights of the persons who have significant participations, have been drawn from the share register kept by the Company and from the notifications that have been legally (and following MAR) received by the Company on behalf of the shareholders. The significant participations of the Company are the following:

- “GLOBALSOFT DEVELOPMENT AND MARKETING OF SOFTWARE AND COMPUTING SYSTEMS MATERIAL SOCIETE ANONYME”, with registered office in Nea Smyrni, Attica, in which the Company participates with 97,09%;
- “PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD”, with registered office in Cyprus, in which the Company participates with 100%;
- “COMPUTER INTERNATIONAL FRANCHISE LIMITED LIABILITY COMPANY”, with registered office in Nea Smyrni, Attica, in which the Company participates with 50,18%. In relation to the said Limited

Liability Company it is noted that it has been dissolved and is currently under liquidation, that has not been yet concluded;

- "PROFILE SOFTWARE (UK) LTD", with registered office in the United Kingdom, in which the above Cypriot subsidiary participates with 100%;
- "PROFILE DIGITAL RECORDING, STORAGE AND RELEASE OF MINUTES OF COURT MEETINGS SOCIETE ANONYME", with registered office in Nea Smyrni, Attica, in which the Company participates with 100%;
- "LOGIN S.A.", with registered office in France, in which PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD participates with 99,92% and PROFILE SOFTWARE (UK) LTD with 0,08%;
- "PROFILE TECHNOLOGIES COMMERCAIL AND INDUSTRIAL COMPANY SINGLE MEMBER SOCIETE ANONYME", with registered office in Thessaloniki, in which the Company participates with 100%;
- "CENTEVO A.B.", with registered office in Stockholm, Sweden and presence through a branch in Oslo, Norway, in which PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD participates with 100%.

Furthermore, the significant direct or indirect participations in the share capital and the voting rights of the Company pursuant to the provisions of articles 9 to 11 of l. 3556/2007 are the following:

i. Charalambos Stasinopoulos: 7.279.789 shares and voting rights (a percentage of 29,862%).
ii. Latover Holdings Limited (owned by Mr. Char. Stasinopoulos): 3.543.660 shares and voting rights (a percentage of 14,536 %).

4. Shares providing special control rights
There are no shares which provide special control rights.

5. Restrictions to the right of vote
The Company's Articles of Association do not provide for any restrictions to the right of vote derived from its shares, nor does the Company has been notified of such restrictions.

6. Agreements of shareholders of the Company
The Company is not aware of any agreements between shareholders, which entail restrictions to the transfer of shares or to the exercise of the rights of vote.

7. Rules of appointment and replacement of members of the Board of Directors and of amendment of the Articles of Association
In respect of the appointment and replacement of members of the Company's Board of Directors and of issues related to the amendment of its Articles of Association, no rules subsist today that differ from the provisions of L. 4548/2018, as currently in force.

8. Responsibility of the BoD for the issuance of new shares or reacquisition of equity shares (treasure shares)
Already, the annual Ordinary General Meeting of the Company's shareholders of May 12th 2022 decided, *inter alia,* the purchase by the Company, pursuant to the provisions article 49 of l. 4548/2018, within a period of twenty four (24) months from the date the said decision was reached, i.e. until May 12th 2024 at the latest, of one million shares (1.000.000) at maximum (included and aggregated in relation to the above limit of own shares already acquired by the Company in the context of a previous treasury share acquisition plan), which correspond to a percentage smaller than 10% of the existing Company shares, with a purchase price range of two Euro (€ 2,00) per share (minimum limit) and twelve Euro (€ 12,00)

per share (minimum limit), while at the same time, provided the Board of Directors with the authorization for the appropriate implementation of the said procedure.

The Company, during the closing financial year 2022 proceeded to the purchase of 322.409 equity registered shares, at the average purchase price of 3,1900 Euro per share, which correspond to 1,32% of its share capital. In addition, 26.379 treasury shares were credited during the year under review as a result of the corporate split (1n/1p) of the share.
Within the closed fiscal year 2022 the Company did not sell any treasury shares.

Within the current year 2023 and by April 5th the Company has purchased 40.249 equity common registered shares, at the average purchase price of 2,9359 Euro per share, which correspond to 0,16% of its share capital.

9. Important agreements that take effect, are amended or expire in the event of a change in the Company's control, upon a public offer.
No important agreement exists whatsoever, entered into by the Company, which takes effect, is amended or expires in the event of a change in the Company's control, following a public offer.

10. Important agreements with members of the BoD or the Company's staff.
Between the Company and the members of the Board of Directors or its staff, there is only one agreement (and in particular between the Company and its Managing Director and President of the BoD), which provides for special compensation, in the events of redundancy or dismissal without substantial reason or termination of office or engagement owing to any public offer.

SECTION G΄

Information on employment and environmental issues
(1) On 31.12.2022 the Group was found to be employing 197 permanently employed individuals and the Company 107 respectively, against 177 and 98 individuals employed on 31.12.2021. It should be noted that the relations of the Company with its staff are excellent and there are no work problems arising, in general, as one of the basic priorities of the Company is the up-keeping and reinforcing a climate of working peace and the constant improvement of the working conditions, to achieve the maximum utilization of the human recourses, in a productive level. The Company daily takes care to administer all the necessary measures and to adopt practices, in order to fully and completely comply with the applicable provisions of labor and insurance legislation. One of the basic principles governing the operation of the Group is the continuous training of the staff and the strengthening of the corporate consciousness at all levels of the functions and activities of the Group.

(a) diversification and equal opportunities policy
The Management of the Group does not discriminate on recruitments, salaries and promotions on the basis of sex, tribe, religion, skin color, nationality, religious beliefs, age, family status, sexual preferences, participation in trade unions or any other characteristics whatsoever. The only factors taken into consideration are the training, specialization, experience, efficiency and the individual's abilities in general, while it encourages and advises all employees to respect the diversity in every employee, customer and supplier of the Group and to not tolerate any behavior which is likely to create discriminations of any form.

(b) respect of the rights of employees
The Management of the Group upheld, without deviation, the current labor legislation and respects the relevant provisions and stipulations on child labor, human rights and the possibility of participation of the employees in trade unions.

(c) hygiene and safety at work

The protection of health and safety of the employees constitutes a top priority for the Management of the Group, which monitors and systematically checks all risks that are likely to arise from its activity and takes all necessary preventive measures for the prevention of accidents, while all employees attend training seminars on issues of health and safety at work. The Group's Management also ensures the observance of fire safety rules, the response to emergency events and the training of staff in fire protection, firefighting, use of portable fire extinguishers and the preparation of readiness exercises with the aim to prevent and confront exceptional occurrences.

(d) employee training and development

The business success of both the Group and especially the Company is based on its people. The Company provides a working environment characterized by stability, so that all employees are motivated to be productive and focused on achieving 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, the Company's Management distinguishes the skills of employees and places them in positions where they will contribute to the maximum degree and will be able to be distinguished.

(2) The Group recognizes the need for continuous improvement of environmental performance based on the principles of sustainable development and in compliance with legislation and international standards aims at a balanced economic development in harmony with the natural environment. Following a path of sustainable development, it carries out its activities in a way that ensures on the one hand the protection of the environment and on the other hand the hygiene and safety of its employees.

The Group seeks to improve the overall behavior of its employees both in terms of environmental pollution prevention and recycling and environmental management and endeavors to establish the concept of ecological sensitivity across the workers' pyramid.
Within this framework, during the financial year under review, the Management prepared and adopted a Sustainability Policy in order to integrate sustainability issues and environmental, social (social responsibility) and corporate governance rules into the corporate culture and strategy, with a view to creating long-term value and making a positive contribution to society.

A detailed description of the established Policy is provided in Part G of the Corporate Governance Statement, which forms an integral part of this Report.

<u>SECTION H΄</u>

Other information- Significant events after the 31st December 2022 and up to the drafting of the present Annual Report

1. Through continuous monitoring of the market, the Company aims to develop new products and to upgrade and further evolve the existing ones, with the view to more fully meeting the ever-changing needs of the market and adapting to customer requirements. The Research and Development works are carried out by specialized consultants of the Company in the individual Units with vertical and perfect knowledge and experience for each product or solution that is developed as well as in collaboration with the Sales and Marketing Departments for the required market and customer research, where required.

2. None of the companies participating in the consolidation have any shares or units of par. 1e of article 26 of l. 4308/2014, except for the parent Company. The equity shares held by the Company are mentioned in Section F' hereof.

3. In reference to the anticipated development of the Company as well as of the companies included in the consolidation, Section C' of the present Report sets out a relevant analysis.

4. There are no other significant events that took place after the expiry of the closing financial year 2021 and up to the date of approval of the present Report, which have a significant impact on the financial statements and therefore need special mention and reference in the present Report.

SECTION I΄

CORPORATE GOVERNANCE STATEMENT

(The present Statement is drafted according to article 152 of l. 4548/2018 and par.3 of article 18 of l. 4706/2020 and forms a part of the Annual Report of the Company's BoD)

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INTRODUCTION

1. CORPORATE GOVERNANCE

1.1 Meaning

According to the Principles of Corporate Governance of the Organisation for Economic Cooperation and Development (OECD), corporate governance means a system of relations between the Management of the Company, the shareholders, the employees and any other interested party, aiming at the creation, development and sustainability of strong, healthy and competitive businesses.

As a set of principles, corporate governance is in fact a matter of self-regulation, i.e. it is not limited to the application of mandatory provisions and regulations by law, but is based on voluntary acceptance and application of rules understood as specific practices.

Based on these rules, the management is exercised, monitored, organized and controlled, the corporate functions are performed, the relations with the shareholders and external actors (shareholders, suppliers, customers, public administration, etc.) that are interconnected with the Company are shaped, the objectives set are achieved, existing or potential risks are identified and managed.

The promotion of corporate governance principles aims at increasing the credibility of the Greek capital market towards international and domestic investors, enhancing transparency, improving the competitiveness of Greek companies and strengthening their internal operating structures. Moreover, a framework of good and adequate corporate governance can, through the consolidation of trust in the business environment, reconcile, in an effective and beneficial way, the interests of businesses, citizens and society.

1.2 Corporate governance regulatory framework

In our country, the corporate governance framework for public limited companies whose securities are listed on a regulated market consists on the one hand of the adoption of mandatory law rules, and on the other hand of the application of the principles of corporate governance, as well as the adoption of best practices and recommendations through self-regulation.

In particular, this framework includes:

a) Law 4706/2020 (Government Gazette A'136/17.07.2020), with the provisions of which the legislative framework for corporate governance is substantially reformed and updated, taking into account the changes in the legislative and regulatory framework governing the action of listed companies at EU level, during the period since the introduction of Law 3016/2002 (initial legislation on corporate governance) until today, as well as the current trends in the issue of corporate governance. In particular, the new regulations seek to substantially upgrade the required organisational structures and corporate governance procedures of public limited liability companies, so that they meet the increased requirements of the modern capital market, while at the same time not affecting the operational and decisive autonomy of the business entity. The aim of the new legislation is to consolidate good and effective governance practices and thereby enhance the confidence of their shareholders or potential shareholders.

(b) the decisions of the Hellenic Capital Market Commission issued pursuant to the aforementioned law,

(c) certain provisions of l. 4548/2018 and

(d) the principles, best practices and self-regulatory recommendations incorporated in the new Greek Corporate Governance Code, which was drafted by the Hellenic Corporate Governance Council (HGC) in June 2021 and replaced the Code in force since October 2013.

2. HELLENIC CORPORATE GOVERNANCE CODE

2.1 Notification of voluntary compliance of the Company with the new Corporate Governance Code

The Company, in compliance with the provisions of article 17 par. 1 of l. 4706/2020, proceeded by virtue of the relevant decision of its Board of Directors dated 15.07.2021 to the adoption and implementation of the new Greek Corporate Governance Code (available at https://www.esed.org.gr), in which (Code) states that it is subject to the following detailed deviations and exceptions.

2.2 Deviations from the Corporate Governance Code and reasoning thereof.

Special provisions of the Code that are not applied by the Company and explanation of the reasons for non-application The central objective of the current Greek Code of Corporate Governance (hereinafter referred to for the sake of brevity as **"Code"** or **"KED"**) is the creation of an accessible and understandable reference guide, which sets in a single text, high (higher than mandatory) requirements and standards of corporate governance.

In particular, the Code does not address issues that constitute mandatory legislation (laws and regulatory decisions), instead establishes principles beyond the mandatory framework of corporate governance legislation and addresses those issues that are either: (a) not regulated, or (b) regulated, but the current framework allows for choice or derogation, or (c) regulated in their minimum content.

In these cases, the Code either supplements the mandatory provisions or introduces stricter principles, drawing on experience from European and international best practices, always taking into account the characteristics of the Greek business and the Greek stock market.

The Code is applied on the basis of the **"comply or explain" principle**. This principle requires companies applying the Code either to comply with all its provisions or to explain, on justified grounds, the reasons for not complying with its specific practices. The explanation of the reasons for non-compliance should not be limited to a mere indication of the practice with which the company does not comply, but should be justified in a specific, specific, comprehensible, substantive and convincing manner.

The Company first confirms with this Statement that it faithfully and strictly applies the applicable provisions of the Greek legislation regarding corporate governance, as currently in force (Law 4706/2020, l. 4548/2018 and l. 4449/2017).

However, in relation to the specific practices and principles established by the Code, there are at this point in time some deviations (including in the case of non-application), for which deviations are followed by an analysis and explanation of the reasons justifying them.

<u>**In particular, the existing divergences in relation to the specific practices and principles established by the Code are the following:**</u>

- ***Non-executive members of the Management Board shall not meet at least once a year, or exceptionally when deemed appropriate without the presence of executive members, in order to discuss the performance of the latter.***

This deviation is justified by the fact that the Company has a Committee for the Remuneration and Nomination of Nominations (EPAY) which consists of non-executive members of the Board of Directors and independently in their majority, which monitors and periodically evaluates the adequacy, suitability, abilities and skills, experience, individual performance and effectiveness of all members of the Board of Directors, and especially of the executive members, who are responsible for the implementation of the Company's strategy and the achievement of its objectives. Besides, among the members of the Board of Directors there is full transparency and whenever there is a relevant need or there is any weakness or any malfunction, there are thorough discussions, in which the problems presented are analyzed and criticized in statements, actions or decisions of its members, without exception.

➢ ***The President shall not be chosen from among independent non-executive members. Although the President is chosen from among the non-executive members, no independent non-executive member is appointed, either as Vice-President or Senior Independent Director.***

This deviation is justified by the desire of the Company's Management not to further burden the independent non-executive members of the Board of Directors with additional duties and responsibilities, due to the important role they are required to play in the specific Committees in which they participate (Audit Committee and Committee on Remuneration and Nomination). Moreover, the appointment of an independent non-executive director as Vice-Chairman would make it necessary for the independent non-executive director to provide day-to-day and substantive assistance to the Chairman of the Management Board, in particular in the process of organisation and functioning of the Management Board, which could be a disincentive to the need and obligation for the independent non-executive director to devote sufficient and necessary time to the fulfilment of his other duties.

However, it is noted that the Company complies with the provision of Article 8 par. 2 of l. 4706/2020, since the Vice Chairman of the Board of Directors is a non-executive member thereof.

➢ ***The maturity of the options is set (for part of them) less than three (3) years from the date they are granted to the executive members of the Board of Directors.***

The present deviation is due to the preparation and approval by the Board of Directors, in the context of the relevant authorization granted by the 1st Repeated Annual General Meeting of shareholders on May 25, 2018, of the existing share disposal program for specific executives, which provide services to the Company and its affiliated companies on a permanent basis, for the purpose of rewarding, on the one hand, the active participation in the achievement of the corporate purpose (especially during the current period with the particularly increased requirements of the digitisation of the economy and the action of the State) and, on the other hand, the strengthening of the long-term credit (Ioyalty scheme), in the form of an option to acquire shares, in accordance with the provisions of article 113 of Law 4548/2018, at a time prior to the entry into force of the existing Code of Corporate Governance.

It is noted, for the sake of completeness of the explanation of the present deviation, that the main characteristics of the program, which was adopted pursuant to the decision of the Board of Directors of the Company dated 16.01.2020, consist of the following:

• *the duration of the Program is set until the year 2025, in the sense that the rights to be granted to the Beneficiaries may be exercised until November 2025;*

• *the share capital of the Company will be adjusted accordingly and in accordance with the rights exercised by the beneficiaries by decision of the Board of Directors in accordance with the legal provisions and the terms hereof;*

• beneficiaries of the Program are selected (currently 52) executives of the Company and its affiliated companies which have been selected based on their position of responsibility, past service, achievement of goals and overall evaluation;

• the number of rights to be allocated under the Programme may be up to six hundred thousand (600,000), for its total duration (until 2025), however, as a result of the decision of the Annual Ordinary General Meeting of the shareholders of 12.05.2022 on the reduction of the nominal value of the Company's shares from € 0,47 to € 0,23 and the simultaneous increase of the total number of shares from 12.013.916 to 24.027. 832 common, registered shares (stock split), replacing each one (1) old common, registered share with two (2) new common, registered shares and taking into account that during the first year of implementation of the Plan, 201.723 rights matured and were exercised on behalf of the beneficiaries, the other rights that have not matured and/or have not been exercised amount to 796,554, in accordance with the specific provisions of the resolution of the Board of Directors of the Company dated 25.10.2022 regarding the adjustment of clause 3.2 of the Plan,

• the rights conferred give each beneficiary the right to participate in the increase of the Company's share capital for a number of shares of the Company equal to the number of rights granted;

• the rights will mature in stages as follows:

(a) on 17th November of the first year following that in which the rights were granted, it shall mature at the rate of 33% of the rights granted;

(b) on 1st November of the second year following that in which the rights are granted, it shall mature at the rate of 33% of the rights granted;

(c) on 1st November of the third year following that in which the rights were granted, it shall mature at the rate of 34% of the rights granted;

• executives with more than two (2) years of service receive 100% of the rights that are attributable to them, while executives with up to two (2) years of service receive 50% of the rights that are attributable to them until the completion of the first year of service and the remaining 50% after the fulfillment of the condition of two years' service;

• the sale price of the shares to be delivered to the beneficiaries due to the exercise of the rights granted to them, amounts to €0.85, in accordance with the decision of the Board of Directors of the Company dated 25.10.2022 regarding the adjustment of clause 4.3 of the Plan, following the decision of the Annual Ordinary General Meeting of the shareholders dated 12.05.2022 regarding the reduction of the nominal value of the Company's shares from €0.47 to €0.23 and the simultaneous increase of the total number of shares from 12. 013,916 to 24,027,832 common, registered shares (stock split), with the replacement of each one (1) old common, registered share with two (2) new common, registered shares,

• the deadline for the submission of a declaration for the exercise of the right starts on November 1st and ends on November 15th of each year of the Programme starting from the year 2020;

• the deadline for the payment of the exercise price starts on November 16th and ends on November 30th of each year of the Program, starting from the year 2020.

➢ ***The contracts of the executive members of the Board of Directors do not provide that the Board of Directors may require the return of all or part of the bonus that has been awarded, due to a breach of contractual terms or inaccurate financial statements of previous fiscal years or generally based on incorrect financial data, used for the calculation of this bonus.***

This deviation is justified by the fact that the Company's Financial Management takes all necessary measures in order for any rights to receive extraordinary remuneration (bonus) to mature and be paid only after the audit and final approval of the annual financial statements and to avoid the phenomenon of bonus payments based on incorrect or inaccurate financial statements.

However, and for the purpose of complying with the aforementioned requirement of the CCP, the Company's Management is considering the introduction into the existing contracts of the executive members of the Board of Directors of a relevant additional provision regarding the right of the Board of Directors to demand the return of all or part of any bonus awarded due to breach of contractual terms or inaccurate financial statements or incorrect financial information.

➢ ***The Board of Directors is not supported by a corporate secretary.***

This deviation is justified by the existence of an adequate technological infrastructure for the accurate recording and recording of the meetings of the Board of Directors. Furthermore, all members of the Board of Directors have the opportunity to have recourse, if necessary, to the services of the Company's legal advisers, in order to ensure its smooth and efficient operation, the proper and effective compliance of an instrument with internal procedures and policies, as well as the applicable legislative and regulatory framework in general.

The Company, for the purpose of removing this deviation, intends to examine in the near future the need to establish the position of corporate secretary in order to further enhance the effective functioning of the Board of Directors and to provide all necessary assistance to its members.

➢ ***The Board of Directors shall not annually evaluate its effectiveness, the fulfilment of its duties and the performance of its Committees.***

This deviation is justified by the fact that the effectiveness, performance and proper fulfillment of the duties of the Board of Directors, collectively and individually, is assessed on an annual basis by the Ordinary General Meeting of Shareholders, which is the supreme body of the Company. The approval of the overall management and general governance of the Company, which is mandatory among the items on the agenda of the Ordinary General Meeting of Shareholders, constitutes a renewal of the trust of this body towards the members of the Board of Directors and constitutes a practical assurance of its proper and effective operation, the proper promotion of the corporate objectives and activities and the implementation of the Company's strategic plan in accordance with the set schedules.

It is noted, however, that at the end of the financial year under review, the Company, with a view to eliminating this discrepancy, proceeded with the preparation and adoption of a Policy and Procedure for *the Evaluation of the Members of the Board of Directors and henceforth, in accordance with the specific provisions of the aforementioned Policy, a substantial evaluation of the performance, competence, suitability and effectiveness of its members will be carried out on an annual basis, in order to ensure the existence over time of a diverse and well-constituted group of persons, working together in a harmonious, constructive and coordinated manner with a shared commitment to protecting and enhancing corporate value .*

➢ ***The Board of Directors does not provide under the guidance of the Nominations Committee for the annual evaluation of the CEO's performance.***

This deviation is justified by the existence of a Committee for the Remuneration and Nomination of Nominations, which is a more specific Committee of the Board of Directors, the main tasks and responsibilities of which include the evaluation, among others, of the performance of the existing Board of Directors and the compliance of its members with the specific criteria of individual and collective suitability of the Suitability Policy established and implemented by the Company. Taking into account that the CEO of the Company traditionally and consistently comes from the members of the Board of Directors, it is obvious that the proper fulfillment of the powers, duties and responsibilities assigned to him, the implementation of the corporate strategy and the execution of the decisions of the Board of Directors and therefore the evaluation of its performance and effectiveness is fully and thoroughly audited, in order to ensure the Company's business continuity and the Group's viability. The performance of each of the members of the Board of Directors, let alone the Chief Executive Officer, in no way escapes the attention of the Remuneration and Nomination Committee, which ensures methodically, systematically and continuously that the Board of Directors is staffed with the most fit and proper members.

➢ ***The results of the evaluation of the Board of Directors are not disclosed and discussed in the Board of Directors and therefore the Board of Directors does not take measures to address any identified weaknesses, following the evaluation.***

This deviation is inextricably linked to the absence, as mentioned above, of an evaluation procedure of the Board of Directors, however, in any case the Committee on Compensation and Nomination of Nominations during the examination and fulfillment process by the members of the Board of Directors of the criteria and conditions provided for in the Suitability Policy, adopted by the Company, shall immediately notify the Board of any weaknesses or deficiencies, in order for the latter to take the appropriate measures (e.g. providing additional training to its members), or even to revoke/replace them. Among the members of the Board of Directors, there are no compartmentalised and no executive or non-executive members are excluded from criticism whenever there is a need, the improper fulfillment of their duties or the non-fulfillment of the commitments and obligations arising from their capacity.

➢ ***The Board of Directors does not describe in the Annual Report how the interests of major stakeholders have been taken into account in its discussions and decision-making.***

The present deviation is due to the first period of application of the new CSR, while the Company's Management is considering the assignment of the mandate for the preparation of a relevant Corporate

Responsibility/Corporate Social Responsibility Report to an Audit Company of known standing, and therefore a detailed identification of the parties of importance to the Company, a description of these interests and a reference to the Annual Report of the way in which their interests were taken into account during the decision-making process on behalf of the Board of Directors.

➢ ***The publications on the Company's management and performance in terms of sustainable development (ESG) are not available to shareholders and stakeholders.***

Also this deviation is due to the first period of application of the new CSR and to the consideration by the Company's Management of the possibility of entrustment, as mentioned in the immediately preceding deviation, to an Audit Company of recognized prestige of the mandate for the preparation of a relevant Corporate Responsibility/Corporate Social Responsibility Report, in which the Company's performance in environmental, social and corporate governance (Environment, Social, Governance) will be recorded accurately, objectively and impartially and will reflect its ability to create value and formulate effective strategies over the long term, while through the publication of this Report on the Company's website the relevant information will be made readily available to interested parties, shareholders and investors in general.

The above, limited in any case, deviations from the special practices established by the new CPC cannot be considered to **be subject to any strict time limit**, taking into account in addition the fact that the Code entered into force only on 17.07.2021, i.e. on the date of entry into force of Articles 1 to 24 of Law 4706/2020 and therefore this is essentially the first period of its application.

The Company examines with due care and diligence the aforementioned existing deviations from the special practices established by the CEA and investigates compliance with them to the extent and to the extent that compliance does not conflict with the principles, philosophy, organization and values of the Company as well as the need to ensure the effective operation and promotion of its long-term success.

2.3 Corporate governance practices applied by the Company in addition to the provisions of the law

The Company faithfully administers the text provisions of the above legislative framework regarding corporate governance, while currently there are no applied practices in addition to the provisions of the law, as the main objective and priority of the Company's Management at the present time is the full and substantial assimilation and implementation of the provisions introduced by the new regulatory framework (Law no. 4706/2020 and relevant decisions of the Securities and Exchange Commission).

PART A΄ - BOARD OF DIRECTORS

I. Role and responsibilities of the Board of Directors

1.1 The Company is managed by the Board of Directors, which is responsible for deciding on any action related to the management of the Company, the management of its property, its judicial and extrajudicial representation and the general pursuit of its purpose.

1.2 The Company's Board of Directors is responsible for:

- the approval of the Company's overall strategy, budget and business plan;
- the effective supervision and consistent monitoring of the implementation of its decisions in the context of the implementation of the budget and the Company's business plan;
- the pursuit of strengthening the long-term economic value of the Company;
- promoting the interests of the company and the interests of shareholders and other stakeholders;
- the guarantee of the Company's compliance with the legislation in force;
- defining and supervising the implementation of the corporate governance system in accordance with the applicable legal provisions, as well as the gradual adoption and implementation of best practices in corporate governance;
- periodic (at least every three financial years) monitoring and evaluation of the implementation and effectiveness of the corporate governance system, as well as taking actions to address any shortcomings;
- periodic monitoring and evaluation of the implementation of the budget and taking action to address any deviations and/or failures;
- the preparation of the annual report of the Company, detailing all deviations from the budget;
- ensuring the adequate and effective operation of the Company's Internal Audit System (I.A.S.), in particular with regard to:
  - ✓ the consistent implementation of the business strategy with the correct and appropriate use of available resources,
  - ✓ the identification and management of material risks related to the operation of the Company,
  - ✓ the proper organization and operation of the Internal Audit Unit (IU) in accordance with the applicable provisions,
  - ✓ the completeness and reliability of the data and information for the accurate and timely determination of the Company's financial and non-financial position,
- ensuring the independence of the functions constituting the Internal Audit System (IAC) from the business areas under its control, as well as the adequate staffing and funding of the Internal Audit Unit,
- the consolidation of transparency, corporate values and culture across the operations and activities of the Company and broader of the Group;
- identifying, monitoring, addressing and resolving any cases of conflict of interest between the members of the Board of Directors or persons to whom it has delegated duties and responsibilities, directors and shareholders and the interests of the Company, as well as

establishing a procedure for the timely, appropriate and full disclosure of potential conflicts of interest,

- the designation and/or delimitation of the responsibilities of the Chief Executive Officer and the Deputy Chief Executive Officer, where such a position exists,
- ensuring the succession plan appropriate for the Company in order to ensure the smooth continuity of the management of the Company's affairs,
- ensuring the identification of stakeholders important to the Company, as well as understanding how their interests interact with the Company's strategy through appropriate communication channels in order to achieve an open and constructive dialogue,
- managing issues relating to the environment, social responsibility and governance (Environmental, Social,Governance).

1.3 The Board of Directors may assign the exercise of all or part of its powers and responsibilities (except for those that require collective action) as well as the internal control of the Company and its representation, to one or more persons, non-members or, if the law does not forbid, to members of the Board of Directors, determining at the same time the extent of this assignment. In any case, the responsibilities of the Board of Directors are without prejudice to articles 19 and 99 100 of l. 4548/2018, as in force.

1.4 Obligations of the members of the Board of Directors

1.4.1 General

The members of the Board of Directors must, in the exercise of their duties and responsibilities, comply with the law, the Articles of Association and the legal decisions of the General Meeting. They must do their utmost to carry out their duties, manage corporate affairs in order to promote the corporate interest, supervise the execution of the decisions of the Board of Directors and the General Meeting and inform the other members of it about corporate affairs. This care is judged on the basis of the capacity of each member and the duties assigned to him / her by law, the Articles of Association or by decision of the competent corporate bodies.

1.4.2 Obligation of loyalty - Conflicts of interest

The members of the Board of Directors have an obligation of loyalty to the Company. In particular they have the obligation:

(a) Not to pursue same interests that are contrary to the interests of the company.

(b) To disclose promptly and adequately to the other members of the Board of Directors their own interests, which may arise from transactions of the Company, which fall within their duties, as well as any conflict of their interests with those of the Company or its affiliates within the meaning of article 32 of Law 4308/2014, which arises in the exercise of their duties. They shall also reveal any conflict of the company's interests with the interests of the persons referred to in paragraph 2 of the article 99 of the

Law 4548/2018, as long as they relate to these persons. An adequate reveal shall be considered the one which includes a description of both the transaction and the interests.

(c) To maintain strict confidentiality regarding the Company's corporate affairs and the Company's secrets, which were made known to them due to their capacity as directors.

(d) A member of the Board of Directors shall not have the rights to vote on matters in which there is a conflict of interest with his own company or with persons with whom he is related in a relationship subject to paragraph 2 of the article 99 of the l. 4548/2018. In such cases the decisions shall be taken by the other members of the Board of Directors, and if the voting power is not so many members so that the others do not form a quorum, the other members of the Board of Directors, irrespective of their number, shall convene a General Meeting for the sole purpose of making this decision.

1.4.3 Non-competition

It shall be forbidden for the members of the Board of Directors who are in any way involved in the management of the company, as well as for its managers, without the permission of the General Meeting, for them or for third parties, to take acts that fall under the purposes of the company, as well as participate as general partners or as sole shareholders or partners in companies pursuing such purposes.

In the event of a culpable violation of the prohibition of the previous paragraph, the company shall have the right to claim damages. However, instead of compensation, it can require the acts taken on behalf of the director himself or the manager to be considered as having been carried out on behalf of the company and for the acts made on behalf of a third party, to be given to the company the remuneration for the intermediation or the relevant requirement be assigned to it.

These claims shall lapse one (1) year after the above acts were announced at a meeting of the Board of Directors or notified to the Company. The limitation period shall, however, be five (5) years after the prohibited act has taken effect.

II. Size and composition of the Board of Directors

2.1 Composition of the Board of Directors

2.1.1 Pursuant to article19 par. 1 of the Company's current Articles of Association, the Board of Directors consists of five (5) to eleven (11) members, who are elected by the General Meeting of Shareholders by an absolute majority of the votes represented at the Meeting.

2.1.2 The members of the Board of Directors may be shareholders of the Company or not. A member of the board may also be a legal person. In this case, the legal person shall be required to appoint a natural person for the exercise of the legal person's powers as a member of the Board of Directors. The natural person shall be jointly liable with the legal person for the company's administration.

2.1.3 The members of the Board of Directors are always re-electable and freely revocable by the General Meeting, regardless of the time of expiry of their term of office.

2.1.4 The General Meeting may also elect alternate members, equal to the number of ordinary members. Alternates may only be used to replace members of the Board of Directors who have resigned, died or lost their status in any other way.

2.2 Term of the Board of Directors

The term of office of the members of the Board of Directors is five years, extended until the expiry of the deadline within which the next Ordinary General Meeting must meet and until the relevant decision is taken, but in no case may it exceed six years.

2.3 Participation in the meetings of the Board of Directors

2.3.1 Each director must consistently participate in the meetings of the Board of Directors and devote the time necessary for the effective and effective performance of his duties.

2.3.2 In the event of the unjustified absence of an independent member from at least two (2) consecutive meetings of the Board of Directors, this member is considered to have resigned. Such resignation shall be established by a decision of the Board of Directors, which shall replace the member in accordance with the procedure set out in paragraph 1. 4 of Article 9 of Law 4706/2020

2.4 Replacement of Directors

2.4.1 Without prejudice to the provisions of Law 4706/2020 on corporate governance, in the event of resignation, death or in any other way loss of membership or members of the Board of Directors, the latter may elect members to replace the deceased members. This election is permitted if the replacement is not possible by alternates, who may have been elected by the General Meeting. The election of the Board of Directors is done by decision of the remaining members, if it is at least three (3), and is valid for the remainder of the term of the Member replaced. The decision of the election is disclosed in pursuance of Article 13 of Law 4548/2018 and is announced by the Board of Directors at the next General Meeting, which can replace the elected, even if there is no relevant item on the agenda.

2.4.2 It is expressly stated that, in case of resignation, death or in any other way the loss of the membership of the Board of Directors, the remaining members may continue the management and representation of the company without replacing the missing members in accordance with the previous provided that their number exceeds half of the members, as they had before the occurrence of the above events. In any case these members may not be less than three (3).

2.4.3 The remaining members of the Board of Directors, irrespective of their number, may convene a General Meeting for the sole purpose of electing a new Board of Directors.

2.5 Distinction between executive and non-executive members of the Board of Directors

2.5.1 The executive members of the Board of Directors are responsible for the management issues related to the day-to-day operation of the Company as well as for the implementation of the strategy determined by the Board of Directors. The executive members shall regularly consult the non-executive members of the Governing Council on the appropriateness of the strategy implemented.

In the event of crises or risks, as well as when circumstances require that measures be taken which are reasonably expected to have a material effect on the Company, such as when decisions are to be taken regarding the development of the business and the risks assumed, which are expected to affect the financial situation of the Company, the executive members shall inform the Board of Directors in writing without delay, either jointly or separately, by submitting a relevant report with their assessments and proposals.

2.5.2 Non-executive members of the Board of Directors, including independent non-executive members, are responsible for promoting the corporate objectives and issues and safeguarding the interests of the Company and have, in particular, the following obligations:

(a) monitor and examine the Company's strategy and its implementation, as well as the achievement of its objectives;

(b) ensure the effective supervision of executive members, including the monitoring and control of their performance;

(c) examine and express views on proposals made by executive members, on the basis of existing information;

(d) contribute, through constructive criticism, to the development of strategic proposals for all Company affairs.

2.5.3 The Board of Directors of the Company, with regard to its independent non-executive members, takes all necessary measures to ensure compliance with the criteria and conditions of independence set by the applicable regulatory framework. With the assistance and support of the Remuneration and Nomination Committee, the Board of Directors shall review the independent non-executive directors' compliance with the independence criteria on at least an annual basis per financial year and in any case before the publication of the Annual Report, which shall include a statement to that effect.

Within this framework, each independent non-executive director shall complete and submit annually to the Board of Directors a declaration of commitment regarding his or her fulfilment of the independence criteria.

Following the above, the Board of Directors of the Company, after thoroughly examining whether the independent non-executive members of the Company meet the criteria set forth in the provisions of article 9, paragraph 1, of the Articles of Association of the Company. 1 and 2, establishes, declares and confirms that both during the fiscal year 2022 (01.01.2022-31.12.2022) and on the date of preparation and approval of this Statement, **its independent non-executive members, in particular Mr. Emmanuel Tsiritakis and Mr. Antonios Roussos, continue to meet in their entirety the independence requirements set by the applicable regulatory framework.**

2.6 Succession of members of the Board of Directors and CEO

2.6.1 The Board of Directors of the Company at its meeting of 5 December 2022 approved the Succession Policy and Procedure for Members of the Board of Directors and CEO, which was prepared with the cooperation of the Remuneration and Nomination Committee and aims to ensure the smooth and uninterrupted operation of the Board of Directors on the one hand, and the smooth continuity of the entity and the effective implementation of its business plan and strategy on the other hand.

2.6.2 The above Policy applies:

(a) to all members of the Board of Directors of the Company (executive, non-executive, independent non-executive),

(b) to the Chief Entrepreneur, if such status does not coincide with the Chairman of the Board of Directors,

(c) the Chief Executive Officer of the Company, and any Deputies of the Chief Executive Officer (one and/or more); and

(d) the members of the special committees of the Board of Directors.

2.6.3 The Succession Policy for the members of the Board of Directors and the CEO includes the following stages:

- recognition of the need to fill the vacancy,
- identification and approval of the profile of the position to be filled,
- examination of the possibility of filling the vacancy internally from the list of candidates maintained and updated by the Remuneration and Nomination Committee,
- activation of the possibility of selecting an external candidate if there is no suitable internal candidate, either by recommendation or by contracting an external consultant,
- evaluation of the main characteristics and qualifications of the candidates to fill the post in accordance with the procedure and criteria described in particular in the Succession Policy,
- completion of the evaluation process and communication of the results to the interested parties.

2.6.4 The Company's Remuneration and Nomination Committee evaluates the adequacy, appropriateness and effectiveness of the Policy, monitors its application and implementation, while recording any weaknesses and shortcomings identified and makes the necessary and appropriate proposals for improvement.

2.6.5 The Policy shall be reviewed on an annual basis and its design and implementation shall be modified and reviewed whenever appropriate or necessary, upon the recommendation of the Remuneration and Nomination Committee.

2.7 Evaluation of the Board of Directors

2.7.1 The Board of Directors of the Company at its meeting of 05.12.2022, the Board of Directors approved the Policy and Procedure for the Evaluation of the Members of the Board of Directors, which was prepared with the assistance of the Remuneration and Nomination Committee and aims to ensure the quality and adequate staffing of this corporate body, through the continuous participation in it of the most fit and proper persons, with a view to optimally serving the corporate objectives and activities, defending the corporate interest and strengthening the development of the Company and the Group in general.

2.7.2 The above procedure shall apply:

(a) to all members of the Board of Directors of the Company (executive, non-executive, independent non-executive),

(b) to the Chief Entrepreneur, provided that this status does not coincide with that of the Chairman of the Board of Directors, the Chief Executive Officer of the Company and his Deputies (one and/or more); and

(c) to the members of the special Committees of the Board of Directors.

2.7.3 The members of the Board of Directors are assessed:

(a) on a collective basis, which takes into account the overall functioning and effectiveness of the corporate body; and

(b) on an individual basis to assess the contribution and contribution of each member to the successful functioning of the Board of Directors.

2.7.4 The criteria on the basis of which the suitability of the members of the Board of Directors is assessed are defined in Law no. 4706/2020, the decisions of the Hellenic Capital Market Commission issued on its authority, as well as the current Suitability Policy of the Company.

2.7.5 The assessment of collective suitability includes the size and composition of the Board of Directors, the existence of diversity among its members, adequate gender representation and the non-application of outdated criteria (e.g. gender, colour, ethnic or social origin, religion, age, sexual orientation, etc.) in the composition process.

In any case, the assessment of the collective suitability of the Board of Directors aims to ensure the existence of a body which is composed of the most fit and proper persons, operates in accordance with the Articles of Association, the Greek Corporate Governance Code, the Internal Operating Regulations, the specific Policies and Procedures of the Company, as well as the applicable legislative and regulatory framework in general and is able to:

(a) make appropriate decisions taking into account the business strategy, the development business model, the range of risks assumed, as well as the specific conditions prevailing in each market (domestic, European and international) in which the Company's activities are developed; and

(b) monitor in a meaningful way the implementation of the decisions of senior management and to provide constructive criticism in the context of the successful promotion of corporate interests.

2.7.6 The assessment of the individual suitability of each member of the Management Board shall relate to his or her performance on an individual basis and to the assessment of his or her contribution to the effective functioning and overall performance of that collective body.

When assessing the individual's suitability, the membership (executive, non-executive, independent), any participation in special Committees, the assumption of special responsibilities, the use of theoretical knowledge and professional experience for the benefit of the company's interests and activities are taken into account, the time he devotes to the performance of his duties, his overall conduct, the absence of any form of compromise, and the absence of objective and demonstrable grounds for believing that he lacks honesty, integrity and good repute.

2.7.8 The competent body for the initiation, monitoring, overall coordination of the process, as well as for the specific way of conducting it (internally or with the assistance of an external consultant), on a collective and individual level, is the Company's Remuneration and Nomination Committee.

2.7.9 The evaluation of the Board of Directors at individual and collective level is carried out on the basis of questionnaires and responsible statements completed by each member of the Board of Directors or its specialised Committees separately, while in the context of the individual evaluation, private meetings of the Remuneration and Nomination Committee may take place with the members of the Board of Directors, if deemed appropriate or necessary. Members of the Management Board must answer truthfully all the questions contained in the questionnaires concerning them.

2.7.10 Upon completion of the process, the Remuneration and Nomination Committee formulates the conclusions of the evaluation in a summary report, which is submitted to the Board of Directors of the Company. The report may include recommendations and suggestions for improvement, actions to remove or correct any identified weaknesses and deficiencies of the Board members and an action plan for their implementation.

If low performance is identified in the assessment of the individual suitability of a member of the Board of Directors, the Remuneration and Nomination Committee considers the possibility of an individual meeting with the member in question in order to inform him/her in person, discuss the individual weaknesses or shortcomings identified and determine further actions or procedures, the adoption of which is deemed appropriate, necessary and appropriate (e.g. provision of additional information, education and training of the member, removal of specific information, removal of specific information and training of the member, etc.).

III. Operation of the Board of Directors

3.1 Formation of the Board of Directors as a body

The Board of Directors shall meet immediately after its election by the General Meeting and shall form a body, electing its Chairman and Vice-President. The Board of Directors may elect one or two Managing Directors from among its members only, at the same time determining their responsibilities. The Chairman of the Board of Directors shall direct the meetings. The Chairman, when he is absent or indisposed, is replaced throughout the scope of his responsibilities by the Vice Chairman and the Managing Director, when he is indisposed, following a decision of the Board of Directors. In the absence of a Chairman or an alternate, the shareholder with the largest number of voting shares may act as Chairman on a temporary basis.

3.2 Meetings of the Board of Directors

3.2.1 The Board of Directors meets whenever the law, the Articles of Association or the needs of the Company require it, at the Company's registered office or in the region of another Municipality within the prefecture of its office. The Board of Directors meets validly outside its seat in another place, either domestically or abroad, as long as all its members are present or represented at this meeting and no one opposes the holding of the meeting and the decision-making.

3.2.2 The Board of Directors may meet by teleconference, regarding to some or all its members. In this case, the invitation to the members of the Board of Directors includes the necessary information for their participation in the teleconference.

3.2.3 During the closing financial year 2022 (01.01.2022-31.12.2022) twenty-nine (29) meetings of the Board of Directors took place, in the twenty-seven (28) of which all its members participated (universal meetings).

The participation of the members of the Board of Directors in its meetings is presented in detail in the table below.

Name	Capacity	Participation in Board meetings	Participation rate
Charalambos Stasinopoulos	Chairman of the Board, Executive Member	29/29	100%
Spyridon Barbatos	Vice-Chairman of the Board, Non-Executive Member	29/29	100%
Evangelos Angelides	CEO, Executive Member	29/29	100%
Ekaterini Tsoura [1]	Non-Executive Board Member	14/15	93,33%
Pascale Valerie Hertzog[2]	Non-Executive Board Member	14/14	100%
Aristides Iliopoulos	Non-Executive Board Member	29/29	100%
Antonios Roussos	Independent Non-Executive Board Member	29/29	100%
Emmanuel Tsiritakis	Independent Non-Executive Board Member	29/29	100%

[1] End of term of office: 21.10.2022

[2] Entry into office: 21.10.2022

3.3 Convening a Board of Directors

3.3.1 The Board of Directors is convened by its President or its alternate by an invitation notified to its members, in which must also clearly state the items on the agenda, otherwise decision making is allowed only if all members of the Board of Directors are present or represented and no one opposes the decision-making.

3.3.2 The Board of Directors may also be convened by its President or by at least two (2) of its members, in accordance with the provisions of Article 91 par. 3 of l. 4548/2018.

3.4 Quorum - Decision-making of the Board of Directors

3.4.1 The Board of Directors is in quorum and meets validly when one-half (1/2) plus one of the directors is present or represented, but the number of present or represented directors may never be less than three (3). To find the quorum number, any resulting fraction is omitted.

3.4.2 The decisions of the Board of Directors are validly made by an absolute majority of the directors present and those represented. In the event of a tie, the vote of the President of the Board of Directors shall not prevail. Each Director shall have one (1) vote. Each director may validly represent only one director. Representation may not be delegated to persons who are not members of the Board of Directors. The vote in the Board of Directors is obvious, unless a decision is made that a secret ballot will be held on a specific issue, in which case the vote shall be taken on a ballot paper.

3.5 Minutes of the Board of Directors

3.5.1 Minutes are kept for the discussions and decisions of the Board of Directors. Copies and excerpts of the minutes of the Board of Directors are validated by the President or his replacement, in case of his impediment or by a General Manager of the Company.

3.5.2 The preparation and signing of minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors, even if no previous meeting has taken place. This arrangement also applies where all the directors or their representatives agree to record their majority decision in minutes without meeting. The relevant minutes are signed by all the directors.

3.5.3 The signatures of the consultants or their representatives in the minutes can be replaced by exchanging messages via e-mail or other electronic means.

IV. Information on the Company’s existing Board of Directors and Committees

4.1 In the context of the full, effective and effective compliance and alignment of the Company with the requirements and regulations of the new law 4706/2020 (Government Gazette A '136/17.07.2020) on corporate governance, the Annual General Meeting of June 24, 2021 elected a new seven-member (7-member) Board of Directors with a term of office of five years, namely until 24.06.2026, extending until the expiry of the deadline within which the next Annual General Meeting must meet and until a relevant decision is taken, consisting of the following members:

1) Charalambos Stasinopoulos, son of Panagiotis

2) Spyridon Barbatos, son of Antonios-Ioannis

3) Evangelos Angelidis, son of Ioannis

4) Ekaterini Tsoura, daughter of Dionysios

5) Aristides Iliopoulos, son of Spyridon

6) Antonios Roussos, son of Antonios, and

7) Emmanouil Tsiritakis, son of Dimitrios.

4.2 Simultaneously with the same decision, the above Annual General Meeting of shareholders appointed as independent members of the Board of Directors of the Company: 1) Antonios Roussos, son of Antonios and 2) Emmanouil Tsiritakis, son of Dimitrios, who all meet the conditions and criteria of independence laid down by the applicable legislative and regulatory framework in general (Article 9 par. 1 and 2 of Law 4706/2020), namely:

(a) do not hold directly or indirectly a percentage of voting rights greater than 0.5% of the Company's share capital; and

(b) are free from any relationship of dependence with the Company or its affiliates and have no financial, business, family or other relationship, which may affect their decisions and their independent, objective and impartial judgment.

4.3 The Board of Directors elected as above at its meeting of June 25, 2021 and was constituted as follows:

1) Charalambos Stasinopoulos, son of Panagiotis, Chairman of the Board of Directors (executive member).

2) Spyridon Barbatos, son of Antonios-Ioannis, Vice President of the Board of Directors (non-executive member).

3) Evangelos Angelidis, son of Ioannis, CEO (executive member).

4) Ekaterini Tsoura, daughter of Dionysiou, Member of the Board of Directors (non-executive member).

5) Aristides Iliopoulos, son of Spyridon, Member of the Board of Directors (non-executive member).

6) Antonios Roussos, son of Antonios, Member of the Board of Directors (independent non-executive member).

7) Emmanouil Tsiritakis, son of Dimitrios, Member of the Board of Directors (independent non-executive member).

The composition of the new Board of Directors of the Company fully covers the proper and effective exercise of its duties and responsibilities, reflects the size, organization and way of operation of the Company that requires speed and flexibility, due to its intense export orientation and particularly high rate of extroversion, achieves the adequate staffing of both existing and new Committees established to strengthen the supervisory role of the Board of Directors, and is distinguished for the diversity of knowledge, skills, qualifications and experience, which can contribute decisively to the promotion and achievement of the Company's business goals and plans.

4.4 The minutes of the Annual General Meeting of the Company's shareholders dated 24.06.2021 regarding the election of a new Board of Directors as well as the minutes of the Board of Directors dated 25.06.2021 regarding its formation in a body and the granting of rights of commitment and representation of the Company were registered in the General Commercial Registry (G.E.MI.) on 13.07.2021 with Registration Codes 2581745 and 2581746 respectively, issued in connection with the relevant announcement with protocol number 2402920/13.07.2021 of the Ministry of Development and Investments (General Secretariat of Commerce & Consumer Protection, General Directorate of Market, Directorate of Companies, Department of Supervision of Listed SA & Sports S.A.).

4.5 The Board of Directors of the Company at its meeting of 21 October 2022 elected as a new non-executive member Ms Pascale Valerie Hertzog of Paul Robert Pierre, in replacement and for the remainder of the term of office of the resigned non-executive member Ekaterini Tsoura daughter of Dionysios.

4.6 Following the above election, the Board of Directors of the Company was reconstituted for the remainder of its term of office, as follows:

1) Charalambos Stasinopoulos, son of Panagiotis, Chairman of the Board of Directors (executive member).

2) Spyridon Barbatos, son of Antonios-Ioannis, Vice President of the Board of Directors (non-executive member).

3) Evangelos Angelidis, son of Ioannis, CEO (executive member).

4) Pascale Valerie Hertzog daughter of Paul Robert Pierre, Member of the Board of Directors (non-executive member.

5) Aristides Iliopoulos, son of Spyridon, Member of the Board of Directors (non-executive member).

6) Antonios Roussos, son of Antonios, Member of the Board of Directors (independent non-executive member).

7) Emmanouil Tsiritakis, son of Dimitrios, Member of the Board of Directors (independent non-executive member).

4.7 The minutes of 21.10.2022 of the Board of Directors on the election of a new member to replace a resigned member and reconstitution of the Board of Directors was registered in the General Commercial Register (G.E.M.I.) on 25.10. 2022 with Registration No. 3146357, issued in accordance with the relevant announcement of the Ministry of Development and Investments (General Secretariat of Commerce, General Directorate of Market & Consumer Protection, Directorate of Companies, Department of Listed Companies, General Directorate of Market & Consumer Protection, Directorate of Companies, Department of Listed Joint Stock Companies) under Protocol No. 2748363/25.10.2022.).

4.8 In accordance with the above, the Board of Directors of the Company consists of:

- 2/7 (28,57%) executive members
- 3/7 (42,86%) non-executive members
- 2/7 (28,57%) independent executive members

4.9 On December 31, 2022 as well as on the date of publication of this Report, the composition of the Board of Directors is as follows:

Full Name	Capacity	Date 1st elected & any re-election date	End of Term of Office
Charalambos Stasinopoulos	Chairman Executive Member	24.06.2021	24.06.2026
Spyridon Barbatos	Vice-Chairman Non-Executive Member	24.06.2021	24.06.2026
Evangelos Angelidis	CEO Executive Member	24.06.2021	24.06.2026
Pascale Valerie Hertzog	Non-Executive Member	21.10.2022	24.06.2026
Aristides Iliopoulos	Non-Executive Member	24.06.2021	24.06.2026
Antonios Roussos	Independent Non-Executive Member	24.06.2021	24.06.2026
Emmanuel Tsiritakis	Independent Non-Executive Member	24.06.2021	24.06.2026

4.10 Regarding the proper functioning of the Board of Directors and the day-to-day management and control of the Company's activities, there is a clear division of responsibilities at management level. The duties of the Chairman of the Board of Directors and those of the CEO are performed by different persons, while in full compliance with the provision of par. 2 of article 8 of Law 4706/2020 and taking into account the fact that the Chairman of the Board of Directors is an executive member, the Vice Chairman of the above corporate body comes from its non-executive members.

In particular and in accordance with the provisions of the Company's current Internal Rules of Procedure:

4.11.1 Chairman of the Board of Directors & Chief Entrepreneur

The Chairman of the Board of Directors and Chief Entrepreneur of the Company, who is an executive member, coordinates the operation of the Board of Directors and convenes its meetings, determining the items on the agenda.

The duties of the Chairman of the Board of Directors include ensuring the proper organisation of his work and the effective conduct of meetings, as well as the timely and correct information of the other members of the Board of Directors, for the purpose of lawful, fair and equal treatment of the interests of all shareholders and of course the optimal promotion and protection of the corporate interest.

The Company's Chief Entrepreneur is responsible for ensuring the business continuity of the Company and consequently of the Group, the systematic enhancement of the Company's multifaceted business activity in both the domestic and the international market, for the purpose of further development and promotion of the corporate interest, as well as the strengthening of the Company's internal value.

4.11.2 CEO

The CEO of the Company carries out management duties and ensures the fulfillment of the corporate purpose, in accordance with the applicable Greek and European legislation. He heads all the Company's Divisions, Departments and Business Units, directs their work, takes the necessary decisions within the framework of the approved business plan and corporate budget, the decisions of the competent corporate bodies, and is responsible for ensuring the smooth, orderly and effective operation of the Company.

Among the main responsibilities of the CEO are the following:

- designing the Company's strategy and supervising its implementation;
- he specification of the Company's objectives and policy, including the examination of alternative actions;
- deciding on proposals and supervising their implementation; and
- evaluating the results and informing the Board of Directors of the actions taken.

4.11.3 Vice-Chairman of the Board of Directors

The Vice-Chairman of the Board of Directors (non-executive member of the Board of Directors) presides over the Chairman's evaluation carried out by the members of the Board of Directors and must be present at the General Meetings of the Company's shareholders insofar as the items on the agenda under discussion concern corporate governance issues.

4.11.4 Corporate Secretary

According to the Greek Corporate Governance Code, it is a support body of the Board of Directors, while it is appointed and revoked by the Board. The Corporate Secretary supports the Chairman and the other members of the Board of Directors on the basis of the latter's compliance with the internal rules and applicable laws and regulations. The Company has not so far appointed a Corporate Secretary.

4.12 Bios of Profile's Board of Directors and key executives

4.12.1 The brief bios of the members of the Board of Directors are as follows:

Charalambos P. Stasinopoulos
Chairman, President & Chief Entrepreneur (Executive Member)
As chairman of the board of directors and founder of Profile Software, Mr. Ch. Stasinopoulos leads the company with his extensive experience in the field. He was born in Chora, Messinia in 1962 and studied Computing and Business Administration prior to founding Profile Software in 1990. Mr. B. Stasinopoulos continuously invests in enriching his business knowledge not only through his active involvement in the company but also by attending programmes at the London Business School and other leading educational institutions.

Spyridon A. Barbatos
Vice-Chairman of the Board of Directors (Non-Executive Member)

Mr. Spyridon Barbatos is the company's Vice-Chairman. He was born in 1958 and studied Economics at Athens University of Economics and Business. He has been working in the IT sector since 1986. In 1990 he joined Profile Software and has been a member of its Top Management team from 1999 until now. Mr. Barbatos was CEO of the subsidiary company BeCom before its merger & acquisition by Profile Software.

Evangelos I. Angelides

CEO (Executive Member)

Mr. Evangelos Angelides is the CEO of Profile Software and President of BoD at Centevo. He was born in 1971 and holds a BA in Economics from the American College of Greece (Deree), an MSc in Money, Banking and Finance from the University of Birmingham and an Advanced Management Program certificate from Harvard Business School. He is a certified public accountant in the UK and holds the title of FCCA. He has more than 24 years of experience in managing financial operations with listed, private, regional and international companies, in the sectors of Software, IT, Services, Telecoms, Manufacturing and Logistics. He joined Profile Software in 2014 and has held since then top management positions these being the Group CFO and COO whilst has been the Login SA's CEO since 2017.

Pascale Valerie Hertzog

Non-Executive Member of the Board of Directors

Pascale Hertzog is the Director of Profile Login, a subsidiary of Profile Software. Born in 1968 in Strasbourg, she holds a BA in Finance and Mathematics from the London School of Economics in the United Kingdom and a Postgraduate Diploma (Master II) in Business Finance and Capital Markets from the Institut d'Etudes Politiques in Paris. He has about 30 years of professional experience in Project Management and Information Systems Consulting in the Finance industry. He has been with Profile Login since 1993, having progressed through various management positions and is fluent in English and Spanish.

Aristeidis S. Iliopoulos

Non-Executive Member of the Board of Directors

Mr. Iliopoulos is the Regional Managing Director and a member of the Board of Directors. He was born in 1978 and studied Business Administration at the University of Piraeus. He has been working at Profile Software since 2000 and has been a valuable and active member and successful manager of numerous large scale Financial Services projects.

Antonios A. Roussos

Non-Executive Independent Member of the Board of Directors

Mr. Roussos is an independent and non-executive member of the Board of Directors. He was born in 1963 and studied Economics at Athens University. He is a member of the Economic Chamber and a Chartered Accountant from the Economic Chamber (A class). He has worked in finance since 1998 and has held the position of CFO in various Greek industrial firms from 1994 until today.

Emmanuel D. Tsiritakis

Non-Executive Independent Member of the Board of Directors

Mr. E. Tsiritakis is an independent and non-executive member of the Board of Directors. He was born in Athens in 1956 and graduated from the Department of Economics at the Athens University in 1979. He received an MA (1983) and a Ph.D. (1988) from Virginia Tech. He is currently an associate professor in the Department of Banking and Financial Management at the University of Piraeus.

4.12.2 The senior executives of the Company are the following:

1) Charalambos Stasinopoulos, Chairman of the Board of Directors and Chief Entrepreneur

2) Evangelos Angelidis, CEO of the Company and

3) Aristides Iliopoulos, Group Commercial Director

Since the above persons also hold the position of Member of the Board of Directors, their brief biographies have already been provided above.

4.13 Professional commitments of members of the Board of Directors

In accordance with the statements of the members of the Board of Directors, the Company has been notified of the following other professional commitments, including significant non-executive commitments to companies and non-profit organizations:

BoD Member	**Professional commitment**
Charalambos Stasinopoulos	• Chairman of the BoD & CEO of Global Soft S.A. • Director of Profile Systems & Software (Cyprus) Ltd • Chairman of the BoD & Director of Profile Software (UK) Limited • Chairman of the BoD of Profile Digital Services S.A • Director of Latover Holding Ltd • President of the Supervisory Board of Login S.A. • Chairman of the BoD & CEO of Profile Technologies S.A. • Legal Representative of Profile Systems & Software (Cyprus) Ltd (DMCC Branch)
Spyridon Barbatos	• Vice-Chairman of the BoD & Deputy CEO of Global Soft S.A.

	• Member of the Board of Directors of Profile Technologies S.A.
Evangelos Angelidis	• Member of the Board of Directors of Profile Technologies SA • Director of Profile Systems & Software (Cyprus) Ltd (DMCC Branch) • Managing Director of Login S.A. • President of Centevo AB • Member of the Board of Directors of Profile Digital Services S.A.
Pascale Hertzog	• Director of Profile Login
Aristides Iliopoulos	• Director of Profile UK • Member of the Supervisory Board of Centevo AB
Antonios Roussos	• Member of the Board of Directors of the company Mevaco Metallurgy SA
Emmanuel Tsiritakis	• Professor, University of Piraeus • Collaborating teaching staff Hellenic Open University • Collaborating staff Open University of Cyprus

It is noted that none of the members of the Board of Directors of the Company participates in Boards of Directors of more than five (5) listed companies.

4.14 Board of Directors Appropriateness Policy

4.14.1 Since the Board of Directors is the senior management body of the Company, which is responsible for drawing up the Company's strategy, orientation and business plan, defending the general corporate interest and enhancing its long-term economic value, it is absolutely necessary for its composition to reflect the knowledge, skills and experience necessary for the exercise of its responsibilities, in accordance with the Company's business model and strategy, its size, structure, activities and operating environment, the complexity of its functions and its particular institutional role and character.

4.14.2 The Annual General Meeting of the shareholders of June 24th, 2021 approved the Appropriateness Policy drawn up by the Management, which aims to ensure the quality and appropriate staffing, the smooth operation and the effective fulfillment of the role of the Board of Directors, as the Company's collective body, in order to promote the corporate purpose and defend the corporate interest.

The Appropriateness Policy has been designed in a clear and defined manner and includes both the principles governing the selection, replacement and/or renewal of the term of office of the members of the Board of Directors, as well as the criteria for assessing their suitability, including criteria that ensure to a satisfactory degree the diversity of the composition of the Board of Directors, in accordance with the applicable legislation, and are in line with the operational organisation of the Company and in particular its highly extroverted nature and the Group in general, taking into account that its activities extend, apart from the European market, to international markets in which the Group has achieved a significant degree of penetration and creation of a competitive position.

4.14.3 In accordance with the approved and applicable Suitability Policy, both when electing new members of the Board of Directors, as well as in case of replacement or replacement or renewal of the term of office of existing members, the Remuneration and Nomination Committee takes into account the criteria related to individual and collective suitability always in the light of the corporate values, strategy and the general business model that the Company has adopted and applies.

I. Individual suitability

In particular, individual suitability shall be assessed on the basis of the following criteria:

(a) Adequacy of knowledge and skills

The members of the Board of Directors, in order to be able to perform their duties, must have appropriate and sufficient educational background, the necessary theoretical knowledge and training, as well as previous, relevant to the Company's activities, practical/professional experience.

For the judgement on practical experience, they are in particular:

- his former professional position,
- his current employment,
- the time and type of work experience,
- the requirements and responsibilities of the positions he/she has taken (especially for executive members this is a decisive criterion);
- the scope and size of the companies in which he has been employed or managed,
- the degree of complexity of its specific tasks;
- the responsibilities it has assumed, where appropriate, in the context of its previous experience;
- his participation in team projects, the number of his subortinates
- the specific subject of the professional/business activity he/she has exercised, etc.

For the judgement on theoretical knowledge, they are in particular:

- the level and type of his training;
- the field of study;
- his area of expertise,
- his academic performance, etc.

The above criteria are in any case taken into account in relation to the related or not to the scope of activity of the Company and the Group, while the requirements of the business strategy of the Company and the other Group companies, as well as the specific market conditions in which the Company and the Group in general operates and is addressed should be taken into account.

The assessment is not limited to the academic qualifications of the candidate/member or the existence of a specific length of service, but it is judged on his actual experience and his training and generally on all his skills and abilities.

The decisive criteria are in particular:

- the duties associated with the position on the Board of Directors and the skills required for them (hard and soft skills),
- adequate knowledge and understanding of the activities and complexity of the Company's and the Group's business model in general, especially in light of the specific and demanding nature of corporate activities,
- adequate knowledge and understanding of the legal framework and corporate governance code applied by the Company;
- an in-depth understanding of the specific responsibilities and individual tasks and requirements of the post;
- an understanding of the structure and operation of the Company and the Group; and
- the general professional conduct and development of the member of the Board of Directors.

(b) Guarantees of morality and reputation

The members of the Board of Directors must be reliable, of good repute and morality, honest and intact and presumed to be so, when there are no objective and proven reasons to indicate a lack of honesty and good reputation such as, but not limited to, final administrative and judicial decisions, especially for offences related to the membership of the Board of Directors, non-compliance with the legislation of the Hellenic Capital Market Commission or the commission of financial crimes. In order to assess whether or not the above guarantees exist, the Company has the possibility to request relevant information and supporting documents, without prejudice to the legislation on personal data.

In formulating its decision, the Company shall take into account in particular:

- the relevance of any infringements to the role of the member;
- their gravity;
- the circumstances in which they were committed (including any mitigating circumstances);
- the specific role of the infringer;
- the penalty imposed, the stage reached in the relevant legal proceedings and any remedial measures;
- the time from the offence,
- the conduct of the person assessed following the infringement;
- if there is a decision by a competent authority excluding the person assessed from acting as a member of the Board of Directors.

(c) Conflict of interests

In accordance with the Conflict of Interest Prevention and Response Procedure adopted by the Company, a conflict of interest is defined as any actual or potential situation (professional, personal or other situation or relationship) in which the private interests of the obligated person may conflict with the interests of the Company or may affect the ability of the obligated person to assess a situation or judgement of the obligated person in order to make a decision in an independent, impartial and corporate interest manner and which has the potential to jeopardize the interests of the Company.

The members of the Board of Directors must strictly follow and apply the framework of policies, mechanisms and procedures for the purpose of prevention, recognition and effective treatment and management of conflicts of interest, in accordance with the specific provisions of the aforementioned Procedure, on the one hand, and the Company's Rules of Procedure, on the other.

(d) Independence of judgement

The members of the Board of Directors must act with independent judgement and objectivity, which is not only ensured by the absence of conflict of interest and the fulfilment of the conditions of independence in accordance with the applicable legal provisions, but requires the active participation of the members in the meetings of the Board of Directors and the expression of independent and objective judgements. A person shall be considered objective and independent of judgement where:

- discusses, decides and votes as he thinks and the whole attitude of the Board is impartial,
- does not accept compromises as to its quality,
- ensure that there are no conditions preventing it from being objective;
- has courage, conviction, courage and critical thinking,
- substantially assesses and disputes the positions of the other members of the Board of Directors;
- formulate and support his or her personal opinion,
- poses reasonable questions to the other members of the Board of Directors, in particular the executive members, and criticises those positions;
- resists the phenomenon of "groupthinking”.

(e) Adequate time allocation

The members of the Management Board should be given the necessary time to perform their duties properly and effectively. Time shall be assessed as sufficient in particular in the light of:

- the status and specific responsibilities and tasks of the member;
- any participation in Committees of the Board of Directors,
- any holding by him of a position on boards of other legal entities and the responsibilities thereunder;
- his other professional obligations,,

- his personal commitments, his age, his particular personal circumstances.

The Company shall provide the prospective members of the Board of Directors with information on the expected time for the proper fulfillment of their duties, both for the meetings of the Board of Directors and for the meetings of its individual Committees, if they are members.

II. Collective suitability

The Board of Directors, in its capacity as a collegiate body, must be able to: **(a)** take appropriate decisions taking into account the business strategy, the development business model, the extent of the risks assumed, as well as the specific conditions prevailing in each market (domestic, European and international) in which the corporate activities are developed; and

(b) monitor in a meaningful manner the decisions of senior management and to exercise constructive and substantial criticism of them in the context of the promotion of the corporate interest.

In the context of the above dual mission, the Board of Directors must have a sufficient number of members, who collectively have the necessary knowledge and experience in every area related to collective responsibility, in order for the Company's management body to exercise de facto effective management, supervision and supervision of corporate affairs.

All members of the Board of Directors must have an adequate understanding of the areas for which there is collective responsibility, and in particular:

- the business planning, structure, organisation and operation of the Company;
- the main risks faced by the Company in the conduct of its business;
- the applicable financial reporting framework
- the generally applicable legislative, regulatory and regulatory framework;
- corporate governance issues;
- the impact of technology on the corporate object, especially given the specific activity of the Company in the ever-changing IT industry and to be able to identify, assess and address risks, business, financial or others.

III. Diversity criteria

The Suitability Policy, which has been adopted and implemented by the Company in the context of the promotion of an effective model of corporate governance, promotes the diversity criteria during the selection process of the members of the Board of Directors, so that the corporate body is composed of a multi-member group based on a sufficient percentage of differentiation.

The adoption of diversity criteria and the assessment of the specific qualifications and experiences of each member shall relate in particular to:

(a) avoid obsolete and anachronistic social stereotypes in assessing the suitability of members;

(b) promoting different views within the institution for the purpose of more effective functioning in decision-making; and

(c) seek to integrate innovative approaches and ideas into the decision-making process.

More specifically, the basic criteria of the intended diversity of the composition of the Board of Directors are as follows:

- minimum representation (25% of all members) by gender,
- the prohibition of exclusion of a candidate or an active member of the Board of Directors on grounds of different sex, race, colour, ethnic or social origin, religion or belief, property, birth, disability, age or sexual orientation.

The members of the current Board of Directors cover a wide age range (between 44 and 64 years old), combine dynamics and experience, distinguish themselves for their character's ethos, reputation, reliability and integrity, have worked in senior positions and have served as senior executives of important companies and organizations, thus having a rich experience in the business sector and being able to contribute actively and substantially to the Group's growth prospects in its geographical areas of activity.

The present composition of the Board of Directors increases the pool of skills, experience and vision available to the Company, at the level of senior executives, thus contributing to the further enhancement of its productivity, competitiveness and innovation.

4.14.4 The full text of the Suitability Policy of the members of the Board of Directors is available on the Company's website https://www.profilesw.com.

4.15 Remuneration of the members of the Board of Directors

4.15.1 An essential prerequisite for long-term growth and for ensuring the Company's and the Group's stable presence in the market in which it operates is the harmonisation and alignment of the remuneration of the members of the Board of Directors with the Company's profitability, capital adequacy, competitiveness and sustainable development. In this context, the Company has established, maintains and applies basic principles and rules regarding the remuneration of the members of the Board of Directors (hereinafter referred to as the "Remuneration Policy") which contribute to the maintenance of the competitiveness of the Company and the avoidance of excessive risks, due to the payment of excessive remuneration, which is not in line with the prevailing economic conditions and the wider financial environment. The purpose of the "Remuneration Policy" is to increase corporate value by attracting and retaining the most competent, appropriate and experienced employees, who achieve the goals set by the Management and contribute to the promotion of corporate goals, interests and activities in the best possible way.

4.15.2 In particular, the Remuneration Policy aims to achieve the following aims and objectives:

- maximizing efficiency,

- attracting and retaining competent staff with a high level of theoretical training, long-term professional experience and effectiveness in the performance of their duties,
- alignment of remuneration with profitability, risks, capital adequacy and sustainable growth,
- compliance with the applicable legal and regulatory framework,
- internal transparency.

4.15.3 The Company's current Remuneration Policy was approved, in accordance with the provisions of article 110 of Law 4548/2018, by the Annual Ordinary General Meeting of Shareholders on May 7th , 2020, was registered in the General Commercial Registry on 02.06.2020 **and its validity period is four (4) years**, unless the General Meeting in this period decides to amend it.

The full text of the Remuneration Policy is available on the Company's website https://www.profilesw.com.

The Remuneration Policy applies to all members of the Board of Directors (executive and non-executive, with the necessary variations), as well as to senior management (Directors, Directors and Heads of Units) (hereinafter jointly referred to as "Directors").

4.15.4 In accordance with the specific provisions of the Company's applicable Remuneration Policy, the executive and non-executive members of its Board of Directors shall be paid:

(a) fixed remuneration;

(b) variable remuneration;

(c) monthly fixed allowance (for participation in the meetings of the Board of Directors),

(d) other benefits; and

(e) participation in programs for the disposal of shares of the Company.

4.15.4.1 Fixed remuneration of the executive and non-executive members of the Board of Directors (executive and non-executive) is related to a paid relationship (such as an employment contract, a project, a mandate, a service), which these members maintain with the Company or its affiliates, the nature of which is determined on a case-by-case basis and approved by the competent corporate bodies of the Company or its affiliates.

4.15.4.2 Variable remuneration may be paid to executive and non-executive members of the Board of Directors who maintain a paid relationship or undertake duties and responsibilities related to the day-to-day operation and organisation of the Company and its subsidiaries, as well as to the Executive Chairman and the Executive Vice Chairman of the Board of Directors, regardless of the nature of their duties and responsibilities.

Variable remuneration depends on the Group's performance and in particular on the annual operating results of its companies.

Variable remuneration aims to provide sufficient incentives to maintain and continuously improve the Group's sizes and operating profitability.
Deferral of variable remuneration shall only be allowed where it is linked to the achievement of long-term objectives.
Payment of variable remuneration shall not be sought or recovered.

The variable remuneration of the executive and non-executive members of the Board of Directors is related both to the individual performance and to the course of the Company and the Group.
Indicative criteria on the basis of which the amount of variable remuneration may be calculated are as follows:

- personal objectives which may vary according to the position assessed, agreed before the start of the evaluation period (in this case the effectiveness and commitment of the person assessed to the agreed objectives shall be assessed),
- operating profit for the year,
- entrepreneurial initiative,
- personal characteristics, leadership skills, team inspiration, etc.

The Company is entitled at any time to define further criteria for the granting of variable remuneration.

4.15.4.3 A **fixed monthly allowance** (for participation in the meetings of the Board of Directors) may be paid to the executive and non-executive members of the Board of Directors for their participation in the meetings of the Board of Directors. The above fixed allowances are approved by the Annual Ordinary General Meeting.

4.15.4.4 Other benefits means the non-monetary benefits provided to the executive and non-executive members of the Board of Directors in order to facilitate the proper fulfillment of their duties (e.g. mobile phone, car, hospitality costs, etc.) based on the approval of the competent corporate bodies (CEO).

4.15.4.5 Participation in share disposal programs may be provided to the executive and non-executive members of the Board of Directors on the basis of the procedure provided for in article 113 of Law 4548/2018, upon the relevant recommendation of the Board of Directors.

4.15.4.6 In addition, the Company may, following a decision of the Annual General Meeting of Shareholders, apply to other members of the Board of Directors a program for the granting of variable remuneration of any kind, retirement benefit programs or share disposal programs of the Company.

4.15.5 According to the specific provisions of the Company's current Remuneration Policy, independent non-executive members of the Board of Directors may receive compensation for their participation in the meetings of the Board of Directors, which is approved by a special decision of the Ordinary General Meeting.

The above compensation is paid in cash and is subject to the legal deductions according to the applicable tax and insurance legislation.
Independent non-executive members of the Board of Directors are included in the executive liability insurance coverage (D&O insurance program).
Independent non-executive members shall not participate in any bonus or long-term incentive scheme and shall not be granted bonus, share options or performance-related compensation.

4.15.6 In accordance with the specific provisions of the Company's applicable Remuneration Policy, the Directors of the Company shall be paid:
(a) fixed remuneration; and
(b) variable remuneration;

(c) participation in programmes for the disposal of shares of the Company; and

(d) voluntary benefits.

4.15.6.1 In shaping the remuneration system of Directors, particular emphasis is placed on the adoption of the necessary principles, in order to take into account, on the one hand, the knowledge and performance of human resources, the weight, the scope of responsibility, the responsibilities and the functional requirements of the job, the wage conditions in the wider labour market, the climate that keeps in the domestic economy, and, on the other hand, the promotion of the Company's and the Group's business goals, as well as the strengthening and maximization of their long-term economic value. The Company and the Group apply a remuneration framework that varies according to the hierarchical level, the position of responsibility and risk management.

4.15.6.2 Fixed remuneration shall be paid in cash and shall constitute the significantly higher proportion of the total remuneration paid to the Directors.
Fixed remuneration must be competitive in order to be able to attract and retain persons who have the appropriate and appropriate abilities, skills, experiences and behaviors needed by the Company and the Group.
At the same time as assessing the gravity of the post, the academic background and the previous experience of the employee are taken into account in order to determine the level of fixed remuneration.
Higher remuneration is provided for specialized roles that are of major importance for the operation and development of the Company and/or the Group or constitute cases of outstanding experience and performance.

4.15.6.3 Variable remuneration is a voluntary bonus linked to a system for evaluating the performance of Directors and to the results of the Company.

They aim to reward the efforts of the Directors and to enhance their efficiency and are directly dependent on their performance and their contribution to the Company's overall long-term development.

The performance of the Directors shall be rewarded on the basis of predetermined measurable quantitative and qualitative criteria, both in the short and long term.

Variable remuneration is related both to the individual performance and to the course of the Company and the Group.

Indicative criteria on the basis of which the amount of variable remuneration may be calculated are:

- personal objectives, which may vary depending on the evaluation of the Management's position and expectations, which are agreed before the start of the evaluation period (in this case, the effectiveness and commitment of the evaluator to the agreed objectives are assessed),
- new sales for the financial year,
- operating profit for the year,
- entrepreneurial initiative;
- personal characteristics, leadership skills, team inspiration, etc.

The Company is entitled at any time to define further criteria for the granting of variable remuneration.

4.15.6.4 Participation in stock option plans may be provided to the Directors on the basis of the procedure provided for in article 113 of Law 4548/2018, upon the relevant recommendation of the Board of Directors.

4.15.6.5 Voluntary benefits to Directors include:

- use of a company car
- travel/representation expenses
- mobile telephony programs
- executive liability insurance (D&O insurance program).

4.15.7 During the closing financial year 2022 (01.01.2022-31.12.2022) the members of the Board of Directors were paid the following remuneration:

Name Board member position	**Year**	**Fixed Remuneration**			**Variable Remuneration**		**Total Remuneration**	**Ratio of fixed and variable remuneration**
		Annual Basic earnings	**Remuneration for participation in Committees**	**-Stock Options**	**Yield in year**	**Yield in subsequent years**		
Board Executive Members	2022	228.381	-	237.039	748.625	-	1.214.045	38,34%/61,66%

Board Non-Executive Members	2022	209.542	5.000	11.738	98.726	-	325.007	69,62%/30,38%

Note 1: the Annual Ordinary General Meeting of Shareholders of 12 May 2022 approved as annual gross remuneration for the personal work and services in general of the following members of the Board of Directors of the Company, which (work) is provided on the basis of contracts approved by the competent corporate bodies (employment/project/service provision/remunerated mandate) the following amounts for the fiscal year 2022 (01.01.2022-31.12.2022) and in particular:

1. Charalambos Stasinopoulos	Up to Euro 180.000,00 annualy
2. Spyridon Barbatos	Up to Euro 40.000,00 annualy
3. Evangelos Angelides	Up to Euro 100.000,00 annualy
4. Aristides Iliopoulos	Up to Euro 80.000,00 annualy
5. Ekaterini Tsoura	Up to Euro 70.000,00 annualy
6. Antonios Roussos	Up to Euro 10.000,00 annualy
7. Emmanuel Tsiritakis	Up to Euro 10.000,00 annualy

The above amounts are on the one hand in line with the principles and rules of the approved and applicable Remuneration Policy, and on the other hand are in line with the increased involvement and the enhanced role that the members of the Board of Directors are required to play in the context of the new provisions on corporate governance.

Note 2: the Remuneration Report of the members of the Board of Directors for the closed fiscal year 2022 (01.01.2022-31.12.2022) will be posted on the Company's website (https://www.profile.com), immediately after its submission for discussion at the Annual General Meeting of shareholders.

4.15.8 Number of shares of members of the Board of Directors and chief executives as at 31.12.2022

Full Name	Capacity	Number of shares
Charalambos Stasinopoulos	Chairman Board Executive Member	7.279.789
Spyridon Barbatos	Vice-Chairman Board Non-Executive Member	569.742
Evangelos Angelides	CEO Board Executive Member	309.600
Pascale Valerie Hertzog	Board Non-Executive Member	9.500
Aristides Iliopoulos	Board Non-Executive Member Group Commercial Consultant	17.500
Antonios Roussos	Independent Board Non-Executive Member	-

Emmanuel Tsiritakis	Independent Board Non-Executive Member	-
Latover Holdings Limited*		3.543.660

<u>* Note:</u> Latover Holdings Limited is a company owned by Mr. Charalambos Stasinopoulos, Chairman of the Board of Directors.

<u>PART B΄ - COMMITTEES</u>

<u>I. Audit Committee</u>

1.1 Election and term of office of the Audit Committee

The Annual General Meeting of 24June 2021 decided to elect a new Audit Committee, in accordance with the provisions of Article 44 of Law 4449/2017, as amended by Article 74 of Law 4706/2021, which constitutes a Committee of the Board of Directors, consists of three (3) non-executive members of the Board of Directors, and in particular two (2) independent non-executive members and one (1) non-executive member thereof, while its term of office is five years, expiring on 24 June 2026, extending until the expiry of the deadline within which the next Annual General Meeting must meet, but in no case may exceed six years.

1.2 Members of the Audit Committee

1.2.1 In particular, the following persons were elected as members of the Audit Committee:

1) Emmanuel Tsiritakis, son of Dimitrios, Independent Non-Executive Member of the Board of Directors

2) Antonios Roussos, son of Antonios, Independent Non-Executive Member of the Board of Directors

3) Aristides Iliopoulos, son of Spyridon, Non-Executive Member of the Board of Directors

Subsequently, at its meeting of 28June 2021, the Audit Committee elected Mr. Emmanuel Tsiritakis, son of Dimitrios, as its President.

1.2.2 In order to provide full, adequate and appropriate information to shareholders and the investing public in general, the biographies of the members of the Audit Committee are posted on the Company's website (https://www.profile.com).

1.2.3 The members of the Audit Committee meet all the criteria and conditions set by the provisions of the current legislative and regulatory framework in general, namely:
(a) are in the majority independent of the controlled entity, in accordance with the provisions of paras. 1 and 2 of Article 9 of Law No. 4706/2020 and in particular:

(i) do not directly or indirectly hold more than 0.5% of the voting rights of the Company's share capital; and

(ii) are free from any dependency relationship, as this (dependency relationship) is specified in par. 2 of article 9 of Law No. 4706/2020, with the Company or persons affiliated with it and do not have any financial, business, family or other type of relationship that may influence their decisions and their objective, independent and impartial judgment,

(b) have, as a whole, sufficient knowledge of the sector in which the entity operates; and

(c) at least one member of the Committee who is independent of the audited entity, has sufficient knowledge and experience in auditing or accounting and is required to attend the meetings of the Committee relating to the approval of the financial statements.

1.3 Operation of the Audit Committee

1.3.1 The Audit Committee has an Operating Regulation, which was approved by the Company's Board of Directors at its meeting on July 14th, 2021.

The Regulation records, inter alia, the responsibilities, duties and obligations of the members of the Committee and is posted on the Company's website (https://www.profilesw.com), in accordance with the explicit legislative requirement of article 10 par. 4 of l. 4706/2020.

1.3.2 In accordance with the Audit Committee's Rules of Procedure in force and taking into account the size, business model and extent of the Company's activities, the Audit Committee meets at regular intervals and extraordinarily when deemed necessary.

In any case, the Audit Committee meets at least four (4) times a year, while at least two (2) times a year it meets the Company's statutory Auditor, without the presence of the members of the Management.

1.3.3 The Audit Committee is convened by its Chairman by an invitation notified in any appropriate way to its other members, at least two (2) days before the meeting. The invitation must include at least the date, time and items on the agenda clearly, otherwise decisions may be taken only if all the members of the Commission are present and no-one objects to the holding of the meeting and to the decision-making.

1.3.4 All its members participate in the meetings of the Audit Committee in person.

1.3.5 The Audit Committee has the discretion to invite, where appropriate or appropriate, key management personnel involved in the governance of the Company, including the CEO, CFO, COO and the head of the Internal Audit Unit, to attend specific meetings or specific items on the agenda and to provide any necessary clarification or explanation.

1.3.6 The meetings of the Audit Committee may also be held by teleconference, in respect of some and/or all of its members, using any relevant electronic or digital platform.

In this case, the invitation to the members of the Audit Committee includes the necessary information and technical instructions for their participation in the meeting.
In any case, any member of the Audit Committee may demand that the meeting be held by teleconference in this regard, if there is an important reason, in particular illness or disability.

1.3.7 The Audit Committee's decisions are validly made by an absolute majority of its members. In the event of a tie, the vote of the President of the Commission (casting vote) shall prevail.

1.3.8 The discussions and decisions of the Audit Committee are recorded in minutes, which are signed by the members present, in accordance with Article 93 of l. 4548/2018. The minutes are available to all members of the Audit Committee and the Board of Directors.

1.3.9 The Committee may elect a Secretary to keep the minutes of its meetings and generally to support its work.

1.4 Responsibilities of the Audit Committee

In accordance with Article 44 of law 4449/2017 major responsibilities of Audit Committee are the follow:
(a) Informs the Company's Board of Directors of the outcome of the audit and explains how the audit has contributed to the integrity of the financial information and what the role of the audit committee was in that process;
(b) monitors the financial information process and makes recommendations or proposals to ensure its integrity;
(c) monitor the effectiveness of the entity's internal control, quality assurance and risk management systems and, where appropriate, its internal audit department with regard to the audited entity's financial information, without prejudice to that entity's independence;
(d) monitor the statutory audit of the annual and consolidated financial statements and in particular its performance;
(e) supervises and monitors the independence of chartered accountants or audit firms in accordance with Articles 21, 22, 23, 26 and 27, and Article 6 of Regulation (EU) No 182/2011; and in particular the adequacy of the provision of non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) no. 537/2014
(f) is responsible for the selection process of certified public accountants or audit firms and proposes the chartered accountants or audit firms to be appointed.
(g) submit an annual activity report to the Annual General Meeting of the Company's shareholders.

1.5 Number of Audit Committee meetings

1.5.1 During the financial year 2021 (01.01.2021-31.12.2021) the Audit Committee met five (5 times) and all its decisions were made unanimously.

During each meeting, the examination of all the items on the agenda was completed, after the required information notes and relevant contributions had been distributed, and the competent executives, the Chartered Auditors and other persons had been invited to participate, as the case may be, in order to provide any necessary clarifications and/or explanations.

1.5.2 It is clarified that the Certified Auditor-Accountant of the Company, who carries out the audit of the annual and half-yearly (interim) financial statements, does not provide any other non-audit services to the Company nor is it connected with any other relationship with the Company in order to comply with the provisions of Law 4449/2017 and thus ensure its objectivity, impartiality, integrity and independence, with the exception of the assurance services relating to the conduct of the special tax audit required in accordance with the provisions of Article 65A of Law 4174/2013, as a result of which the "Annual Tax Certificate" is issued.

1.6 Audit Committee Proceedings

The issues of concern to the Audit Committee during the closing financial year 2022 (01.01.2022-31.12.2022) were the following:

1.6.1 Financial Reporting Procedure – Statutory Audit

In the area of external audit and the financial reporting process, the Commission has taken the following actions:

(a) In the area of external audit and the financial reporting process, the Commission has taken the following actions,

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

(c) reviewed the financial statements of the Company and the Group for the financial year 2021 (01.01.2021-31.12.2021) prior to their approval by the Board of Directors and assessed them for accuracy and completeness,

(d) determined that the financial statements are consistent with the legally required content and framework for their preparation and recommended their approval,

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

(f) verified compliance with the rules on the publication of financial statements and the possibility of immediate, permanent and free-of-charge access to them,

(g) was informed by the Auditor-Accountant on the most important issues of the audit for the financial year 2021, the risks assessed as most significant and how to address them and was informed of the final draft of the Audit Report for the financial year ended 31 December 2021,

(h) took note of the supplementary report of the Statutory Auditors - Accountants required by article 11 of the European Union Regulation (EU) 537/2014 on the financial statements of the Company and the Group,

(i) submitted a proposal to the Annual Ordinary General Meeting of the Company's shareholders for the election of the Auditing Company "SOL S.A.", to carry out the statutory audit of the annual and semi-annual (corporate and consolidated) financial statements for the fiscal year 2022,

(j) was informed by the Auditor - Accountant regarding the procedure and methodology that will be followed during the audit of the semi-annual and annual financial statements of the fiscal year 2022, the planning and timing of the audit, as well as the audit procedures that will be followed,

(k) confirmed the impartiality, objectivity, independence and integrity of the external auditors in accordance with the Code of Ethics of the International Federation of Accountants, Regulation (EU) 537/2014 and Law No. 4449/2017, as well as not to provide any external direction, instruction, suggestion or recommendation from the Company's Management,

(l) was informed by the Auditor-Accountant on the audit approach of the review of the interim financial statements for the first half of the fiscal year 2022 and discussed the main issues that concerned the Auditor during the audit,

(m) supervised the correct and timely disclosure to the investing public of corporate announcements relating to financial information,

1.6.2 Internal Audit

(a) evaluated the staffing, organizational structure and operation of the Internal Audit Unit, for the purpose of identifying any weaknesses,

(b) was informed of the annual audit programme of the Internal Audit Unit prior to its implementation, carried out its evaluation and found that it will take into account the Company's main business and financial risk areas,

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

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

(e) had meetings with the Head of the Internal Audit Unit to discuss matters within his competence, as well as any problems that may arise during the internal audit process, and in particular 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 and to disclose/disclose them in the financial statements in an appropriate manner,

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

(h) confirmed that the Internal Audit Unit has continuous and unhindered access to all the Company's data, books, documents and records 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 parts and that the members of the Management and the Company's staff cooperate to the greatest extent possible with the Internal Audit Unit and generally facilitate its work in any way, 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 adequately staffed with competent human resources, equipped with the necessary theoretical training, education and experience.

1.6.3 Other

(a) in cooperation with the Company's Management and in response to the letter of 2707/09.11. 2022 letter of the Securities and Exchange Commission, in cooperation with the Management of the Company, contributed, to the extent and to the extent that it was relevant, to the preparation of a statement for the purpose of informing the investing public regarding the formation and development of the Company's fundamental financial figures, activities and prospects for the third (third) quarter of the fiscal year 2022, as well as any impact of the energy crisis and the ongoing military conflict between Russia and Ukraine on the financial results, the overall performance and the general course of the Company,

(b) it provided to the Company's Management the necessary assistance for compliance with the provisions of Law No. 4706/2020, in order to complete the process of full harmonization with the provisions and regulations of the said legislation in due time,

(c) approved the content of the information provided to the Company's shareholders at the Annual General Meeting of 12 May 2022 regarding the Company's activities for the financial year 2021 (01.01.2021-31.12.2021),

II. Remuneration and Nomination Committee

2.1 Establishment and members of the Nomination Committee

2.1.1 The Board of Directors of the Company, in the context of the immediate, substantive, complete and effective compliance with the requirements and general regulations of Articles 10-12 of Law 4706/2020 (Government Gazette A '136/17.07.20201), as well as the adoption of best corporate governance practices, proceeded at its meeting on July 9th , 2021 to the establishment of a single three-member Committee for the Remuneration and Nomination of Nominations, in order to provide the necessary assistance and support to the Board of Directors, on the one hand, in the process of identifying and appointing the appropriate persons for the staffing of the Board of Directors, on the basis of the existing Appropriateness Policy, and on the other hand in the process of preparing, evaluating and reviewing the Remuneration Policy, with the aim of attracting and maintaining competent executives.

2.1.2 The following persons have been appointed as members of the Earnings and Nominations Committee:

1) Emmanuel Tsiritakis, son of Dimitrios, Independent Non-Executive Member of the Board of Directors.

2) Antonios Roussos, son of Antonios, Independent Non-Executive Member of the Board of Directors.

3) Spyridon Barbatos, son of Antonios-Ioannis Vaptistis, Non-Executive Member of the Board of Directors.

At its meeting of 16July 2021, the Audit Committee elected Mr. Emmanouil Tsiritakis, son of Dimitrios, as President of the Audit Committee.

2.2. Structure, staffing and term of office of the Committee on Compensation and Nomination

2.2.1 The composition of the Compensation and Nomination Committee must be in line with the size, business model, operational organisation, scope and complexity of the Company's activities.

2.2.2 The Earnings and Nominations Committee shall constitute a single Committee. The Committee for the Remuneration and Promotion of Nominations does not replace any existing corresponding Committee in a subsidiary of the Company, but may consult it on a case-by-case basis.

2.2.3 The members of the Compensation and Nomination Committee are selected and appointed by the Board of Directors of the Company at a special meeting for this purpose.

2.2.4 The Nomination Committee consists of at least three (3) non-executive members of the Board of Directors, two (2) of which are independent non-executive, i.e. they must meet the independence criteria of article 9 par.1 and 2 pf l. 4706/2020. Furthermore, the members of the Nomination and Remuneration Committee must meet the criteria of individual and collective suitability and diversity, as described in the Company's current Suitability Policy.

2.2.5 The appointed President of the Remuneration and Nomination Committee should mandatorily be an independent non-executive member. The President of the Remuneration and Nomination Committee may not be at the same time the President of the Board of Directors.

2.2.6 The term of office of the Remuneration and Nomination Committee coincides with the term of office of the Board of Directors, i.e. it is five years, expiring on 24 June 2026, extending until the expiry of the deadline within which the next Ordinary General Meeting must meet, but in no case may it exceed six years.

2.2.7 The members of the Remuneration and Nomination Committee are eligible for re-election, but the term of office of its independent non-executive members may not exceed nine (9) years.

2.2.8 The participation in the Committee on the Earnings and Nomination of Nominations does not preclude the participation of its members in other Committees of the Board of Directors. Members of the Committee on Compensation and Nomination shall not hold any positions or qualities or enter into any transactions which could be considered incompatible with the purpose of the Committee.

2.2.9 In the event of resignation, death or loss of membership of the Committee for the Remuneration and Nomination of Nominations, the Board of Directors shall appoint from among its existing members a new member to replace the one who has disappeared, for the period until the end of his term of office.

2.2.10 The Nomination and Remuneration Committee may use any resources it deems appropriate for the proper performance of its duties and the fulfilment of its purpose in general, including services from external consultants. In the event of the recruitment of an external consultant, the Committee is responsible for monitoring its work.

2.3 Operation of the Remuneration and Nominations Committee

2.3.1 The Nomination and Remuneration Committee (EIOPA) has an Operating Regulation, which was approved by the Company's Board of Directors at its meeting on July q6, 2021. his Regulation records the organisation and operation of the Committee on the Earnings and Nominations, regulates the duties, responsibilities and obligations of the Committee and its members and is posted on the Company's website (https://www.profilesw.com), in accordance with the express legislative provision of article 10 par. 4 of l. 4706/2020.

2.3.2 According to its Rules of Procedure, the Committee on the Earnings and Nomination of Nominations meet at regular intervals and exceptionally when deemed necessary. In any case, the Candidacy Committee shall meet at least two (2) times a year.

2.3.3 The Committee for the Acceptance and Nomination of Nominations is convened by its Chairman upon an invitation notified in any appropriate manner to its other members, at least two (2) days before the meeting. The invitation must include at least the date, time and items on the agenda clearly, otherwise decisions may be taken only if all the members of the Commission are present and no-one objects to the holding of the meeting and to the taking of decisions.

2.3.4 The Nomination and Remuneration Committee shall meet at the registered office of the Company. In any case, it meets validly outside the Company's registered office if all its members are present at that meeting and none of them objects to the holding of the meeting and to the decision making.

2.3.5 All its members participate in the meetings of the Committee on Compensation and Nomination in person.

2.3.6 The Committee on Compensation and Nomination may invite key directors of the Company, including the CEO, the CFO and the head of the Human Resources Directorate, to attend specific meetings or specific items on the agenda and to provide any necessary clarification or explanation.

2.3.7 The meetings of the Committee on Compensation and Nomination may also be held by teleconference, for some and/or all of its members, using any relevant electronic or digital platform. In this case, the invitation to the members of the Candidacy Committee includes the necessary information and technical instructions for their participation in the meeting.
In any case, any member of the Earnings and Nominations Committee may claim that the meeting be held by teleconference in this regard, if there is an important reason, in particular illness or disability.

2.3.8 The decisions of the Committee on the Earnings and Nominations are validly taken by an absolute majority of its members. In the event of a tie, the casting vote of the President of the Commission shall prevail.

2.3.9 The discussions and decisions of the Committee on the Earnings and Nominations are recorded in minutes, which are signed by the attendant members. The signatures of the members of the Candidates' Acceptance and Promotion Committee may be replaced by an exchange of e-mail messages. The minutes are available to all members of the Nomination Committee and the Board of Directors.

2.3.10 The Commission may elect a secretary to observe the minutes of its meetings and generally to support its work.

2.4 Responsibilities of the Earnings and Nominations Committee

2.4.1 In the context of compliance with the provisions of article 11 of Law 4706/2020, the Committee for the Acceptance and Nomination of Nominations:
(a) ensure that the Company has a clear, objective, well-documented and transparent Remuneration Policy in accordance with the applicable legislative framework, which is consistent with the Company's business strategy, market conditions, profile and risk appetite and does not encourage excessive and short-term risk-taking;
(b) make proposals to the Board of Directors regarding the Remuneration Policy or its revision, which shall be submitted for approval to the General Meeting of Shareholders;
(c) make proposals to the Board of Directors regarding the remuneration of persons falling within the scope of the Remuneration Policy, in accordance with article 110 of Law 4548/2018;
(d) make proposals to the Board of Directors regarding the remuneration of the Company's directors and in particular the head of the Internal Audit Unit;

(e) monitor the implementation of the Remuneration Policy shall make proposals to the Board of Directors regarding the Remuneration Policy or its revision, which shall be submitted for approval to the General Meeting of Shareholders;
(f) supervise the observance of the relevant decisions regarding the remuneration of persons falling within the scope of the Remuneration Policy, as defined at least by the applicable legislation;
(g) consider and submit proposals for general guidelines as well as appropriate policies and practices concerning the establishment of the remuneration framework of persons falling within the scope of the Remuneration Policy;
(h) examines the information contained in the final draft of the annual salary report, providing its opinion to the Board of Directors, before submitting the report to the general meeting;
(i) consider and submit to the Board of Directors proposals regarding stock options, stock options, bonus schemes and any other long-term reward scheme;
(j) monitor the implementation and application of the Remuneration Policy;
(k) monitor the effectiveness of the Remuneration Policy in terms of attracting and retaining competent Management personnel of recognised standing and experience and skills;
(l) consider and act in an advisory capacity to the Board of Directors when formulating policies and systems for determining the annual fixed and variable remuneration and other benefits of persons falling within the scope of the Remuneration Policy;
(m) ensure that the approach taken by each non-listed Group subsidiary in relation to remuneration complies with the principles of the Company's Remuneration Policy;
(n) consider and make proposals to the BoD as to the total amount of annual variable remuneration;
(o) make proposals to the Board of Directors for operational strategies and policies related to remuneration;
(p) make proposals - suggestions to the Board of Directors on the need to amend, update and/or revise the current Remuneration Policy and provide the necessary assistance to the Board of Directors in the process of drafting the amendment and/or revision thereof;
(q) ensures that the applicable Remuneration Policy is consistent with the Company's business planning and overall strategy, the Company's objectives, principles, values and culture as well as its long-term interests.

2.4.2 In the context of compliance with the provisions of article 12 of Law 4706/2020, the Committee for the Acceptance and Nomination of Nominations:
(a) ensure that the composition, structure and operation of the Board of Directors comply with the applicable legal, regulatory and supervisory requirements;
(b) ensure that there is an effective and transparent procedure for the nomination of candidates to the Board of Directors;
(c) plan and coordinate the implementation of the procedure for the selection of candidate members of the Board of Directors, in accordance with the Articles of Association, the Code of Corporate Governance and the applicable legal and regulatory framework in general;

(d) ensure that there is an appropriate mix of knowledge, skills and experience at the level of the Board of Directors and its Committees;

(e) determine the requirements of the Company in terms of the size and composition of the Board of Directors, with a view to achieving diversity, balance, completeness of knowledge, experience and management skills;

(f) establish the eligibility criteria for the members of the Board of Directors, with a view to ensuring individual and collective suitability;

(g) prepare and update the Appropriateness Policy, which it submits for approval to the Board of Directors, and which is subsequently approved by the General Meeting of Shareholders;

(h) investigate, nominate and nominate suitable persons for the purpose of being a member of the Board of Directors, in accordance with the criteria set out in the Appropriateness Policy adopted and implemented by the Company, following the procedure of recruitment/selection/appointment of senior management;

(i) carry out a periodic assessment of the size and composition of the Board of Directors, in accordance with the provisions and provisions of the applicable Eligibility Policy, in order to identify any gaps regarding the suitability of the members of the Board of Directors, at individual and collective level, and submit proposals for improvements, when necessary;

(j) monitors the implementation of the Eligibility Policy and periodically evaluates it, recommending to the Board of Directors the necessary changes and revisions;

(k) identify and propose candidates for the vacancies of the Board of Directors and assess the combination of wide knowledge, skills and experience;

(l) shall describe the individual skills and qualifications it deems necessary to fill the positions of the members of the Board of Directors and shall estimate the time to be devoted to the relevant post;

(m) define the evaluation parameters and lead the evaluation of the Board of Directors' body, the results of which (evaluation) are communicated and discussed in the Board of Directors and taken into account in its work on the composition and integration plan of new members;

(n) define the evaluation parameters and lead the evaluation of the performance of the President of the Board of Directors;

(o) guides the Board of Directors in the annual evaluation of the performance of the Chief Executive Officer and communicates to the latter the results of the evaluation, which are taken into account in the determination of his variable remuneration;

(p) draw up and implement a sound succession plan for the Company's Chief Executive Officer and in particular ensure the identification of the required qualitative characteristics to be acquired by the person of the Chief Executive Officer, the continuous monitoring and identification of potential internal candidates and, if appropriate, possible external candidates, as well as the dialogue with the Chief Executive Officer on the evaluation of candidates for his/her position and other senior management positions;

(q) provide for the coverage of the succession needs of members of the Board of Directors and senior management of the Company;

(r) supervise the preparation and monitoring of the implementation of the training process of the members of the Board of Directors;

(s) ensure the implementation of the diversity policy included in the Eligibility Policy and adequate gender representation of at least twenty-five percent (25%) of all members of the Board of Directors and make suggestions on how to address any existing imbalances;

(t) verifies and ascertains the fulfilment of the independence criteria provided by the current legislative framework, in order for a member of the Board of Directors to be classified as "independent" (i) before his appointment, (ii) at least on an annual basis per financial year and in any case before the publication of the annual financial report, which includes a relevant finding, (iii) at any time such examination is required by the Treaties (e.g. replacement of independent members, change in the composition of the Board of Directors, etc).

2.5 Number of meetings of the Earnings and Nominations Committee

During the closing financial year 2022 (01.01.2022-31.12.2022) the Earnings and Nominations Committee met three (3) times and all its decisions were taken unanimously.

2.6 Proceedings of the Earnings and Nominations Committee

During the closing financial year 2022 (01.01.2022-31.12.2022), the Earnings and Nominations Committee:

(a) examined and evaluated from the point of view of adequacy, proportionality and appropriateness, the level of the remuneration of all the members of the Board of Directors which were approved by the Annual Ordinary General Meeting of the shareholders on 12 May 2022 for the financial year 2021 (01.01.2021-31.12.2021) on the one hand, and for the financial year 2022 (01.01.2022-31.12. 2022), in order to ascertain whether the remuneration paid is commensurate with the duties, level of employment, scope of responsibilities, responsibilities and performance of the persons concerned and that it is in line with the prevailing economic conditions and the wider financial environment in which the Company operates and develops its activities, in order to avoid the payment of excessive remuneration and the consequent exposure of the Company to excessive risks,

(b) provided the necessary assistance for the preparation of the Remuneration Report of the members of the Board of Directors and other persons covered by the Remuneration Policy for the financial year 2022, so that its content fully complies with the provisions of article 112 of Law No. 4548/2018 as well as with the European Commission's Guidelines of 01.03.2019 regarding the standardised presentation of the Remuneration Report in accordance with Directive 2007/36/EC, as amended by Directive (EU) 2017/828 on shareholders' rights,

c) provided the Company's Management with the required assistance and support in the preparation of both the Policy and Procedure for the Succession of Members of the Board of Directors and the CEO, as well as the Policy and Procedure for the Evaluation of Members of the Board of Directors, in order to ensure, on the one hand, the smooth, efficient and uninterrupted operation of this corporate body, as well as the quality and appropriate staffing of this body, and on the other hand, the smooth continuity of the entity and the implementation of the business plan.

III. Corporate Communications and Shareholder Services Unit

The Company, as a company with shares listed on a regulated market and based on the requirements of articles 19 and 20 of Law no. 4706/2020, has a single Unit (Department) for Corporate Announcements and Shareholder Services, which:

(a) makes the necessary and required announcements concerning regulated information, in accordance with the provisions of Law no. 3556/2007, as amended, as well as corporate events according to the provisions of Law No. 4548/2018 in order to inform the shareholders or holders of other securities of the Company

(b) is responsible for the Company's compliance with the obligations set out in Article 17 of Regulation (EU) 596/2014, regarding the disclosure of privileged information, and other applicable provisions,

(c) is responsible for maintaining and updating the Company's share register and is charged with providing shareholders with direct, accurate and equal information and, in particular, supporting them in the exercise of their rights, in accordance with the applicable legislation and the Company's Articles of Association.

The relevant information shall always be published in such a way as to ensure that shareholders and the investing public in general have rapid and equal access to all information, financial and non-financial, that is available to them.

PART C΄ - GENERAL MEETING

I. General Meeting

1.1 Introduction

The General Meeting of the Company's shareholders is its supreme organ and entitled to decide on any affair concerning the Company. Its decisions are binding on the shareholders that are absent or dissidents.

1.2 Sole responsibility of the General Meeting

1.2.1 Pursuant to art. 9 par. 2 of the Articles of Association in force, the General Meeting is solely responsible to decide on the following:

(a) Amendments of the Articles of Association (as amendments are considered also the increases, ordinary or extraordinary, as well as the decreases of the capital);

(b) The election of the members of the Board of Directors and Auditors;

(c) The approval of management as a whole, pursuant to article 108 of l. 4548/2018 and the release of the Auditors;

(d) The approval of the annual and consolidated financial statements;

(e) The distribution of the annual profits;

(f) The approval of remuneration or advance payment thereof pursuant to article 109 of l. 4548/2018;

(g) The approval of remuneration policy of article 110 and the remuneration report of article 112 of l. 4548/2018;

(h) The merger, split-up, conversion, revival, extension of duration or dissolution of the Company; and

(i) Appointment of liquidators.

1.2.2 The provisions of the previous paragraph do not include:
(a) capital increases or capital adjustment operations, explicitly assigned by law or the Articles of association to the board of directors, as well as increases imposed by provisions of other laws;
(b) the amendment or adaptation of provisions of the Articles of association by the Board of Directors in the cases explicitly defined by law;
(c) appointment by the statutes of the first Board of Directors;
(d) the election in accordance with the Articles of Association of directors to replace resigned, deceased or otherwise deprived directors;
(e) he absorption according to Articles 35 and 36 of Law 4601/2019 by another société anonyme holding one hundred percent (100%) or ninety percent (90%) or more of its shares;
(f) the option to distribute profits according to paragraphs 1 and 2 of the Article 162 of l. 4548/2018 and
(g) possibility of distribution, according to paragraph 3 of article 162, of profits or optional reserves within the current corporate year by decision of the Board of Directors, subject to publication.

1.3 Convening the General Meeting
1.3.1 The General Meeting of the shareholders is convoked by the Board of Directors and convenes necessarily at the Company's registered office or in the region of another Municipality within the registered office, at least once in every financial year, at the latest until the tenth (10th) calendar day of the ninth month after the expiry of the financial year. The General Meeting may also convene in the region of the Municipality where the seat of the Athens Stock Exchange is.

1.3.2 The Board of Directors may convoke an extraordinary General Meeting of the shareholders when it deems it advisable or if it is requested by shareholders representing the required by law or the Articles of Association percentage.

1.3.3 The procedures and rules for convocation, participation and decision-making by the General Meeting are regulated in detail by the provisions of Law 4548/2018 and the Company's Articles of Association.

1.3.4 It is clear from the procedures, provisions and general arrangements set out below that the Company's corporate governance system includes adequate and effective mechanisms for communicating with shareholders in order to facilitate the exercise of their rights and active dialogue with them (shareholder engagement).

1.3.5 The Board of Directors shall ensure that the preparation and conduct of the General Meeting facilitates the effective exercise of the rights of the shareholders, who are informed of all matters related to their participation in the General Meeting, including the items on the agenda and their rights at the General Meeting. In particular, in accordance with the provisions of Law 4548/2018, the Company shall post on its website at least twenty (20) days before the General Meeting, both in Greek and English:

- the invitation to convene the General Meetings,
- the total number of shares and voting rights the shares incorporate at the date of the call,
- the forms to be used for the vote by proxy or by proxy or, where applicable, for the vote by electronic means,
- the documents to be submitted to the General Meeting,
- a draft decision on each item on the proposed agenda or, if no decision has been proposed for adoption, a comment by the Board of Directors, as well as
- the draft resolutions proposed by the shareholders, in accordance with paragraph 3 of Article 141 of Law 4548/2018, immediately upon their receipt by the Company.

1.4 Participation in the General Meeting

1.4.1 At the General Meeting the natural or legal person having the shareholding capacity shall be entitled to participate and vote at the beginning of the fifth (5th) day prior to the date of the General Meeting ("record date"). Each share shall be entitled to one (1) vote.

1.4.2 Against the Company is considered as a shareholder entitled to participate in the General Meeting and to exercise the right to vote the registered on the date of registration in the Dematerialized Securities System (DSS) of the Societe Anonyme under the name "Hellenic CENTRAL Securities Depository Societe anonyme" (EL.KAT.) or identified as such on the basis of the relevant date through registered intermediaries or other intermediaries in compliance with the provisions of the legislation (Law 4548/2018, Law 4569/2018, Law 4706/2020 and Regulation (EU) 2018/1212) as well as the Rules of Operation of the Hellenic Central Securities Depository (Government Gazette B΄ 1007/16.03.2021).

1.4.3 The proof of shareholding capacity is made by any legal means and in any case on the basis of information received by the Company up to and including the beginning of the General Meeting by EL.KAT. or through the participants and registered intermediaries in the Central Securities Depository in any other case.

1.4.4 The exercise of participation and voting rights does not presuppose the blocking of the beneficiary's shares or the observance of any other similar procedure, which limits the possibility of selling and transferring them during the period between the date of registration and the date of the General Meeting.

1.4.5 The record date also applies in the case of an adjourned or repeat meeting, provided that the adjourned or repeat meeting is not more than thirty (30) days from the record date. If this is not the case or if in the case of the repeat General Meeting a new invitation is published, in accordance with the provisions of Article 130 of Law 4548/2018), the person who has the shareholding capacity at the beginning of the third (3rd) day before the day of the adjournment or repeat General Meeting shall participate in the General Meeting.

1.4.6 In article13 par.1 of the Articles of Association of the Company has provided for the possibility of participation of the shareholders in the General Meeting from a distance in real time by audiovisual or other electronic means, without the physical presence of the shareholders at the place of its conduct. The shareholders who participate in the General Meeting by teleconference in real time, are taken into account for the formation of the quorum and the majority and can effectively exercise their rights during the General Meeting. Thus, shareholders have the possibility to:
(a) monitor by electronic or audiovisual means the holding of the General Meeting;
(b) speak and address the General Meeting orally during the General Meeting;
(c) vote in real time during the General Meeting on the items on the agenda; and
(d) be informed of the recording of their vote.

1.5 Representation in the General Meeting
1.5.1 The shareholder participates in the General Meeting and votes either in person or by proxy. Each shareholder may appoint up to three (3) representatives. Legal persons participate in the General Meeting by appointing as their representatives up to three (3) natural persons. However, if the shareholder holds company shares, which appear in more than one securities accounts, this limitation does not prevent the said shareholder from appointing different representatives for the shares appearing in each securities account with regard to the General Meeting. A representative acting on behalf of several shareholders may vote differently in respect of each shareholder.

1.5.2 The shareholder's representative must notify to the Company, before the commencement of the General Meetings' convention, every specific event, which may be useful to the shareholders in order to assess the risk of the representative serving other interests but the interests of the represented shareholder. In the sense of the present paragraph, a conflict of interest may arise, especially where the representative:
(a) is a shareholder exercising the control of the Company or is another legal person or entity which is controlled by this shareholder;

(b) Is a member of the Board of Directors or of the general management of the Company or shareholder exercising the control of the Company, or other legal person or entity which is controlled by a shareholder who exercises the control of the Company;

(c) Is an employee or auditor of the Company or of a shareholder exercising the control of the Company, or of other legal person or entity which is controlled by a shareholder who exercises the control of the Company;

(d) Is a spouse or blood relative of first degree of one of the natural persons stated in cases (a) to (c) above.

1.5.3 The appointment and recall of a shareholders' representative is done in writing or electronically and is notified to the Company at least forty eight (48) hours prior to the fixed date of the General Meetings' convention.

1.6 Quorum and majority of the General Meeting

1.6.1 According to the law and the Company's Article of Association, the General Meeting is in quorum and validly convenes to discuss the items on the agenda, when at least one fifth (1/5) of the paid up share capital is being represented in it.

1.6.2 If no such quorum is achieved, then the Meeting reconvenes within twenty (20) days from the date of the cancelled meeting, by invitation at least ten (10) days in advance. This reconvened meeting is in quorum and validly convenes on the items on the agenda, whatever portion of the paid up share capital may be represented in it. A newer invitation is not required if the time and place of the repeat meeting have already been stated in the original invitation, provided that there are at least five (5) days between the cancelled and the reconvened meeting.

1.6.3 The decisions of the General Meeting are reached by absolute majority of the votes represented in the Meeting.

1.6.4 Exceptionally, with regard to decisions concerning:
(a) Change of Company's nationality;
(b) Change of the Company's business object;
(c) Increase of the shareholders' responsibilities;
(d) Ordinary increase of the share capital, unless it is imposed by law or is effected through capitalization of reserves;
(e) capital decrease, unless made, in accordance with paragraph 5 of Article 21 or paragraph 6 of Article 49 of Law 4548/2018, as in force;
(f) Change in the manner of profit distribution;
(g) Merger, split-up, conversion, revival of the Company;
(h) Extension of the duration or dissolution of the Company;
(i) Granting or renewing of authority to the Board of Directors to increase the share capital according to par. 1 of article 24 of l 4548/2018, as applicable, as well as

(j) in any other case in which the law stipulates that for the General Meeting to reach a certain decision an increased majority is required.

the General Meeting is in quorum and validly convenes on the items on the agenda when shareholders representing one half (1/2) of the paid up share capital are present or represented in it.

1.6.5 If no such quorum is achieved, then the General Meeting reconvenes within twenty (20) days from the date of the cancelled meeting, by invitation at least ten (10) days in advance. This reconvened meeting is in quorum and validly convenes on the items on the agenda when at least one fifth (1/5) of the paid up share capital is represented in it. A newer invitation is not required if the time and place of the repeat meeting have already been stated in the original invitation, provided that there are at least five (5) days between the cancelled and the reconvened meeting.

1.6.6 All decisions of the previous paragraph shall be made by a majority of two thirds (2/3) of the votes represented in the Meeting.

1.7 Minority rights

The shareholders of the Company have, inter alia, the rights provided for in paragraphs 1, 2, 3, 5, 6 and 7 of Article 141 of l. 4548/2018: In particular:

(a) By a request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is obliged to convoke an Extraordinary Meeting of the shareholders, setting a date for its meeting, which must not be more that forty five (45) days from the date of the service of the request to the President of the Board of Directors. The request contains the item on the agenda. If a General Meeting is not convoked by the Board of Directors within twenty (20) days from the service of the relevant request, the convocation is conducted by the requesting shareholders at the expense of the Company, by a court decision, issued pursuant to the interim measures proceedings. This decision states the place and time of the convention, as well as the items on the agenda. The decision is not subject to judicial appeals.

(b) By a request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is obliged to register on the agenda of a General Meeting that is already convoked, additional items, if the relevant request reaches the Board of Directors at least fifteen (15) days before the General Meeting. The additional items must be published or notified with the responsibility of the Board of Directors, pursuant to article 122 of l. 4548/2018, at least seven (7) days before the General Meeting. Any request for additional items on the agenda is accompanied by a justification or a draft resolution for approval by the General Meeting and the revised agenda is published in the same manner as the previous agenda on 10.11.2015, i.e. thirteen (13) days before the date of the General Meeting and will also be made available to shareholders on the Company's website, along with the justification or the draft resolution submitted by the shareholders as provided in Article 123 par. 4 of l. 4548/2018.

(c) Shareholders representing one twentieth (1/20) of the paid-up capital have the right to submit draft resolutions on matters included in the initial or any revised General Meeting agenda. The relevant request must reach the Board of Directors at least seven (7) days before the date of the General Meeting, and the draft decisions shall be made available to the shareholders in accordance with paragraph 3 of Article 123 of Law 4548/2018, at least six (6) days before the date of the General Meeting. The Board of Directors is not obliged to include items on the agenda or to publish or disclose them together with a justification and with draft decisions submitted by the shareholders, in accordance with paragraphs 2 and 3 of Article 141 of Law 4548/2018, if their content is manifestly contrary to the law or morality.

(d) In case of request of a shareholder or shareholders representing one twentieth (1/20) of the paid up share capital, the President of the Meeting is obliged to postpone, only once, the decision making by the Extraordinary or Ordinary General Meeting, on all or certain items, designating as the day for the continuance of the meeting for them to be resolved upon, the day that is specified in the request of the shareholders, but which may not be more than twenty (20) days from the day of the postponement. The General Meeting after the postponement constitutes a continuance of the previous meeting and the repetition of publicity requirements of the shareholders' invitation is not required. In this meeting new shareholders may participate provided that the participation requirements are observed and the provisions of paragraph 6 of article 124 of l. 4548/2018 apply.

(e) In case of request of shareholders representing one twentieth (1/20) of the paid up share capital, which must be submitted to the Company five (5) full days before the General Meeting, the Board of Directors is obliged to provide the General Meeting with the requested specific information on the Company's affairs, so far as they are related to the items on the agenda. There is no obligation to provide information when the relevant information is already available on the Company's website, in particular in the form of questions and answers. Furthermore, in case of request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors must announce to the General Meeting, if Ordinary, the amounts paid during the last two years to each member of the Board of Directors or the Company's managers, as well as every contribution to these persons, from whatever cause or agreement of the Company with them. In all the above cases the Board of Directors may refuse to provide the information requested of it, on the basis of a significant substantial reason, which is recorded in the minutes. Such reason could be, depending on the circumstances, the representation of the requesting shareholders in the Board of Directors, according to articles 79 or 80 of l. 4548/2018. In the cases referred to in this paragraph, the Board of Directors may respond jointly to requests from shareholders with the same content.

(f) In case of request of shareholders representing one tenth (1/10) of the paid up share capital which is submitted to the Company five (5) full days before the General Meeting, the Board of Directors is obliged to provide the General Meeting with information relating to the course of corporate affairs and the property status of the Company. The Board of Directors may refuse to provide the information for a significant substantial reason, which is stated in the minutes. Such reason could be, depending on the circumstances, the representation of the requesting shareholders in the Board of Directors according to article 79 or 80 of l. 4548/2018, provided that the respective members of the Board of Directors have received the relevant information in a sufficient way.

(g) In case of request of shareholders representing one twentieth (1/20) of the paid up share capital, any decision making on any item on the agenda of the General Meeting is carried out by roll call.

1.8 Other rights of shareholders

Apart from the right to participate and vote in the General Meeting of Shareholders and the above rights under 1.7, the Company's shareholders have, in accordance with the current Articles of Association and the provisions of Law No. 4548/218, also have the following rights:

(a) the right to withdraw dividends

The minimum dividend is set at thirty-five percent (35%) of net profits, after deduction of the reserve for the formation of ordinary reserves and other credit items in the profit and loss account that do not derive from realised profits. The above percentage may be reduced by a decision of the General Meeting, taken with an increased quorum and majority, but not below ten percent (10%). Non-distribution of the minimum dividend is only permitted by a decision of the General Meeting, taken with the increased quorum of paragraphs 3 and 4 of Article 130 of Law No. 4548/2018 and a majority of eighty percent (80%) of the capital represented at the Meeting. The amount to be distributed shall be paid to the shareholders within two (2) months from the decision of the Ordinary General Meeting that approved the annual financial statements and decided on the distribution. The date and method of payment of the dividend shall be announced through announcements on the Company's website and on the OTC EDT. According to Greek legislation, dividends that are not claimed for a period of five (5) years from the date on which they became due are time-barred and the relevant amounts are definitively transferred to the Greek State.

(b) the right to information

Ten (10) days before the Annual General Meeting, the Company is obliged to post on its website its annual Financial Statements, as well as the relevant Reports of the Board of Directors and the Auditors.

(c) the preemption right

In any case of an increase in share capital that is not made by means of a contribution in kind or the issue of bonds with the right to be converted into shares, preference rights are granted to the entire new capital or the bond loan in favour of the shareholders existing at the time of the issue, depending on their participation in the existing share capital.

(d) the right to participate in the proceeds of the liquidation.

PART D΄ - INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

I. Internal Audit

1.1 Internal Audit System (IAS) means the set of internal control mechanisms and procedures, including risk management, internal control and regulatory compliance, which continuously covers every activity of the Company and contributes to its safe and effective operation.

1.2 The Internal Audit System aims to:

- the consistent implementation of the Company's business strategy, with the effective use of the available resources,
- the identification and management of material risks associated with the business and operation of the Company,
- the effective operation of the Internal Audit Unit,
- ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the financial condition of the Company and the preparation of reliable financial statements,
- compliance with the applicable legislative and regulatory framework in general, as well as the internal regulations governing the operation of the Company.

1.3 The main elements of the Internal Audit System (IAS) are the following:

• Control Environment

The Control Environment consists of all the structures, policies and procedures that provide the basis for the development of an effective EES, as it provides the framework and structure for achieving the fundamental objectives of the EES. The Control Environment is essentially the sum of many individual elements that determine the overall organization and the way the Company is managed and operated.

• Risk Management

It includes an overview of the risk assessment process, the Company's risk response and management procedures and the risk monitoring procedures.

• Control Mechanisms and Safeguards (Control Activities)

It includes an overview of the control mechanisms of critical safeguards, with emphasis on safeguards related to conflict of interest issues, segregation of duties and the governance and security of Information Systems.

• Information and Communication System

It concerns the review of the process of financial development, including audit mechanism reports (e.g. Supervisory, Regulatory and Regulatory Authorities, Certified Auditors, etc.) and non-financial information (e.g. Sustainable Development Policy, environmental, social and employment issues, respect for human rights, the fight against corruption, issues related to bribery, as provided for by article 151 of Law 4548/2018) as well as the overview of the Company's critical internal and external communication procedures.

• Monitoring

It concerns the review of the Company's structures and mechanisms that have been charged with the continuous evaluation of EES data and the reporting of findings to be corrected or improved, and in particular of the Audit Committee and the Internal Audit Unit.

1.4 The Internal Audit Unit is responsible for the systematic monitoring, control and periodic evaluation of the Internal Audit System, especially as regards the adequacy and correctness of the financial and non-financial information provided, risk management, regulatory compliance and the Corporate Governance Code adopted by the Company, and is an independent organizational unit within the Company.

In addition, a periodic evaluation of the Internal Audit System is carried out every three (3) years by an independent and objective evaluator, in accordance with the specific provisions of the decision of the Board of Directors under number 1/891/30.09.2020 of the Hellenic Capital Market Commission, as amended by the Decision of its Board of Directors No. 2/917/17.06.2021 (Government Gazette B΄ 3040/2021), which determines the time, the procedure, the periodicity and any specific issue necessary for the implementation of the evaluation of the Internal Control System (ICS) as well as the characteristics of the persons performing the evaluation.

1.5 The Company’s Internal Audit Unit:

(a) monitors, controls and evaluates the implementation of the Operating Regulation and the Internal Audit System, in particular as regards the adequacy and correctness of the financial and non-financial information provided, risk management, regulatory compliance and the Corporate Governance Code adopted and implemented by the Company;

(b) monitors, controls and evaluates the quality assurance mechanisms;

(c) monitors, controls and evaluates corporate governance mechanisms;

(d) monitors, verifies and evaluates the compliance with the commitments contained in prospectuses and the Company's business plans regarding the use of funds raised from the regulated market;

(e) prepares reports to the controlled units with findings in relation to the above, the risks arising therefrom and the improvement proposals, if any, which reports after the incorporation of the relevant views by the controlled units, the agreed actions, if any, or the acceptance of the risk of non-action by them, the restrictions on its audit range, if any, the final internal audit proposals and the results of the controlled units' response to its proposals, are submitted quarterly to the Audit Committee and

(f) submits reports every three (3) months to the Audit Committee, including the most important issues and its proposals, on the above tasks which the Audit Committee presents and submits together with its observations to the Board of Directors.

1.6 The Internal Audit Unit is headed by its head, who:

(a) attends the General Meetings of Shareholders;

(b) provides in writing any information requested by, cooperate with and facilitate in any way possible the monitoring, control and oversight work of the competent surveillance authority;

(c) submits to the Audit Committee an annual audit plan and the requirements of the necessary resources, as well as the impact of the restriction of resources or the audit work of the Unit in general.

The annual audit program is prepared based on the risk assessment of the Company, after taking into account the opinion of the Audit Committee.

(d) has free and unhindered access to any organizational unit of the Company and is aware of any data, records and information required for the effective and effective exercise of its duties.

1.7 The Head of the Internal Audit Unit:

(a) is appointed by the Board of Directors of the Company, upon proposal of the Audit Committee,

(b) is a full-time, exclusive employee, who is personally and functionally independent and objective in the performance of his duties;

(c) has the appropriate knowledge and relevant professional experience.

(d) is administratively subordinated to the Chief Executive Officer and operationally to the Audit Committee.

(e) (e) a member of the Board of Directors or a member entitled to vote on committees of a permanent nature of the Company may not be appointed as head of the Internal Audit Department and has close ties with anyone who holds one of the above properties in the Company or in a Group company.

Furthermore, the number of internal auditors of the Internal Audit Department must be proportional to the size of the Company, the nature, scale, scope and complexity of the Company's activities, the number of its employees, the geographical points of its activity, the number of its functional and executive units as well as the audited entities in general.

Mr. Dimitrios Evangelou is the Head of the Internal Audit Department of the Company.

1.8 The staff of the Internal Audit Unit must comply with:

(a) the International Professional Practices Framework,

(b) the International Standards for the Professional Application of Internal Audit (IIA Standards);

(c) the Code of Ethics (IIA Code of Ethics);

(d) the applicable legislative and regulatory framework in general;

(e) the Company's Internal Rules of Procedure.

1.9 The staff of the Internal Audit Unit in the performance of their duties must apply the following principles:

(a) integrity (demonstration of sincerity, diligence, consistency and responsibility in the performance of their duties, observance of the legislative and regulatory framework and the internal procedures of the Company);

(b) objectivity (demonstrating the greatest possible impartiality in the collection, evaluation and communication of information relating to the checks carried out, non-acceptance of gifts liable to affect their professional judgement, immediate communication of any fact which might be considered contrary to their independence);

(c) confidentiality (respect for and management of information acquired in the performance of their duties with due diligence, avoidance of use of such information for personal gain or in a manner detrimental to the Company, taking appropriate measures to protect such information);

(d) competence (possession of the knowledge, skills and experience necessary for the provision of internal audit services, continuous improvement of the adequacy, efficiency and effectiveness of their services, exercise of appropriate professional judgement).

1.10 The Internal Audit Unit has an Operating Regulation, which was drawn up in accordance with the provisions of Articles 15 and 16 of Law 4706/2020 (Government Gazette A '136/17.07.2020), as in force, was approved and entered into force by virtue of the decision of the Board of Directors of the Company on July 16, 2021 following a proposal of the Audit Committee and specifies the principles and the basic operating framework of the Unit, specifies the fundamental principles and rules that the Internal Auditors must follow in the performance of their duties, describes the responsibilities, duties and obligations of the Unit and regulates its relations with all interested parties (Board of Directors, Audit Committee, Chief Executive Officer, Legal Auditors).

<u>II. Risk management</u>

2.1 The Company implements a risk management process, which aims at the timely and effective treatment of risks that may have a negative impact on the achievement of its objectives. It is a systematic process that aims at the timely and effective identification, analysis, control, management and monitoring of all forms of risk inherent in the operation of the Company.

2.2 The Company's risk management system is based on the following axes:

• risk identification;

• risk assessment;

• response to potential risks (risk management) and

• monitoring and reporting of risks

2.3 In particular, and with regard to the process of preparing the financial statements, the Company has invested significant amounts of money in the development, upgrading and maintenance of advanced IT infrastructures that ensure through a series of information procedures, safeguards and security levels the correct and accurate display of financial figures and data, while at the same time their back-up storage is always up.

The policies and procedures adopted shall be evaluated at regular intervals and redefined in the event that it is found to be insufficient or that existing legal provisions require it.

At the same time, the results are analysed and processed on a daily basis, covering all the important areas of business activity.

Comparisons shall be made between actual, historical and budgeted revenue and expenditure accounts with a sufficient detailed explanation of all significant discrepancies.

Through all the above procedures and security mechanisms, any risk related to the preparation of the financial statements (corporate and consolidated) of the Company is minimized.

2.4 Factors that reduce the likelihood of (and therefore mitigate) the risk of inaccurate financial statements include:

- regular comparisons between actual, historical and budgeted income and expenditure accounts,
- in the event of a discrepancy, an adequate and justified explanation of the discrepancies,
- the coverage of all important fields of business activity so that there is completeness in the depiction of the figures,
- the supervision of the process of preparation of financial statements by the Audit Committee in the context of exercising its responsibilities.

III. Internal Audit System Evaluation

3.1 The Company has a specific evaluation process of the Internal Audit System (IAS) by an objective, independent, certified and experienced Evaluator, in accordance with the provisions of articles 9 and 14 of Law 4706/2020 as well as the Decision of the Governor No. 1/891/30.9.2020. In addition, the Company has a specific procedure for the proposal, selection and approval of the Internal Audit System Evaluator,defining the subjects of evaluation, the periodicity, the procedure and the format and addressees of the evaluation report.

3.2 According to the specific provisions of the decision of the Board of Directors of the Hellenic Capital Market Commission No. 1/891/30.09.2020 (Government Gazette B' 4556/2020), as in force after its amendment by the Decision of the Board of Directors No. 2/917/17.06.2021 (Government Gazette B΄ 3040/2021), the first evaluation of the Internal Audit System must be completed by 31 March 2023 with reference date 31 December 2022 and reference period from the entry into force of article 14 of Law 4706/2020", i.e. from 17 July 2021.

3.3 Following the above and in full compliance with the above provisions and the Company's Internal Rules of Operation, the Company's Board of Directors, following a relevant recommendation – proposal of the Audit Committee, assigned to the Company under the name "ANDREAS KOUTOUPIS & ASSOCIATES P.C.C.»¸ based in Athens, at 59 Panepistimiou Street, the evaluation of the adequacy and effectiveness of its Internal Control System (IAS).

3.4 The evaluation of the Internal Audit System (IAS) was carried out by Mr. Andreas G. Koutoupis, Certified Internal Auditor and Professor of Financial Accounting and Auditing and lasted from 01/12/2022 to 17/03/2023

The purpose of the evaluation process was to identify any material weaknesses in the Internal Control System (IAS), i.e. an inadequacy or combination of deficiencies in the ICS controls, which concerns their design adequacy or effectiveness, so that there is a reasonable probability that a significant risk identified by the Company's Management in accordance with the requirements of the regulatory framework and related to its operation will not be prevented or identified in a timely manner.

3.5 After the completion of the work and based on the evidence obtained regarding the adequacy and effectiveness of the Company's Internal Control System (IAS) with reference date December 31st , 2022, the above Evaluator provided the Evaluation Report dated 31.03.2023, the conclusion of which consists in the fact that there are certain weaknesses both at the level of subsidiaries and for the parent company of the Group in accordance with best practices which are not considered substantial. The findings are not material weaknesses but deviations from the best practices of the standards that do not and could not affect the compliance of the Company [and its significant subsidiaries] with the regulatory framework in any way.

3.6 Therefore, as a consequence of the existence of the above findings regarding the adequacy and effectiveness of the Company's Internal Control System (IAS), the Management intends to allocate the necessary and sufficient resources within the current financial year 2023 and to develop appropriate policies, procedures and safeguards in both the parent and significant subsidiaries of the Group to fill the gaps and redue risks in the areas of Risk Management, Compliance and Internal Audit.

PART E΄ - ADDITIONAL INFORMATION

1.1 Introduction

Article 10 par. 1 of Directive 2004/25/EC of the European Parliament and of the Council of 21st April 2004, regarding public takeover bids, stipulates the following in relation to companies whose total of securities is admitted to trading on a regulated market, according to the definition of l. 4548/2018:

"1. Member states make sure that the companies stated in article 1 paragraph 1 publish detailed information as to the following:

(a) their capital structure, including securities that are not admitted to trading on a member state regulated market and, as is the case, indication of the several categories of shares with the rights and obligations associated with each category of shares and the percentage they represent on the total share capital;

(b) all restrictions in transfer of securities, such as restrictions on the holding of securities or the obligation to receive the approval of the company or of other holders of securities, without prejudice to article 46 of Directive 2001/34/EC;

(c) the significant, direct or indirect participations (including indirect participations through pyramid structures or cross-shareholdings) in the sense of article 85 of Directive 2001/34/EC;

(d) the holders of any kind of securities that provide special control rights and description of these rights;

(e) the control mechanism that might be provided for in a system of employee participation, on condition that the control rights are not directly exercised by the employees;

(f) any kind of limitations to the right to vote, such as the limitations to the rights to vote in holders of a given percentage or number of votes, the deadlines for the exercise of the rights to vote, or systems in which, with the company's cooperation, the financial rights derived from securities are distinguished from the holding of the securities;

(g) the agreements between shareholders which are known to the company and may entail limitations in the transfer of securities and/or the rights to vote, in the sense of Directive 2001/34/EC;
(h) the rules regarding the appointment and replacement of members of the Board as well as regarding the amendment of the Articles of Association;
(i) the powers of the members of the Board, especially as to the possibility of issuance or repurchase of shares;
(j) every important agreement in which the company participates and which starts to take effect, gets amended or expires in case of change in the control of the company, following a public takeover bid and the results of this agreement, unless if, owing to its nature, its being publicized would cause serious damage to the company. This exception does not apply where the company is expressly obliged to publicize similar information based on other legal requirements;
(k) every agreement the company has entered into with the members of its Board or its staff, which provides for compensation in case of resignation or dismissal without substantial reason or if their employment is terminated due to the public takeover bid".

1.2 The above information is detailed in Section F of this Report.

2.3 In relation to cases c', d', f', h' and i' of par. 1 of article 10, the Company states the following:

• as to case c'': the significant direct or indirect participations of the Company are the following:

(a) "GLOBALSOFT DEVELOPMENT AND MARKETING OF SOFTWARE AND COMPUTING SYSTEMS MATERIAL SOCIETE ANONYME", with registered office in Nea Smyrni, Attica, in which the Company participates with 97.09%;

(b) «PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD», with registered office in Cyprus, in which the Company participates with 100%;
(c) "COMPUTER INTERNATIONAL FRANCHISE LIMITED LIABILITY COMPANY", with registered office in Nea Smyrni, Attica, in which the Company participates with 50.18%;
In relation to the said Limited Liability Company it is noted that by virtue of notarial deed under number 5055/01.07.2008 of the Athens Notary Public Haricleia Serveta-Phili, it has been dissolved and is currently under liquidation, that has not been yet concluded;
(d) "PROFILE SOFTWARE (UK) LTD", with registered office in the United Kingdom, in which the above Cypriot subsidiary participates with 100%;
(e) "PROFILE DIGITAL RECORDING, STORAGE AND RELEASE OF MINUTES OF COURT MEETINGS SOCIETE ANONYME", with registered office in Nea Smyrni, Attica, in which the Company participates with 100%;
(f) «LOGIN S.A.», with registered office in France, in which PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD participates with 99.92% and PROFILE SOFTWARE (UK) LTD with 0.08%;
(g) "PROFILE TECHNOLOGIES COMMERCIAL AND INDUSTRIAL COMPANY SINGLE MEMBER SOCIETE ANONYME", with registered office in Thessaloniki, in which the Company participates with 100%;

(h) "CENTEVO A.B.", with registered office in Stockholm, Sweden and presence through a branch in Oslo, Norway, in which "PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD" participates with 100%..

Furthermore, the significant direct or indirect participations in the share capital and the voting rights of the Company pursuant to the provisions of articles 9 to 11 of l. 3556/2007 are the following:

(a) Charalambos Stasinopoulos: 7.279.789 shares and voting rights (a percentage of 29.862%)

(b) Latover Holdings Limited (owned by Mr. Ch. Stasinopoulos): 3.543.660 shares and voting rights (a percentage of 14.536%).

• as to case d΄: there are no securities of any kind (including shares), which provide special control rights.

• as to case f΄: there are no known restrictions to the right to vote (such as restrictions of the rights to vote in holders of a given percentage or number of votes, deadlines for the exercise of the rights to vote, or systems in which, with the Company's cooperation, the financial rights derived from securities are distinguished from the holding of securities). With regard to the exercise of the rights to vote at the General Meeting, there is an extensive reference in Section C΄of the present Corporate Governance Statement.

• as to case h΄: with regard to the appointment and replacement of members of the Company's Board of Directors as well as the issues related to the amendment of the Company's Articles of Association, there are no rules which differ from the provisions of l. 4548/2018, as currently in force. These rules are described in detail in Section A΄ of the present Corporate Governance Statement.

• as to case i΄: there are no special powers of the Board of Directors or some of its members with regard to the issuance or repurchase of shares in accordance with article 49 of l. 4548/2018. The relevant authority and authority to the Board of Directors is always granted by virtue of a relevant decision of the General Meeting of the Company's shareholders.

It is noted that by virtue of the relevant decision of the annual Ordinary Meeting of shareholders dated May 12th, 2022 the Board of Directors of the Company was granted the power to purchase a maximum of 1.000.0000 treasury shares (taking into account and aggregated in relation to the above limit the total own shares already held by the Company under previous share acquisition plans, within a period of twenty-four (24) months from the date of the above decision, ie. until 12.05.2024, and in accordance with the terms and restrictions set out in Article 49 of Law 4548/2018, with a purchase price range of two Euro (€2.00) per share (threshold) and twelve Euro (€12.00) per share (maximum).

The Company, during the closing year 2022 (01.01.2022-31.12.2022) proceeded to the purchase of 322.409 equity shares, at the average acquisition price of 3,19 per share, which correspond to a percentage of 1,32% of its share capital.

In the 2022 financial year (01.01.2022-31.12.2022) no sale of own shares.

On the date of approval of the present Report the Company holds 415.416 own shares, at the average purchase price of 3,1243 Euro per share, which constitute 1.70% of its share capital.

• Cases e΄, g΄, j΄ and k΄ are not applied.

PART F΄ - SPECIAL STATEMENTS

1.1 The Board of Directors carried out during the financial year 2021 (01.01.2021-31.12.2021) an annual review of the corporate strategy, the main business risks faced by the Company in the sector in which it operates, as well as the internal control systems implemented by the Company and found the following:

- the corporate strategy is properly implemented and in accordance with the planning of the competent Directorates, in order for the Company to continue to be distinguished for the promotion of innovative products and services, the establishment of long-term relationships of trust and the creation of a feeling of intimacy among its partners, further developing its business model,

- the main areas of business and financial risk of the Company as well as the issues that may have a significant impact on its financial statements, according to the size and complexity of its activities are included, have been analytically reported and dealt with in the relevant Section of the Management Report of the Board of Directors and finally
- the internal audit is carried out in accordance with the applicable legislative and regulatory framework in general and the principles of the Code of Ethics, and covers the main activities of the company, in order to ascertain the adequacy of the management and organisation systems of the audited entity, to diagnose any irregularities, errors, weaknesses and potential fraud that may result in mismanagement and/or loss of assets and to verify the reliability of the measurement and presentation of the financial figures that constitute the image of the economic unit.

1.2 The Board of Directors of the Company hereby declares and confirms that the Audit Company, which is responsible for carrying out the statutory audit of the annual and half-yearly Financial Statements (corporate and consolidated), as well as the issuance of the annual tax certificate and the tax compliance report, does not provide any other non-audit services to the Company and therefore has no direct or indirect impact on the objectivity, integrity, reliability and effectiveness of the statutory audit.

PART G΄ - SUSTAINABLE DEVELOPMENT POLICY

1. Introduction

1.1 This Sustainable Development Policy (hereinafter referred to as ‘Policy’) has been designed and developed by the Board of Directors of the Public Limited Company called **‘PROFILE UNLIMITED COMMERCIAL AND INDUSTRIAL INFORMATION COMPANY’** and the distinguishing title **‘PROFILE SYSTEMS & SOFTWARE S.A.’** (hereinafter referred to as ‘Company’ in the context of systematically taking steps to ensure that the Company complies fully and effectively with the provisions of Law 470/2014 (GG A' 136/17.07.2020) on corporate governance, with a view to integrating sustainability issues and environmental, social (social responsibility) and corporate governance into corporate culture and strategy, with a view to creating a long-term value and a positive contribution to society.

1.2 "Sustainable development" is defined as a 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 on the basis of non-financial indicators relating to the environment, social responsibility and governance (ESG) and is 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 on the basis of the Decision of the Board of Directors of the Company on 05/12/2022, following a proposal from the Company's Regulatory Compliance Officer.

1.4 Please note that a summary of this Policy will be incorporated into the applicable Company Rules of Procedure, in accordance with the provisions of Article 14 of l. 4706/2020 on corporate governance.

2. Policy scope

2.1 This Policy applies to the Company and other companies in the Group, including those located abroad, the Administration, employees, associates and other interested parties.

3. Policy Purpose

3.1 This Policy reflects the company's responsibility and commitments to workers, the market, society and the environment in terms of sustainable development. The Company has integrated the principles of sustainable development into its business activities, its organisational structure and its overall mode of operation, recognising that these principles are a prerequisite for its long-term development.

Care for the health and safety of workers, respect for and protection of the environment, full customer coverage and harmonious coexistence with the local communities in which it operates are the main themes of the sustainable development of the Company.

4. Policy Objective

<u>4.1 Commitments of the Company</u>

4.1.1 Sustainable development is a strategic objective and commitment of the Company and is in line with the principles and values that it adopts and applies in the conduct of its business, which consist of integrity, accountability, transparency, efficiency, teamwork, knowledge, continuous customer satisfaction and innovation.

4.1.2 In this policy the Company Management is committed to:

- the continued development of the Company and the other companies in the Group;
- the development of the business model and the creation of long-term economic value for shareholders and interested parties;

- the adoption of mechanisms of interaction and understanding of stakeholders' expectations and monitoring their effectiveness;
- meeting the expectations of interested parties (workers, customers, suppliers, shareholders, social bodies, business community, institutional bodies, etc.);
- the observance and protection of the principles and values of the Company and the Group as a whole;
- ensuring business ethics and regulatory compliance;
- monitoring the implementation of the internal regulations, policies, processes and guidelines for sustainable development at all levels of activity of the Company and other companies in the Group;
- strengthening innovation;
- the provision of optimal products and services, inter alia, with a view to protecting the environment;
- ensuring the health and safety of personnel, developing the skills and competences of workers and providing equal opportunities, while respecting diversity;
- to support local communities through actions to address local issues;
- a commitment to the continuous improvement of products and services;
- the development of strong business relationships and trust with customers and suppliers.
- systematic monitoring of its environmental footprint.

In order to achieve these commitments, the Company and 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 implemented a system of modern and good corporate governance, which is fully and fully in line with and in line with current legislation, the Greek Corporate Governance Code (ECJ) and best practices. In this context, the Company operates with well-defined structures, administrative bodies, policies, procedures and regulations that contribute to greater transparency and optimal decision-making, taking into account the interests of the parties concerned. The Company Management has set high standards of moral behaviour and has zero tolerance in cases of fraud, corruption, corruption, market abuse, etc.

4.2.2 The company is active for the purpose of the aid of:

- effective governance
- regulatory compliance;
- effective risk management
- optimising operational efficiency;
- the use of modern systems;
- the principles and values of the Company and the Group in general for the benefit of the interests of shareholders and for the sake of accountability to interested parties and society.

4.3 Environment

4.3.1 The Company operates responsibly towards the environment and the use of natural resources. It commits itself to taking action and to developing environmental protection initiatives and reducing its environmental footprint by reducing energy consumption, adopting systematic recycling and waste management practices, reducing the use of plastic and reducing transport pollutants. Environmental protection is a matter for everyone and environmental policy is spreadacross all aspects of corporate activity.

4.3.2 In cooperation with "SCALE", a non-profit organisation that looks after the socially weak, collects and pushes paper for recycling, which not only contributes to environmental protection but also provides food and housing for the homeless, who are involved in recycling and collection.

The Company is also an active supporter of "Think Before Printing", including its logo on all its electronic communications.

4.3.3 Within the framework of the Sustainable Development Goals (SDGs), the Paris Agreement on Climate (2015) and the European Green Agreement (2019), the monitoring of international developments, the improvement of company environmental performance and the identification of risks arising from climate change are key areas for strengthening company environmental policy.

4.4 Society

4.4.1 Recognising the social impact of its activity, the Company plans and implements actions aimed at enhancing the quality of life, improving the technological skills of the community and transitioning the country to the digital age. In cooperation with NON-GOVERNMENTAL ORGANISATIONS and other utilities, it shall take action to strengthen the opportunities for the livelihood of disadvantaged social groups, make donations and stand in solidarity with the actions organised to support vulnerable social groups.

4.4.2 In this context, the Company:

- invests in the young generation and participates in various entrepreneurship and candidate search actions such as Regeneration, Job-Pairs, Junior Achievement GR, Alliance for Digital Employability, with the aim of helping students and young professionals to expand their professional aspirations and plan their next steps;
- launched the Stackforce Coding School Fellowship Programme, offering scholarships to technical college graduates to further enrich their planning skills, offering them the opportunity to work alongside experienced staff;
- supports a series of non-profit organisations providing medical care and support to less privileged children and societies within and outside borders, such as Doctors Without Borders, ELEFA, the Vision of Hope and the Non-profit ORGANISATION ERIC;
- offers computer equipment to schools, as well as to children in socially disadvantaged families.

4.5 Human resources – Health and safety at work

4.5.1 One of the main priorities of the Administration is to maintain and strengthen the climate of industrial peace and to continuously improve working conditions in order to make the most of the productive potential of the Company and the Group. It shall ensure every day that all necessary measures are taken and that best practices are adopted in order to comply fully and completely with the existing provisions of labour and insurance legislation. It applies the existing labour legislation strictly and respects the relevant provisions and provisions on child labour, human rights and the possibility of workers being involved in trade union bodies.

4.5.2 The Administration shall not discriminate against recruitment, remuneration and promotion based on sex, race, colour, ethnic or social origin, religion, belief, property, birth, disability, age, sexual orientation, marital status, any membership of trade unions or any other characteristics. The only factors to be taken into account are the training, qualification, experience, efficiency and competence of the individual, while encouraging and recommending that all employees of the Group respect the diversity of each employee, customer and supplier of the employee and not accept any discriminatory behaviour in any form. Particular importance is attached to the professional development of women by providing equal opportunities in terms of pay and career development.

4.5.3 The protection of the health and safety of both the Company and the Group as a whole is a top priority for the Administration, which systematically monitors and controls all the risks that may arise from this activity and takes all necessary preventive measures to prevent accidents. All employees of the Group shall attend training seminars on occupational health and safety, and the Management shall ensure that fire safety rules are respected and that emergency situations are met, and that fire protection, fire fighting, portable fire fighting personnel are trained and preparedness exercises are carried out to prevent and respond to emergencies. Finally, it supports a variety of actions to promote the well-being and balance between workers' professional and personal lives and ensures that a climate of mutual trust and understanding is created through appropriate channels of communication, allowing workers to share concerns, concerns and any other matter relating to their work.

4.5.4 The success of both the Company and the Group depends on its people. The Administration shall provide a safe and stable working environment for all workers to be motivated to be productive and geared towards achieving the best result, to take initiatives in the interests of the company and to manage their personal development with commitment and integrity. Through the Human Resources Department of the Company and the other companies of the Group, the Management distinguishes the skills of its employees and places them in positions where they will make the greatest contribution to achieving the common goals in a dedication and team spirit and will be able to distinguish between them.

4.6 Customers – Suppliers

4.6.1 In a rapidly changing environment, businesses need technologically advanced and reliable software systems providing innovative solutions and safety. The Company is committed to providing a high level of innovative, high quality products and services, ensuring the safety of its customers and offering them at competitive prices. It invests in research and development with a view to development, innovation, the provision of integrated solutions, high-quality products and innovative services that meet the needs, demands and wishes of and the most demanding customers. The aim of the Company is to establish strong and long-term relationships of cooperation and trust with its clients and not merely formal business transactions.

4.6.2 The Company shall ensure effective cooperation with its suppliers by clearly communicating the terms of cooperation and assessing them on the basis of approved criteria (qualitative and quantitative) to ensure that the selected suppliers/partners have the necessary know-how as well as the ability to perform and deliver the contracted tasks and services. In assessing its suppliers, before and during cooperation, the Company takes into account both financial and the adoption by them of specific environmental, social and governance criteria in order to have a holistic picture of their sustainable development performance. The main conditions for establishing cooperation are integrity, honesty, transparency and the establishment of mutual trust relationships with the supplier concerned.

4.7 Other stakeholders

4.7.1 The Company is developing relations with all other interested parties in the light of trust and honesty. Through the implementation of the procedures, regulations and policies, as well as the principles and values that govern it, it shall promote and enhance transparency and open and two-way communication with all stakeholders. It sets targets for the essential issues of sustainable development, which are assessed annually as to 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 interested parties in an integrated, transparent and effective way about the company's strategy, objectives and performance on key issues of sustainable development.

5.2 Policy is communicated to all company staff and other group companies and is posted on the Company's website.

6. Policy Monitoring

6.1 The Governing Council assesses the adequacy, adequacy and effectiveness of this Policy, monitors its implementation, records through its executives any identified weaknesses and shortcomings and makes the necessary and appropriate suggestions for improvement.

6.2 The policy shall be reviewed and reviewed on an annual basis and its design and implementation shall be amended and revised whenever appropriate, necessary, appropriate or necessary.

This Corporate Governance Declaration is an integral and specific part of the Annual Report (Management) of the Board of Directors of the Company.

Nea Smyrni, April 6, 2023

The Company's Board of Directors

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

"PROFILE SYSTEMS & SOFTWARE S.A."

Audit Report on the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the company "PROFILE SYSTEMS & SOFTWARE S.A." (the Company), which comprise the separate and consolidated statements of financial position as at December 31, 2021, the separate and consolidated statements of comprehensive income/(loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of the Company "PROFILE SYSTEMS & SOFTWARE S.A." and its subsidiaries (the Group) as at December 31, 2021, their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs), as incorporated in the Greek Law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the separate and consolidated financial statements" section of our report. We remain independent of the Company and its subsidiaries throughout the period of our appointment, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in the Greek Law, together with the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Major audit issues

The most important audit matters are those matters which, in our professional judgment, were of paramount importance in our audit of the corporate and consolidated financial statements for the audited financial year. These issues and the associated risks of material misstatement have been addressed in our audit of the corporate and consolidated financial statements as a whole to form our opinion on them and we do not express a separate opinion on the issues.

1. Identification and Impairment of Intangibles	
Key audit matter	**Addressing the audit matter**
On December 31, 2022 in the Annual Financial Report, the Group displays a Goodwill of € 2,367 thousand. (€ 2,735	Our auditing procedures on the recognition and impairment of intangible assets included the following:

thousand on 31.12.2021) and Intangible assets of € 10,150 thousand. (€ 8,571 thousand on 31.12.2021). In accordance with the requirements of IAS 36 goodwill and intangible assets with undetermined useful lives are controlled for impairment at least annually, while intangible assets with limited useful lives are controlled for impairment whenever there are indications of impairment. Intangible assets acquired individually are recognised at cost, while those acquired through business combinations are recognised at fair values at the date of the acquisition. For an intangible asset that does not generate significant independent cash flows, recoverable value is determined for the cash-generating unit to which that intangible asset belongs. It is noted that the most important asset included in the 'Intangible Assets' Statement of Financial Position line relates to cost-recognised software development costs and has limited useful life. We focused on this area both because of the size of the line in the consolidated financial statements and because of the assessments and assumptions used by the Administration in the context of the impairment control.	• On the recognition of intangible assets, we examined the fulfilment of the recognition criteria set out in IAS 38 Intangible Assets. • We evaluated management estimates as to whether there is evidence of impairment for intangible assets. • With regard to impairment testing of goodwill, we assessed the reasonableness of the assumptions made in the valuation models (forecast cash flows, discount rates, etc.).) and more generally the appropriateness of the methodology used to determine the value for use. • We evaluated the reliability of management forecasts by comparing actual performance against previous forecasts. • We have also assessed the adequacy and appropriateness of the notifications in Notes 3, 13 and 14 of the Annual Economic Report.

2. Recoverability of trade receivables

Key audit matter	**Addressing the audit matter**
On December 31 2022, the Group's commercial claims amounted to € 5.831 thousand. (€ 4.977 thousand on 31.12.2021). These balances include an impairment provision of € 4.572 thousand (€ 4.487 thousand on 31.12.2021). Also, contested claims amounting to € 2.556 thousand are included in the account other claims (€ 2.556 thousand on 31.12.2021). The management shall assess the recovery of the group's claims and estimate the required	Our auditing procedures concerning the recovery of commercial claims included, among other things, the following: - The understanding of credit control procedures and main safeguards regarding the credit liability of the customers. - Understanding of the process, in terms of the monitoring of commercial requirements and factors (data, assumptions and technical estimates) taken

impairment provision for expected credit losses. In order to assess the required impairment provision for late or contested claims, the management shall review the maturity of clients' balances and their credit history, assess the customer's ability to repay and the expected recovery time and take into account the assessments made by its Legal Adviser regarding the claims in question in general. We consider that the assessment of the company’s recovery is one of the most important control issues, on the one hand, because the claims are one of the main assets and, on the other, because of the significant assessments and judgements of Management.	into account for the estimation of the provision for impairment. - We assessed that the methodology applied by the Management is consistent with those set out in IFRS 9. - Consideration of lawyers' letters of reply, on issues they handle, to identify any issues indicating residual commercial claims that are not recoverable in the future. - Receipt of third party confirmation letters for a representative sample of commercial claims and execution of procedures after the date of the financial statements for recoveries against end-of-year balances. - Assessment of the adequacy and appropriateness of the disclosures in Notes 3, 17 and 18 of the Annual Financial Report.

Other information

Management is responsible for the other information of the Annual Financial Report. The other information, include the Board of Directors Report for which reference is also made in the section “Report on Other Legal and Regulatory Requirements”, the Statements of the Members of the Board of Directors, and other complementary information that are either required pursuant to special provisions of the law or the Company individually adopted based on the L.3556/2007, but does not include the financial statements and the audit report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those charged with governance for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in the Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as incorporated in the Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be considered to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the audited period and are therefore the key audit matters.

<u>Report on Other Legal and Regulatory Requirements</u>

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required in article 152 of Law 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153, and paragraph 1 (c and d) of article 152 of L. 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31.12.2022.

γ) Based on the knowledge and understanding concerning PROFILE SYSTEMS & SOFTWARE S.A. and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, in accordance with article 11 of the EU Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiaries any prohibited non-audit services per article 5 of the EU Regulation 537/2014, or any other allowed non-audit services.

4. Auditor's Appointment

We were first appointed as auditors of the Company by the General Meetings on June 30, 2006. Since then, our appointment has been uninterruptedly renewed for a total period of 16 years, based on the decisions of the Ordinary General Meeting each year.

5. Rules of Procedure

The Company has an Operating Regulation in accordance with the content provided by the provisions of article 14 of l 4706/2020.

6. Safeguard Report on the European Uniform Electronic Reporting Format

We have examined the digital files of the Company "PROFILE commercial & industrial information society" (hereinafter referred to as the Company and/or the Group), which were prepared in accordance with the European Uniform Electronic Format (ESEF) defined by the Delegated Regulation of the European Commission (EU) 2019/815, as amended by Regulation (EU) 2020/1989 (hereinafter referred to as the ESEF Regulation) and which include the Company's and the Group's corporate and consolidated financial statements for the year ended 31 December 2021, in XHTML format (21380051TUVZ3KYK5G44-2022-12-31-en), as well as the foreseen XBRL file XBRL (21380051TUVZ3KYK5G44-2022-12-31-en.zip) with the appropriate marking, on the aforementioned consolidated financial statements).

Regulatory Framework

The digital files of the European Uniform Electronic Format are compiled in accordance with the ESEF Regulation and the Interpretative Communication of the European Commission dated 10 November 2020, as provided by Law 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter "ESEF Regulatory Framework"). In summary, this Framework includes, inter alia, the following requirements:

- All annual financial reports should be prepared in XHTML format.
- With respect to consolidated financial statements based on International Financial Reporting Standards, financial information included in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows should be labelled XBRL (XBRL 'tags'), in accordance with the ESEF Taxonomy, as applicable. The technical specifications for the ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

Requirements set by the current ESEF Regulatory Framework are appropriate criteria to express a conclusion that provides reasonable assurance.

Responsibilities of the administration and those responsible for governance

The management is responsible for the preparation and submission of the Company's and the Group's corporate and consolidated financial statements for the year ended December 31, 2022, in accordance with the requirements set out by the ESEF Regulatory Framework, as well as for those internal controls that the management defines as necessary, in order to allow the preparation of the digital files free from material error, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to design and carry out this assurance task, according to no. 214/4/11-02-2022 Decision of the Board of Directors of the Accounting Standardization and Audit Committee (ELTE) and the "Guidelines in relation to the work and assurance report of the Certified Public Accountants on the European Uniform Electronic Reporting Form (ESEF) of issuers with securities admitted to trading on a regulated market in Greece", as issued by the Certified Public Accountants' Body on 14/02/2022 (hereinafter "ESEF Guidelines"), in order to obtain reasonable assurance that the corporate and consolidated financial statements of the Company and the Group prepared by the management in accordance with the ESEF comply in all material respects with the applicable ESEF Regulatory Framework.

Our work was carried out in accordance with the Code of Ethics for Professional Auditors of the Council of International Standards on Auditor Ethics (AIDCP Code), as incorporated into Greek Legislation and in addition we have fulfilled the ethical obligations of independence, in accordance with Law 4449/2017 and Regulation (EU) 537/2014.

Our assurance work is limited to the objects included in the ESEF Guidelines and was conducted in accordance with the International Standard for Assurance Works 3000, “Assurance Works Beyond Audit or Overview of Historical Financial Information”. Reasonable assurance is a high level assurance, but it is not a guarantee that this work will always detect a material error in relation to non-compliance with the requirements of the ESEF Regulatory Framework.

Conclusion

Based on the work carried out and the evidence obtained, we conclude that the Company's and the Group's corporate and consolidated financial statements for the year ended 31 December 2022, in XHTML file format (21380051TUVZ3KYK5G44-2022-12-31-en), as well as the XBRL file (21380051TUVZ3KYK5G44-2022-12-31-en.zip) with the appropriate marking, on the aforementioned consolidated financial statements, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, April 10, 2023

Efstratios N. Andreadakis

Certified Auditor

SOEL Reg. No. 47921

SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens
SOEL Reg. No. 125

ANNUAL FINANCIAL STATEMENTS OF THE YEAR 2022
STATEMENT OF FINANCIAL POSITION

	NOTE	GROUP		COMPANY	
ASSETS		**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Non-current assets					
Tangible assets	12	4.548.444	4.315.930	4.425.246	4.205.966
Right-of-use assets	31	991.210	538.234	-	-
Goodwill	13	2.367.489	2.735.273	-	-
Intangible assets	14	10.150.308	8.571.221	1.667.796	2.087.018
Investments in subsidiaries	15	-	-	7.261.834	7.511.834
Other non-current assets		174.588	176.601	3.408.245	1.405.675
Deferred tax assets	10	370.151	508.726	211.040	215.705
Total		**18.602.190**	**16.845.985**	**16.974.161**	**15.426.198**
Current assets					
Inventories	16	92.922	84.519	66.943	58.539
Trade receivables	17	5.831.082	4.977.127	1.804.916	1.644.194
Other receivables	18	7.933.088	5.693.695	7.117.580	4.609.087
Prepayments	18	559.696	211.970	655.955	204.949
Short term investments	19	3.998.177	3.012.258	2.825.469	2.406.422
Cash and cash equivalents	20	10.155.828	12.612.093	3.203.155	5.661.775
Total		**28.570.793**	**26.591.662**	**15.674.018**	**14.584.966**
TOTAL ASSETS		**47.172.983**	**43.437.647**	**32.648.179**	**30.011.164**
LIABILITIES					
Equity					
Share capital	21	5.606.893	5.646.540	5.606.893	5.646.540
Share premium	21	2.701.104	2.484.127	2.701.104	2.484.127
Treasury shares	22	(1.167.098)	(143.145)	(1.166.001)	(142.048)
Reserves	23	12.261.998	8.931.053	12.166.129	8.845.430
Retained earnings		8.578.530	8.133.994	1.127.688	1.554.571
Equity attributable to owners		**27.981.427**	**25.052.569**	**20.435.813**	**18.388.620**
Non-controlling interests		(108.396)	(110.627)	**-**	**-**
Total		**27.873.031**	**24.941.942**	**20.435.813**	**18.388.620**
Non-current liabilities					
Long-term borrowings	24	2.142.857	3.214.286	2.142.857	3.214.286
Provision for employees' indemnities	25	744.960	791.123	144.000	134.272
Grants	27	216.000	165.888	-	-
Other non-current liabilities		-	428.776	3.500	432.276
Lease liabilities	31	958.377	501.499	-	-
Deferred tax liability	10	78.496	175.806	-	-
Other Provisions		70.018	41.065	35.000	35.000
Total		**4.210.708**	**5.318.443**	**2.325.357**	**3.815.834**
Current liabilities					
Short -term borrowings	24	4.521.552	3.711.665	3.282.745	2.474.679
Trade payables	28	1.979.630	2.109.446	1.240.715	1.482.857
Other payables	29	6.578.027	5.271.466	4.494.448	2.888.753
Lease liabilities	31	83.960	83.563	-	-
Social Security and other tax liabilities		1.165.380	1.428.565	558.213	590.873
Income tax payable		760.695	572.557	310.888	369.548
Total		**15.089.244**	**13.177.262**	**9.887.009**	**7.806.710**
TOTAL EQUITY AND LIABILITIES		**47.172.983**	**43.437.647**	**32.648.179**	**30.011.164**

The accompanying notes are an integral part of the annual consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME

		GROUP		COMPANY	
	NOTE	01.01.2022-31.12.2022	01.01.2021-31.12.2021	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Revenue	6	25.035.221	19.265.835	10.738.687	8.319.898
Less: Cost of sales	8	(13.315.539)	(9.655.147)	(7.131.549)	(4.333.052)
Gross profit		**11.719.682**	**9.610.688**	**3.607.138**	**3.986.846**
Other operating income	8	1.193.169	854.080	604.513	456.918
Selling and distribution expenses	8	(3.417.390)	(3.088.261)	(1.988.070)	(1.589.196)
General and administrative expenses	8	(2.287.910)	(2.054.315)	(1.535.355)	(1.061.393)
Research and Development expenses	8	(2.663.375)	(2.583.381)	(1.123.532)	(1.700.842)
Other expenses	8	(388.423)	(253.873)	(307.956)	(233.218)
Operating profit		**4.155.753**	**2.484.938**	**(743.262)**	**(140.885)**
Financial income / (expenses)	9	(329.146)	90.761	54.264	49.858
Income from participating interests		-	-	2.850.000	1.000.000
Profit before tax		**3.826.607**	**2.575.699**	**2.161.002**	**908.973**
Income tax	10	(560.259)	(538.895)	31.165	(201.314)
Profit after tax (A)		**3.266.348**	**2.036.804**	**2.192.167**	**707.659**
Net profit (after tax) from discontinued operations (B)		**1.089.419**	**166.454**	**1.089.419**	**166.454**
Minority rights		2.252	(802)	-	-
Net Profit After Tax attributable to Shareholders of the Parent Company (continuing operations)		**3.264.096**	**2.037.606**	**2.192.167**	**707.659**
Net Profit after tax attributable to Shareholders of the Parent Company (discontinued operations)		**1.089.419**	**166.454**	**1.089.419**	**166.454**
Other comprehensive income					
Items that are not be reclassified to profit or loss in subsequent periods					
Currency translation adjustment		(191.180)	374.369	-	-
Remeasurement gain/(loss) of employees' indemnities provision		(56.242)	(24.186)	(57.390)	(24.122)
Income tax on other comprehensive income not reclassified		12.373	5.322	12.626	5.307
Other comprehensive income, net of taxes (C)		**(235.049)**	**355.505**	**(44.764)**	**(18.815)**
Total comprehensive income after tax (A+B+C)		**4.120.718**	**2.558.763**	**3.236.822**	**855.298**
Equity holders of the parent company		4.118.487	2.559.559	-	-
Minority rights		2.231	(796)	-	-
Basic earnings per share from continuing activities	11	0,1371	0,0856	0,0920	0,0297
Basic earnings per share from discontinued activites	11	0,0458	0,0070	0,0458	0,0070
Diluted earnings per share from continuing activities	11	0,1350	0,0840	0,0907	0,0292
Diluted earnings per share from discontinued activities	11	0,0451	0,0069	0,0451	0,0069

The accompanying notes are an integral part of the annual consolidated financial statements.

STATEMENT OF CHANGES IN EQUITY

GROUP	Share capital	Share premium	Treasury shares	Legal reserve	Other reserves	Greek legislation reserves	Retained earnings	Non-controlling interests	Total
Total equity beginning balance 01.01.2021	**5.594.674**	**2.348.390**	**(189.934)**	**757.620**	**4.401.934**	**2.518.440**	**6.957.074**	**(109.831)**	**22.278.367**
Profit /(loss) for the year	-	-	-	-	-	-	2.204.060	(802)	2.203.258
Other comprehensive income, net of taxes	-	-	-	-	-	-	355.499	6	355.505
Total comprehensive income net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**2.559.559**	**(796)**	**2.558.763**
Acquisition of treasury shares (note 22)	-	-	(1.574.658)	-	-	-	-	-	(1.574.658)
Selling of treasury shares (note 22)	-	-	1.621.447	-	-	-	227.299	-	1.848.746
Share capital increase (note 21)	51.866	135.737	-	-	-	-	-	-	187.603
Profit distribution	-	-	-	24.933	-	-	(609.938)	-	585.005
Reserve from issue of stock	-	-	-	-	228.126	-	-	-	228.126
Intercompany dividends	-	-	-	-	1.000.000	-	(1.000.000)	-	-
Total equity ending balance 31.12.2021	**5.646.540**	**2.484.127**	**(143.145)**	**782.553**	**5.630.060**	**2.518.440**	**8.133.994**	**(110.627)**	**24.941.942**
Profit /(loss) for the year	-	-	-	-	-	-	4.353.515	2.252	4.355.767
Other comprehensive income, net of taxes	-	-	-	-	-	-	(235.028)	(21)	(235.049)
Total comprehensive income net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**4.118.487**	**2.231**	**4.120.718**
Acquisition of treasury shares (note 22)	-	-	(1.023.953)	-	-	-	-	-	(1.023.953)
Selling of treasury shares (note 22)	(120.139)	-	-	-	-	120.139	-	-	-
Share capital increase (note 21)	80.492	216.977	-	-	-	-	-	-	297.469
Profit distribution	-	-	-	53.952	-	-	(823.951)	-	(769.999)
Reserve from issue of stock	-	-	-	-	306.854	-	-	-	306.854
Intercompany dividends	-	-	-	-	2.850.000	-	(2.850.000)	-	-
Total equity ending balance 31.12.2022	**5.606.893**	**2.701.104**	**(1.167.098)**	**836.505**	**8.786.914**	**2.638.579**	**8.578.530**	**(108.396)**	**27.873.031**

The accompanying notes are an integral part of the annual consolidated financial statements.

STATEMENT OF CHANGES IN EQUITY

COMPANY	Share capital	Share premium	Treasury shares	Legal reserve	Other reserves	Greek legislation reserves	Retained earnings	Non-controlling interests
Total equity beginning balance 01.01.2021	**5.594.674**	**2.348.390**	**-188.837**	**727.750**	**4.345.163**	**2.519.458**	**2.081.912**	**17.428.510**
Profit /(loss) for the year	-	-	-	-	-	-	874.113	874.113
Other comprehensive income, net of taxes	-	-	-	-	-	-	(18.815)	(18.815)
Total comprehensive income net of taxes	-	-	-	-	-	-	**855.298**	**855.298**
Acquisition of treasury shares (note 22)	-	-	(1.574.658)	-	-	-	-	(1.574.658)
Selling of treasury shares (note 22)	-	-	1.621.447	-	-	-	227.299	1.848.746
Share capital increase (note 21)	51.866	135.737	-	-	-	-	-	187.603
Profit distribution	-	-	-	24.933	-	-	(609.938)	(585.005)
Reserve from issue of stock	-	-	-	-	228.126	-	-	228.126
Intercompany dividends	-	-	-	-	1.000.000	-	(1.000.000)	-
Total equity ending balance 31.12.2021	**5.646.540**	**2.484.127**	**(142.048)**	**752.683**	**5.573.289**	**2.519.458**	**1.554.571**	**18.388.620**
Profit /(loss) for the year	-	-	-	-	-	-	3.281.586	3.281.586
Other comprehensive income, net of taxes	-	-	-	-	-	-	(44.764)	(44.764)
Total comprehensive income net of taxes	-	-	-	-	-	-	**3.236.822**	**3.236.822**
Acquisition of treasury shares (note 22)	-	-	(1.023.953)	-	-	-	-	(1.023.953)
Selling of treasury shares (note 22)	(120.139)	-	-	-	-	120.139	-	-
Share capital increase (note 21)	80.492	216.977	-	-	-	-	-	297.469
Profit distribution	-	-	-	43.706	-	-	(813.705)	(769.999)
Reserve from issue of stock	-	-	-	-	306.854	-	-	306.854
Intercompany dividends	-	-	-	-	2.850.000	-	(2.850.000)	-
Total equity ending balance 31.12.2022	**5.606.893**	**2.701.104**	**(1.166.001)**	**796.389**	**8.730.143**	**2.639.597**	**1.127.688**	**20.435.813**

The accompanying notes are an integral part of the annual consolidated financial statements.

STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	01.01.2022-31.12.2022	01.01.2021-31.12.2021	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Cash flows from operating activities				
Profit before income tax from continuing activities	**3.826.607**	**2.575.699**	**2.161.002**	**908.973**
Profit before income tax from disontinued activities	**1.396.691**	**213.403**	**1.396.691**	**213.403**
Adjustments for:				
Depreciation and Amortization	2.118.752	2.786.905	776.940	823.038
Provisions	410.155	149.241	333.883	77.253
Reserve from issue of stock options	306.854	228.126	306.854	228.126
Non-cash items (income) / expenses	(30.888)	(1.043.489)	-	(71.012)
Investing activities (gains) / losses	(1.542.768)	(29.078)	(4.405.616)	(973.767)
Foreign Exchange (gains) / losses	180.041	(40.798)	(25.908)	(164.794)
Financial expenses	192.898	146.493	108.350	125.290
Operating profit before working capital changes	**6.858.342**	**4.986.502**	**652.196**	**1.166.510**
(Increase)/Decrease in:				
Inventories	(8.403)	-	(8.404)	-
Receivables	(3.747.795)	(1.374.811)	(3.190.209)	(1.774.394)
Liabilities (except bank loans)				
Paid Employees indemnities	352.700	(9.703)	812.649	371.360
Paid Financial expenses	(148.528)	(177.274)	(80.595)	(110.783)
Credit taxes received	(418.184)	(270.646)	(217.174)	(203.905)
Paid Taxes	(343.741)	(468.486)	(234.863)	(378.961)
Total cash inflows / (outflows) from Operating activities (a)	**2.544.391**	**2.685.582**	**(2.266.400)**	**(930.173)**
Investment activities				
Acquisitions of Subsidiaries	-	(3.170.128)	-	(2.900.000)
Short term Investments in securities, JV	(1.883.441)	(3.159.981)	(875.141)	(2.615.870)
Purchase of Tangible & Intangible fixed assets	(4.389.725)	(3.195.454)	(1.256.946)	(736.068)
Inflow from Business unit sale	2.158.905	-	2.158.905	-
Interest received	-	-	(2.000.000)	-
Dividends received	242.087	143.322	65.991	60.197
Proceeds from disposal of subsidiaries	16.113	10.266	2.866.113	1.004.884
Proceeds from Short term Investments in securities	945.887	2.324.545	516.639	1.916.768
Total cash inflows / (outflows) from Investing activities (b)	**(2.910.174)**	**(7.047.430)**	**1.475.562**	**(3.270.089)**
Financing activities				
Share Capital Increase	297.469	187.603	297.469	187.603
Acquisition of treasury shares	(1.023.953)	338.199	(1.023.953)	338.199
Proceeds from borrowings	500.000	2.800.000	500.000	2.000.000
Repayments of lease liabilities	(373.407)	(206.685)	-	-
Dividends paid	(770.000)	(585.005)	(770.000)	(585.005)
Grants	169.510	135.000	88.510	-
Repayments of borrowings	(785.714)	-	(785.714)	-
Total cash inflows / (outflows) from Financing activities (c)	**(1.986.095)**	**2.669.112**	**(1.693.688)**	**1.940.797**
Net increase / (decrease) in Cash & equivalents for the period (a) + (b) + (c)	**(2.351.878)**	**(1.692.736)**	**(2.484.526)**	**(2.259.465)**
Cash & equivalents at the beginning of the period	**12.612.093**	**13.908.436**	**5.661.775**	**7.756.446**
Exchange gains / (losses)	(104.387)	396.393	25.906	164.794
Cash & equivalents at the end of the period	**10.155.828**	**12.612.093**	**3.203.155**	**5.661.775**

The accompanying notes are an integral part of the annual consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION ON THE COMPANY AND THE GROUP

The Company “PROFILE SYSTEMS & SOFTWARE S.A.” with the distinctive name “PROFILE SYSTEMS & SOFTWARE” (hereafter referred to as the ‘‘Company’’, or the ‘‘Parent’’, or “Profile”) and its subsidiaries (hereafter jointly referred to as the ‘‘Group’’) have principal activities, in accordance with article 3 of its Articles of Incorporation, in the manufacturing and marketing of software and PCs, providing data transmission services through selected and other communication networks. The Company’s registered office is at 199 Syngrou Avenue, Nea Smyrni and has 107 employees at 31.12.2022, while the Group has 197 employees in total.

The Company’s shares are traded on the Athens Stock Exchange. The annual financial statements of the Company and the Group for the year ended December 31, 2022 have been approved by the Board of Directors April 6, 2023.

2. BASIS OF PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

2.1 Basis of preparation of the financial statements

The consolidated financial statements for the year ended December 31, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (“IASB”), as endorsed by the European Union (“EU”), and present the financial position, results of operations and cash flows of the Group on a going concern basis and the accrual principle. Management has concluded that the going concern basis of preparation of the accounts is appropriate. The consolidated financial statements have been prepared in accordance with the historical cost basis except for the financial instruments which are measured at fair value through profit and loss.

The preparation of financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.4 “Significant accounting estimates and judgements”. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under normal circumstances.

It is noted that for better and more analytical presentation, the account “Trade and Other Payables” of the comparable figures, is analysed in the accounts “Trade Payables”, “Other Payables” and “Social Security and other tax liabilities”.

2.2 Group structure and basis of consolidation

The attached Group financial statements comprise the financial statements of the Parent Company in addition to the consolidated financial statements of the Group and its subsidiaries on which Profile has the ability to exercise control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated.

At each reporting period, the Group reassesses whether it exercises effective control over the investments, in case there are events and circumstances indicating a change in effective control’s indications. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

Gain or losses of subsidiaries, along with other comprehensive income, are attributed to the non-controlling interest even if that results in a deficit balance.

All intra-group balances transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full in the consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Group. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- ✓ Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- ✓ Derecognizes the carrying amount of any non-controlling interest;
- ✓ Recognizes the fair value of any investment retained;
- ✓ Recognizes any surplus or deficit in profit or loss;
- ✓ Reclassifies the parents' share of components previously recognized in other comprehensive income to profit and loss.

Investments in subsidiaries in the separate financial statements are accounted for at cost less any accumulated impairment.

The following table shows the subsidiaries included in the consolidation together with the relative Group participation rates as well as the activity of each subsidiary.

Name of Company	Headquarter Country	Activity	% Group Participation	Relationship	Type of Consolidation
GLOBAL SOFT SA	Greece	IT Company	97,09%	Direct	Total
COMPUTER INTERNATIONAL FRANCHISE LTD	Greece	IT Seminars	50,18%	Direct	Total
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	Cyprus	IT Company	100,00%	Direct	Total
PROFILE SOFTWARE (UK) LTD**	United Kingdom	IT Company	100,00%	Indirect	Total
PROFILE DIGITAL S.A.	Greece	IT Company	100,00%	Direct	Total
LOGIN S.A.*	France	IT Company	100,00%	Indirect	Total
PROFILE TECHNOLOGIES COMMERCAIL AND INDUSTRIAL COMPANY SINGLE MEMBER S.A.	Greece	IT Company	100,00%	Direct	Total
CENTEVO AB***	Sweden	IT Company	100,00%	Indirect	Total

* The indirect participation in LOGIN SA is at 100% through the participation of the subsidiaries Profile CY (99,92%) and Profile UK (0,08%).

** Participation in PROFILE SOFTWARE (UK) LTD is 100% through the participation of subsidiary PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD.

*** Participation in CENTEVO AB is 100% through the participation of subsidiary PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD.

2.3 Foreign Currency

a) Functional currency and presentation currency

The Group's consolidated financial statements are presented in Euro ("EUR"), which is also the parent company's functional currency since 1 January 2002.

b) Foreign currency transactions

Transactions in foreign currencies are translated at Euro based on the exchange rates prevailing at the dates of the transactions. Claims and liabilities denominated in a foreign currency at the date of preparation of the financial statements are adjusted to reflect the exchange rates at the date of preparation. Gains and losses arising from such transactions (and from the translation of assets and liabilities denominated in a foreign currency) are recognized in the income statement except when they are included in equity as recognized cash flow hedges.

c) Subsidiaries of the Group

The translation of the financial statements of the Group companies that have a different functional currency from the Parent company is as follows:

1.1 Assets and liabilities are translated at the exchange rates effective at the balance sheet date.

2.1 Equity funds are converted using the exchange rates that existed at the date they were created.

3.1 Revenues and expenses are translated at the average exchange rates of the reporting period.

Foreign currency difference are recognized in the equity reserve and transferred to the profit and loss statement together with sale transactions. Goodwill and fair value adjustments arising from the acquisition of foreign operations are translated using the effective exchange rates as at the balance sheet date.

2.4 Significant Accounting Estimates and Judgements:

The preparation of financial statements, in accordance with IFRS, requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as, revenue and expenses as of the reporting period. Actual results may differ from those estimates.

The Group makes accounting estimates, assumptions and judgments in order to apply the most appropriate accounting principles in relation to the future development of events and transactions. These estimates, assumptions and judgments are periodically reviewed to reflect current data and reflect current risks and are based on management's previous experience of the level / volume of related transactions or events. The key estimates and judgments that refer to data the evolution of which could affect the items of the financial statements in the next 12 months are as follows:

(a) Income tax

According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and include the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits (Note 9). The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.

(b) Deferred tax assets:

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.

(c) Provision for doubtful receivables:

The Company's Management periodically reassesses the adequacy of the provision for doubtful receivables in relation to its credit policy and taking into account the legal advisor's information that arises from the processing of historical data and recent or/and anticipated developments in the affairs managed, as well as its assessment/judgement on the effect of other factors on the collectability of these receivables. The Group's doubtful receivables are assessed by the Management on a case by case.

With respect to non-doubtful trade receivables, the Group applies the simplified approach of IFRS 9 and calculates the expected credit losses over the life of the receivables. To this end, it uses a table to measure the projections in a way that reflects past experience and forecasts of the future financial situation of customers and the economic environment. At each balance sheet date, the historical percentages used, and the estimates of the future financial situation are updated. The correlation between the historical data, the future financial situation and the expected credit losses includes significant estimates. The amount of expected credit losses depends to a large extent on changes in the conditions and forecasts of the future financial situation.

(d) Internally produced intangible assets:
Development costs associated with internally generated intangible assets are capitalized in accordance with the Company's accounting policies. The initial capitalization of costs is based on management's judgment that future economic benefits will flow to the Company from the use of internally generated intangible assets.

(e) Impairment testing on goodwill and intangible assets:
The Group assesses whether there is impairment of goodwill and intangible assets at least once a year (or when there are indications of a change in value) and examines the events or conditions that render the possibility of impairment, such as a significant adverse change in the business environment or a decision to sell or dispose a unit or segment (Note 12). If there is evidence of impairment, the recoverable amount (which is the greater of the fair value less costs to sell and the value in use) of the respective cash-generating unit in which the goodwill has been allocated is calculated. Value in use is estimated using the method of discounted cash flow. In applying this methodology, account is taken of historical operating results, future corporate plans, economic extensions as well as market data (statistical and not) that are estimated by the Management. If the recoverable amount is lower than the carrying amount, then the carrying amount needs to be reduced to the recoverable amount and such difference is recognized to the statement of Profit and Loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied in the preparation of the consolidated financial statements and the separate financial statements of the parent are set out below.

- **Tangible assets**

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance costs are expensed as incurred. Significant improvements are capitalized to the cost of the related asset if such improvements increase the life of the asset, increase its production capacity or improve its efficiency. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the statement of Profit and Loss. Profit and losses arising from the write-off of assets are included in the statement of Profit and Loss this asset is written-off. The land is not depreciated. Depreciation is calculated using the straight-line method over its estimated useful lives, as follows:

Tangible assets	Years
Buildings	36
Cars	5-10
Equipment	4-5

The residual values and useful lives of tangible assets are reviewed in each annual balance sheet. When the carrying values of tangible assets exceed their recoverable amount, differences (impairment) are recognized as expense in the profit or loss statement.

- **Intangible assets**

Goodwill
Goodwill represents the difference between the cost of acquisition and the fair value of the Group's share of the net assets of the subsidiary at the acquisition date. Goodwill on the acquisition of subsidiaries is included in intangible assets. At the end of each period, the Group carries out an analysis of the assessment of the recoverability of the carrying amount of goodwill. If the carrying amount exceeds the recoverable amount, a provision for devaluation is immediately formed. The gain or loss on the sale of a company includes the book value of the goodwill associated with the company sold.

Intangible assets

The software programs concern the cost of purchasing or self-production, software such as payroll, materials, services, and any expense incurred in developing software in order to put it into operation. Costs that enhance or extend the performance of software programs beyond their original specifications are recognized as capital expenditure and added to the original cost of the software. The cost of acquiring and developing software recognized as intangible assets is depreciated using the straight-line method over its useful life (5-6 years).

The expenditures for software development which are controlled by the Group, are recognized as intangible assets when the Group can demonstrate:

1. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
2. Its intention to complete the intangible asset in order to use it or sell it;
3. Its ability to use it or sell it;
4. How the asset will generate future economic benefits;
5. The availability of resources to complete the asset; and
6. The ability to measure reliably the expenditure during development.

The other intangible assets are initially recognized during the date of acquisition and they are carried at cost less any accumulated amortization throughout their useful life (6-8 years).

- **Impairment of Non-Current Assets**

Apart from goodwill, which is tested for impairment on an annual basis, the carrying values of other non-current assets are examined at each balance sheet date and reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognized in the statement of Profit and Loss. The recoverable amount is measured as the higher of fair value less cost to sell and value in use.

Fair value less cost is the amount for which the asset could be exchanged in an arm’s length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses which were accounted for in prior years are reversed only when there is sufficient evidence that the assumptions used in determining the recoverable amount have changed. In these circumstances, the related reversal is recognized as income. The carrying amount of a non-current asset after the reversal of the impairment loss, cannot exceed the carrying amount of the asset, if the impairment loss had not been recognized. Probable impairment of goodwill is not reversed.

- **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. It does not include borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, where applicable.

- **Financial assets-Initial recognition and measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

<u>Initial Recognition and Measurement</u>

The Group and the Company classifies the Financial assets in the below categories:

- ✓ Financial assets measured at fair value through profit or loss (please see note 18. Short-term Investments and note 31. Fair Value Measurement);
- ✓ Financial assets designated at fair value through OCI; and
- ✓ Financial assets measured at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at a fair value through profit or loss, transaction costs. The transaction costs of financial assets measured at fair value through profit or loss. Trade receivables are initially measured at the transaction price.

Under IFRS 9, debt financial instruments are subsequently measured at amortized cost, fair value through other comprehensive income (OCI) or fair value through profit or loss. The classification is based on two criteria: a) the business model for managing the assets and b) whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the 'SPPI criterion').

The classification and measurement of the Group's and the Company's debt financial assets are, as follows:
<u>a) Financial assets at fair value through profit or loss.</u>
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.
Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.
Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.
<u>(b) Financial assets at amortized cost</u>
The Group measures financial assets at amortized cost if both of the following conditions are met: a) The financial asset is held within a business, model with the objective to hold financial assets in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Financial assets at amortized cost are subsequently measured using the effective (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.
<u>(c) Financial assets at fair value through OCI</u>
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis.
Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

- **Derecognition and impairment**

Derecognition
A financial asset is primarily derecognized when:
• The rights to receive cash flows from the asset have expired, or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment

The Group and the Company recognize impairment losses for expected credit losses for all financial assets other than those measured at fair value through profit or losses.

For trade receivables, the Group and the Company applies a simplified approach in calculating ECLs based on lifetime ECLs at each reporting date.

For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

- **Loans and borrowings**

Loans are initially recognized at their fair value, less any direct expense arising from the transaction. Subsequently, they are measured at amortized cost based on the effective interest rate method.

Profit or loss is recognised in the profit and loss account either through the depreciation procedure or when the related liabilities are written off.

- **Trade receivables**

Trade receivables, which generally have 30 to 120-day terms, are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Trade receivables include bills of exchange and promissory notes from customers.

For trade receivables which are not in default, the Group applies the simplified approach, in accordance with IFRS 9 and calculates ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. On the other hand, trade receivables in default are assessed on a case by case basis. The amount of the provision is recognized in the statement of Profit and Loss and is included in "Selling and distribution expenses".

- **Cash and cash equivalents**

The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. For the purpose of the cash flow statement, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

- **Leases**

Company as lessee

The company recognizes a right-of-use asset and a lease liability at the beginning of the lease. The right-of-use is initially measured at cost, which includes the amount of the initial recognition of the lease liability, any lease payments that were performed at the beginning or before the start of the lease minus

any optional lease motives received, any initial direct costs and the assessment of the obligation for eventual costs for the recovery of the right-of-use asset.
After the initial recognition, the right-of-use is measured at the acquisition value minus the accumulated depreciation and any impairment losses, adjusted to the potential revaluation of the lease liability.
The right-of-use is depreciated on a straight line basis until the end of the lease period, unless the lease contract provides for a transfer of ownership to the company at the end of the lease period of the asset in question. In such case, the right-of-use is depreciated during the useful life of the asset. In addition, the right-of-use is assesed for impairment losses, if any, and is adjusted accordingly in the case of revaluation of the lease liability.
The lease liability at the initial recognition consists of the present value of the remaining future payments. The company in order to discount the remaining future payments uses the interest rate implicit in the lease and if that rate cannot be readily determined, the incremental borrowing rate is used.

The lease payments that are included in the measurement of the lease liability include the following:
- fixed payments,
- variable payments depending on an index or an interest rate,
- amounts that are expected to be paid based on the guarantees of residual values,
- the exercise price that the company expects to apply and penalties for contract termination, if at the definition of the lease duration, the exercise of the termination right from the company has been considered.

After the commencement of the lease, the liability is reduced by the lease payments, increased by the financial expense and reassessed for any revaluations or modifications of the lease.
A reassessment is performed when there is a modification in the future lease payments that can be derived from the modification of an index or if there is a modification in the company's assessment for the amount expected to be paid for the guarantee of a residual value, modification in the lease duration and modification in the assessment of the exercise of the call option of the asset in question, if any. When the lease liability is readjusted, a respective readjustment is performed on the accounting value of the right-of-use or it's included in the results when the accounting value is reduced to null.
In accordance to the policy that the company opted to use, the right-of-use is recognised in a separate line in the financial statements under the title "Right-of-use assets" and the lease liability separate from the other liabilities under the account "Long-term lease liabilities" and "Short-term lease liabilities". In the cases where the company is a sub-lessor in an operating lease, the right-of-use that relates to the main contract is included in the category "Property investments".
The company opted to use the exception provided under IFRS 16 and not to recognise right-of-use and lease liability for leases that their duration does not exceed 12 months or for leases in which the asset is of low value (value less than € 5.000 when new).

Company as lessor

i. Finance leases: In the case of finace lease in which the company acts as lessor, the total amount of the lease under the respective contract, is recorded under the category of loans and trade receivables. The difference between the present value (net investment) of the lease and the total amount of the lease, is recognised as a deferred interest and is recorded as a reduction of the receivable. The lease receipts reduce the total lease receivable, while the financial income is recognised under the effective basis. The lease receivables are assessed for impairment, as per IFRS 9.
ii. Operating leases: In the case of operating lease, the company records the leased asset as part of the company's assets, depreciating it based on its useful life. The lease amounts that relate to the use of the leased asset, are recognised as other income, under the effective basis.
When the company is a middle lessor, it asseses the sublease category through the right-of-use of the main lease, meaning that the company compares the terms of the main lease with the terms of the sublease. On the contrary, if the main lease is a short-term lease on which the company applies the exception described above, then it records the sublease as an operating lease. In such case, the company recognises the lease amounts related to the sublease of the asset, as other income, under the effective basis.

- **Income Taxes (Current and Deferred)**

Current and deferred income taxes are computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which entities operate.

Income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from the audits of the tax authorities and deferred income taxes, using substantively enacted tax rates.

Deferred income taxes are provided using the liability method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences:

- ✓ Except where the deferred income tax liability arises from goodwill amortization or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ✓ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

- ✓ Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ✓ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences

Deferred tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the financial position date.

- **Staff Retirement Indemnities**

Staff retirement obligations are calculated at the present value of the future retirement benefits deemed to have accrued, based on the employees earning retirement benefit rights steadily throughout the working period. The reserve for retirement obligations is calculated based on financial and actuarial assumptions and are determined using the projected unit credit actuarial valuation method (Project United Credit Method). Actuarial gains and losses are now recognized in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets are no longer recognized in profit or loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

- **Provisions and Contingencies**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

- **Government grants**

Government grants, which are related to the subsidization of tangible fixed assets, are recognized when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. Grants relating to assets are recognized as deferred income and amortized in accordance with the useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

- **Revenue Recognition**

Revenue is defined as the amount that an economic entity expects to receive in return for the goods or services that has transferred to a customer, except the amounts that are received on behalf of third parties (VAT, other sales taxes, etc.). An economic entity recognizes revenues when (or as) it satisfies the obligation of a contract execution, by transferring the promised goods or services to the customer. The customer takes over the control of the good or the service, if he/she has the ability to direct the use and assume all the benefits from this good or service. The control is transferred during a period or at a single point in time. The revenue from the sale of goods is recognised when the control of the good is transferred to the customer, usually at its delivery, and there is no unfulfilled obligation that could influence the acceptance of the good from the customer. The revenue from the provision of services is recognised in the accounting period in which the services are provided and is allocated according to the nature of the provided services, using either output methods, or input methods. The trade receivable is recognised when there is an unconditional right for the economic entity to receive the return for the provided contracted services towards the customer. The contracted asset is recognised when the group (or the company) has satisfied its obligations towards the customer, before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer before the company's (or the group's) right for the issuance of an invoice. The contractual liability is recognised when the group (or the company) receives an amount from the customer (prepayment) or when it maintains a right on an amount which is deffered income, before the execution of the contractual obligations and the transfer of the goods or services. The contractual liability is derecognized when the contractual obligations are executed and the revenue is recorded in the financial statements.

The revenue from operating leases is recognised in the results through the fixed method during the lease period.

The revenue from interest is recognised with the use of the real interest rate. When there is an impairment of the loans or receivables, their accounting value is reduced to their recoverable value which is the present value of the expected future cash flows discounted with the initial real interest rate.

Consequently, revenue from interest is accounted with the same interest rate (initial real rate) on the impaired (new book) value.

The revenue from dividend is recognised in the financial statements when their receipt right has been established.

- **Borrowing Costs**

Borrowing costs are recognized as expense in the period in which they are incurred.

- **Dividend distribution**

The distribution of dividends to the parent's shareholders is recognized as a liability in the financial statements when the distribution is approved by the Shareholders' Ordinary General Meeting.

- **Fair value measurement**

The Group measures financial instruments at fair value through profit or loss at fair value at each balance sheet date (please see note 18 “Short term investments” and note 31 “Fair Value Measurement”).
The fair value of an asset is the value considered to be received for the sale of an asset or paid for the settlement of a liability in a normal transaction and in the open market at the valuation date. Fair value measurement is based on the assumption that the transaction of the sale of the asset or the transfer of the liability occurs either:

(1) In the primary market for the asset or liability, or
(2) In the absence of a main market, in the most advantageous market for the asset or liability.

The main or most advantageous market should be accessible to the Group. The fair value of an asset or liability is measured on the basis of all assumptions that market participants use in the valuation of an asset or liability, provided that the market participants act on their financial interest.
Measuring the fair value of a non-financial asset takes into account the ability of market participants to generate economic benefits from the use of the asset in its highest and best use or sale to another market participant that will use the asset for higher and better use. The Group uses valuation techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value by maximizing the use of relevant observable inputs and minimizing the use of non-observable inputs.

All assets and liabilities for which the fair value was measured or disclosed in the financial statements are classified within the fair value hierarchy as follows:

Level 1 - Observed / Listed (unadjusted) market prices in active markets for similar assets or liabilities.
Level 2 - Valuation techniques for which inputs that are relevant to fair value measurement, except for official stock prices included in Level 1, are directly or indirectly observable.
Level 3 - Valuation techniques for which inputs that are relevant to measuring fair value are not observable.

For the assets and liabilities recognized in the financial statements, the Group determines on a regular basis whether transfers have occurred between the levels of the hierarchy at the end of each reporting period.

For the purpose of fair value disclosures, the Group determines the categories of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

- **Segment reporting**

A business segment is defined as a group of assets and functions which provide products and services that are subject to different risks and returns than those of other business segments. A geographic segment is defined as a geographical area, where products and services are provided, and which is subject to different risks and returns from other areas.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENT OF EXISTING STANDARDS
The accounting policies adopted are consistent with those adopted in the previous financial year, except for the following standards which the Group has adopted on January 1, 2022.
New standards, standard modifications and interpretations have been issued and are mandatory for annual accounting periods starting on 1st January 2022 or later.
Where the amendments and interpretations in force for the first time in the financial year 2021 are not mentioned otherwise, they have no effect on the (consolidated) financial statements of the Group (the Company). The Group (Company) did not adopt early standards, interpretations or modifications issued by the I.A.S.B. and adopted by the European Union but not mandatory in 2022.

Annual Improvements to International Financial Reporting Standards 2018-2020
On 14 May 2020, the International Accounting Standards Board issued the annual improvements containing the following amendments to the International Financial Reporting Standards, which apply to annual periods beginning on or after 1 January 2022:

- **IFRS 1 First-time application of International Financial Reporting Standards – First-time application of IFRS to a subsidiary**
  The amendment allows the subsidiary to apply paragraph D16(a) of the Appendix to IFRS 1 to measure cumulative foreign exchange differences using the amounts reported by its parent that are based on the transition date of the non-, which are based on the date of transition of the parent to IFRSs.

- **IFRS 9 Financial Instruments – Remuneration and 10% test for the write-off of financial liabilities**
  The amendment clarifies which fees an entity should include when applying the 10% test in paragraph B.3.3.6 of IFRS 9 to determine whether it should write off a financial liability. The entity includes fees paid or received between the entity (borrower) and the lender, including fees paid or received either by the entity or the lender on behalf of another party.

- **IFRS 16 Leases – Lease Incentives**
  The amendment removed the example for payments by the lessor on lease improvements in illustrative example 13 of the standard, in order to avoid any confusion about the accounting treatment of lease incentives that may arise from the way lease incentives are presented in the example.

- **IAS 41 Agriculture - Taxation on fair value measurements**
  The amendment removes the requirement in paragraph 22 of IAS 41 for entities not to include cash flows from taxation when measuring biological assets using the present value technique. A This amendment ensures consistency with the requirements of IFRS 13.

- **IAS 16 Property, Plant and Equipment (Amendment) – 'Amounts received before the foreseeable financial year'**
  On May 14, 2020, the International Accounting Standards Board adopted an amendment to IAS 1. The amendment changes the way the cost of the good functioning test of the asset and the net proceeds of the sale from sales of assets produced during the process of placing the asset in the specific location and condition are recorded. The revenue and expenditure on the production of these products will now be entered in the profit and loss account instead of appearing downwards in the cost of purchasing fixed assets. It also requires entities to disclose

separately the amounts of income and expenses related to such produced items that are not a result of the entity's normal activity.
The amendment shall apply to annual accounting periods beginning on or after January 1, 2022.

- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment) – 'Onerous Contracts – Cost of fulfillng a contract'**
  On May 14, 2020 the International Accounting Standards Board has issued an amendment to IAS 37. The amendment shall specify which costs an entity should include in determining the cost of performing a contract for the purpose of assessing whether the contract is burdensome. The amendment clarifies that 'the cost of performing a contract' includes the directly associated cost of performing that contract and the allocation of other costs directly related to its execution. The amendment also specifies that, before recognising a separate provision for a forbearance contract, an entity shall recognise any impairment loss on the assets used to meet the contract, rather than assets that were devoted only to that contract.
  The amendment shall apply to annual accounting periods beginning on or after January 1, 2022.

- **IFRS 3 Business Combinations (Amendment) – "Reference to Conceptual Framework"**
  On 14 May 2020, the IASB issued the 'Reporting to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations'. The amendment updated the standard to refer to the Conceptual Framework for Financial Reporting issued in 2018, when it needs to be specified what constitutes an asset or liability in a business combination. In addition, an exemption was added for certain types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets as defined in IAS 37 at the date of acquisition.
  The amendment applies to the annual accounting periods beginning on or after 1st January 2022.

Standards and Interpretations mandatory for subsequent periods that have not been applied earlier by the Company (or the Group) and have been adopted by the EU:
The following amendments are not expected to have a material impact on the financial statements of the Company (and/or the Group) unless otherwise stated.

- **IFRS 17 Insurance Contracts**
  On May 18, 2017, the IASB issued IFRS 17, which, together with the amendments issued on 25 June 2020, supersedes the existing IFRS 4.

  IFRS 17 establishes the principles for the registration, valuation, presentation and disclosure of insurance contracts with a view to providing a more uniform valuation and presentation approach for all insurance policies.

  IFRS 17 requires that the valuation of insurance liabilities is not carried out at historical cost but at current value in a consistent manner and by using:

  - impartial expected weighted estimates of future cash flows based on updated assumptions;
  - discount rates reflecting the cash flow characteristics of the contracts; and
  - estimates of the financial and non-financial risks arising from the issuance of insurance policies.

  The new standard shall apply to annual periods beginning on or after January 1, 2023.

- **IAS 1 Presentation of Financial Statements and Practical Implementation Guidance Accounting policy disclosures (Amendments)**

  On February 12, 2021, the International Accounting Standards Board adopted an amendment to IAS 1 clarifying that:
  - The definition of accounting policies is given in paragraph 5 of IAS 8.
  - An entity shall disclose significant accounting policies. Accounting policies are important when, together with the other information contained in the financial statements, they can influence decisions made by the main users of the financial statements.
  - Accounting policies for non-significant transactions are considered to be non-significant and should not be disclosed. Accounting policies, however, may be significant depending on the nature of some transactions, even if the amounts involved are insignificant. Accounting policies relating to significant transactions and events are not always significant as a whole.
  - Accounting policies are important when users of financial statements need them in order to understand other important information on the financial statements.
  - Information on how an entity has implemented an accounting policy is more useful to users of financial statements than standardised information or a summary of the provisions of IFRS.
  - If an entity chooses to include non-significant information on accounting policies, that information should not prevent significant information on accounting policies.

  Directives and explanatory examples are also added to the second Declaration of Practice to assist in the application of the concept of material when making judgements in accounting policy disclosures.

  The amendments shall apply to annual accounting periods beginning on or after January 1, 2023.

- **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment) - 'Definition of Accounting Estimates'**

  On February 12, 2021, the International Accounting Standards Board adopted an amendment to IAS 8 that:
  - It defined accounting estimates as monetary amounts in the financial statements subject to uncertainty as to their measurement.
  - It specified that an accounting policy may require that financial statements are valued in such a way that uncertainty arises. In this case, an entity shall develop an accounting estimate. The development of accounting estimates shall include the use of crises and assumptions.
  - In developing accounting estimates an entity uses valuation techniques and data.
  - An entity may be required to change its accounting estimates. This fact by its nature is not related to previous years nor is it an error. Changes in valuation data or techniques are changes in accounting estimates unless related to a correction of an error.

  The amendment shall apply to annual accounting periods beginning on or after January 1, 2023.

- **IAS 12 Income Taxes (Amendment) – 'Deferred tax liabilities associated with assets and liabilities arising from a particular transaction'**

  On May 7, 2021, the International Accounting Standards Board issued an amendment to IAS 12 that limited the scope of the recognition exemption whereby entities in specific cases were exempted from recognising deferred tax on initial recognition of assets or liabilities. The amendment clarifies that this exemption no longer applies to transactions that on initial

recognition result in equivalent taxable and deductible temporary differences, such as leases for tenants and recovery obligations.
The amendment shall apply to annual accounting periods beginning on or after January 1, 2023.

- **IFRS 17 Insurance Contracts (Amendment) – 'Initial Application OF IFRS 17 and IFRS 9 – Comparative Information'**

On December 9, 2021, the International Accounting Standards Board adopted a limited purpose amendment to the requirements for transition to IFRS 17 in order to smooth the accounting mismatches that arise in comparative information between insurance contract liabilities and related financial assets in the initial application of IFRS 17 and thereby improve the usefulness of comparative information for users of financial statements. It allows comparative information on financial assets to be presented in a way that is more consistent with IFRS 9.
The amendment shall apply to annual accounting periods beginning on or after 1 January 2023.

Standards and Interpretations mandatorily for subsequent periods which have not been applied earlier by the Company (or group) and which have not been adopted by the EU:
The following amendments are not expected to have a significant impact on the financial statements of the Company (or group) unless otherwise stated.

- **IAS 1 Presentation of Financial Statements (Amendment) - 'Classification of liabilities in the short or long term'**

On January 23, 2020, the International Accounting Standards Board adopted an amendment to IAS 1 concerning the classification of liabilities in the short and long term. The amendment affects only the presentation of liabilities in the statement of financial position. The amendment specifies that the classification of liabilities should be based on existing entitlements at the end of the reporting period. The amendment also clarified that the management's expectations of events expected to occur after the balance sheet date should not be taken into account and clarified the circumstances in which the obligation is to be settled. On 15 July 2020, the International Accounting Standards Board extended the date of mandatory application of the standard by one year taking into account the impact of the pandemic.
The amendment shall apply to annual accounting periods beginning on or after January 1, 2024.

- **IAS 1 Presentation of Financial Statements (Amendment) - 'Classification of liabilities in the short or long term**

On October 31, 2022, the International Accounting Standards Board issued amendments to IAS 1 Presentation of Financial Statements in respect of the classification of long-term liabilities where conditions exist.
The amendments to IAS 1 clarify that the conditions that have to be met after the reporting date do not affect the classification of the debt as short-term or long-term at the reporting date. Instead, the amendments require an entity to disclose information about those contractual terms in the notes to the financial statements.
The amendment shall apply to annual accounting periods beginning on or after January 1, 2024.

- **IFRS 16 Leases (Amendment) – 'Lease liability in a sale and lease-back contract'**

On September 22, 2022, the International Accounting Standards Board issued amendments to IFRS 16 in respect of the subsequent measurement of lease liabilities arising from sale and lease-back contracts when there are variable lease payments that are not index or interest-based.
The amendment shall apply to annual accounting periods beginning on or after January 1, 2024.

5. FINANCIAL RISK MANAGEMENT

The Company and the Group operate, as is known, in a highly competitive and particularly demanding international environment, which is changing swiftly and rapidly. During the last years, the Company and the Group, systematically and with a specific development plan, try to strengthen its extroversion with steady and safe steps, not single meaningly, but in the geographical areas that are of strategic interest, with emphasis on cutting-edge technologies and continuous technological upgrade of the products and solutions it provides, while at the same time developing new activities and promoting its entry into new markets, in order to further strengthen its competitiveness. At the same time, it monitors the developments in the domestic market.

Its specialized know-how, its many years of experience and presence in the field, its organization and the intense activity of all its executives, its wide renown in combination with the study, development and marketing of new products, but also the continuous improvement and upgrading of the existing ones, with emphasis on the quality and the ability of immediate satisfaction of demand but also of the changing needs of the final customers, as well as the creation of strong infrastructures and the infiltration of new markets, help the Company and the Group remain competitive, notwithstanding the inherent problems facing the sector, which problems have intensified especially during the financial crisis.

The Group's positive financial situation and its significant quality and product differentiation, combined with the continuous development and upgrading of its products, as well as the Group's expansion into new geographical markets, are the main supplies it has to minimize the negative consequences from the unprecedented health crisis of the last three (3) years, but also the recent energy crisis as a result of the Russian invasion of Ukraine and its consequent geopolitical and financial instability. In any case, the Management systematically monitors and evaluates the development of the above events and their impact on financial results, given that their development cannot be predicted with certainty. Therefore, depending on the intensity and the duration of the phenomena part of the broad customer base addressed by the Group may be led to a suspension of investment plans and the postponement of modernization programs.
The usual financial and other risks to which the Group is exposed and which the Group is likely to face during the financial year 2023 are the following:

a. Risk of reduction in demand due to the general recession

Although this specific risk is of a limited extent owing to the special software categories developed and marketed by the Group, nevertheless, to avoid the reduction of demand due to the greater financial situation prevailing in the Greek market, the Group develops a large and wide range of products in different categories, addressing the international market in order to counterbalance possible losses in specific market branches. The development and evolution of software products is based on the uninterrupted everyday monitoring and research of the market and new technologies, so that on entering new markets it may balance possible losses.

However, in view of the latest negative conditions due to the unprecedented health crisis in the global economy and market and which are inevitably expected to affect the Company's activity, too, (as, based on the forecasts of international houses, the whole world economy will experience recession conditions during 2020), the said risk is considered real and quite significant. For this reason, special emphasis is placed on strengthening the extroversion of the Company and expanding the International presence of the Group, as the geographical dispersion of the group's activities acts as hedging to the recessionary environment.

b. Risk of increased competition by imported businesses

This risk is always real and appreciable in the area where the Group operates, especially if we consider the fact that barriers to entry are not so strong in this area, as most of the technical terms used to implement and complete information systems and software product configuration are widespread, which allows foreign companies to penetrate the market with relative ease, taking advantage of comparative advantages, especially in terms of sizes.

The Company having now consolidated its extroverted orientation, confronts this risk with emphasis on the design and development of quality and modular products, on the systematic and targeted improvement, upgrade and adaptability of the products already marketed by it, on the representation of strong and world-renowned houses, on establishing long-term, trusting relationships with its customer base and on the expansion of its activities abroad. This risk is timeless and in that sense it is dealt with by the Management of the Company and the Group, always placing special emphasis in the field of quality and product differentiation and in general, in providing to customers high level services, while at the same time, by systematic reinforcement of extroversion, it upgrades its role and presence in the international market, a fact which renders it more resilient in confronting this risk. In addition, the constant increase in the global market size partially abates the effects of competition, so that the activity that takes place outside Greece, which constitutes a strategic orientation for the Company in recent years, compensates for the unavoidable losses in the Greek market.

c. Risk of technological developments

The technological developments affect to a high degree the competitiveness of companies operating in the field of information technology. Companies that operate in the IT industry must be constantly aware of possible differentiations and developments in existing technology and make the necessary investments to ensure a high level of technology.

Based on the above, and for the greatest possible reduction of the risk of technological developments, the Group:

- ✓ Develops products in particularly efficient and internationally recognized platforms,
- ✓ Moves to continuous training and education of the staff in technological matters, in cooperation with internationally recognized bodies in the field of high technology,
- ✓ Offers innovative applications, corresponding to the complex needs and demands of the market.

For the above reasons, this specific risk is assessed as real but in any case as absolutely manageable at this particular period of time.

d. Credit risk

The Management of the Company and the Group, on the basis of its internal principles of operation, ensures that the sales of goods and services take place towards customers of high credit reliability and lending capacity. Owing to the expansion of the activities of the Company and the Group abroad, the said risk is real in relation to customers originating from other countries (especially from countries of Africa, Asia and N. America) for whom the efficient check of their creditworthiness and reliability, is not always easy. For this reason the Company and the Group constantly develop and evolve internal mechanisms of operation (regarding the process of negotiations, contracts and project management), with the view to more completely addressing the specific danger. Within the said context and the assessment methods available to the Group, it has not faced so far any possible exposures of significant size, for which no adequate provision has been formed. Therefore, the said risk, although real in view of the greater negative economic climate, it is assessed today as controllable. However, if there is a deterioration of the conditions for the development of economic activity in the coming months, especially in the Greek market, this risk may affect the results of the Company

For a better understanding and presentation of the above, we display the following tables:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Trade and other commercial receivables	5.831.082	4.977.127	1.804.916	1.644.194
Other receivables	7.933.088	5.693.695	7.117.580	4.609.087
Other financial assets	174.588	176.601	3.408.245	1.405.675
Short term investments	3.998.177	3.012.258	2.825.469	2.406.422
Cash & cash equivalents	10.155.828	12.612.093	3.203.155	5.661.775
Total	**28.092.763**	**26.471.774**	**18.359.365**	**15.727.153**

Trade receivables analysis

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Not due	4.629.874	3.976.087	1.386.195	1.395.551
Past due balances	5.773.422	5.488.175	4.602.507	4.381.479
Balance	**10.403.296**	**9.464.262**	**5.988.702**	**5.777.030**
Formed impairment provision	(4.572.214)	(4.487.135)	(4.183.786)	(4.132.836)
Fair value of receivables	**5.831.082**	**4.977.127**	**1.804.916**	**1.644.194**

The account "Other Receivables" includes an amount of € 2.556 thousand, which concerns two disputed claims maintained by the Company from bodies of the wider Public Sector amounting to € 2.067 thousand. and € 489 thousand. respectively which, although claims have not become final to date, in order to be able to be enforced to recover, were nevertheless adjudicated at first instance with a favorable outcome for the Company , and as regards the progress of the proceedings before the Appellate Court, they are in a judicial expert opinion, which is difficult to complete due to objective factors (in particular a long time has elapsed since the implementation of the projects in question).
Despite the fact that the above cases have not become final, the Company considers the above interest-bearing claims to be reasonable, well-founded and recoverable, On the one hand, the evidence of execution and delivery exists, in accordance with the requirements and specifications of the equipment and services imposed by the contractual texts, On the other hand, the parties continue to be actively active in their fields of operation, and there is therefore no reasonable indication that the value of those claims may be diluted or that they will not be able to recover them once final judgment has been issued.

e. Liquidity risk

The Management attaches particular importance to the management of the specific risk, its monitoring by carrying out a monthly and quarterly forecast, the continuous monitoring of cash flows and the continuous evaluation and reassessment of the strategy associated with its consistent and effective management.
Within this framework and on the basis of currently existing data, this risk is assessed as controlled and manageable. However, the deterioration of the economic conditions of the world market and the reversal of forecasts for expected economic growth, combined with the prevailing conditions of uncertainty and insecurity, may affect, to a controlled extent, the liquidity of the Company and the Group.
In notes 24, 28 and 29 of the annual financial statements, there is a table showing the Group's loans and other liabilities. It should be noted that the undiscounted contractual cashflows are in line with the

current value of loans and other commitments. The tables below summarize the Group's loans and other financial liabilities:

GROUP 31.12.2022					
	Contractual Cash Flows	**1-3 months**	**3-12 months**	**1-5 years**	**Accounting Liabilities**
Loans	6.694.034	1.327.793	285.714	5.050.902	6.664.409
Trade and other creditors	9.480.037	5.841.096	2.666.948	971.992	9.480.036
Subtotal: Cash liabilities	**16.174.071**	**7.168.889**	**2.952.662**	**6.022.894**	**16.144.445**
plus:					
Grants Received	216.000	4.416	13.247	198.337	216.000
Deferred income	2.124.530	1.018.602	962.952	142.976	2.124.530
Provision for staff retirement indemnities and for unaudited fiscal years taxes	814.978	-	-	814.978	814.978
Subtotal: Non-Cash liabilities	**3.155.508**	**1.023.018**	**976.199**	**1.156.291**	**3.155.508**
Total liabilities	**19.329.579**	**8.191.907**	**3.928.861**	**7.179.185**	**19.299.953**

GROUP 31.12.2021					
	Contractual Cash Flows	**1-3 months**	**3-12 months**	**1-5 years**	**Accounting Liabilities**
Loans	7.020.894	-	3.711.665	3.214.286	6.925.951
Trade and other creditors	8.570.543	4.782.701	3.427.450	360.392	8.570.543
Subtotal: Cash liabilities	**15.591.437**	**4.782.701**	**7.139.115**	**3.574.678**	**15.496.494**
plus:					
Grants Received	262.217	-	96.329	165.888	262.217
Deferred income	1.945.871	927.826	868.526	149.519	1.945.871
Provision for staff retirement indemnities and for unaudited fiscal years taxes	791.123	-	-	791.123	791.123
Subtotal: Non-Cash liabilities	**2.999.211**	**927.826**	**964.855**	**1.106.530**	**2.999.211**
Total liabilities	**18.590.648**	**5.710.527**	**8.103.970**	**4.681.208**	**18.495.705**

Loans are simple bilateral loans (not bonds, convertible, etc.) of floating interest rates with a total borrowing cost for the closing financial year of 2,65%, which is considered and is actually the market interest rate. Borrowing costs are expected to be higher in the current fiscal year 2023 due to the change in EURIBOR; however, most of the increase is expected to be offset as the group maintains strong cash reserves, which are positively affected by rising interest rates internationally. Long-term loans have a maturity of (4) years and a grace period of 12 months.

f. Exchange risk

The Group operates internationally and is therefore at risk of exchange rates arising mainly from the US Dollar and the British Pound. This type of risk mainly results from commercial transactions in foreign currency as well as from net investment in economic entities abroad. The Management of the Company constantly monitors the foreign exchange risks that may arise and evaluates any need to take relevant measures; however, at the present time the existing uncertainty in the global financial environment and the fluctuation of exchange rates, makes this risk real and able to affect the Group's results and performance during the current financial year..

g. Interest rate risk

The risk of interest rates for the Company is not particularly significant, since on the one hand the Company's borrowing is linked to Euribor and on the other hand the Company has a limited and in any case controlled exposure to bank lending. The Group's policy is to maintain the total amount of borrowing at variable interest rates and to intervene correctively, whenever necessary, and at the same time to avoid, to the extent permitted by business activity in general, exposure to further lending.

The limited exposure of the Group to loan funds makes the change in interest rates unimportant for the Group's results. It is noted that the Group's cash reserves and cash equivalents exceed all bank loans.

h. Risk from the effects of the spread of COVID-19

The COVID-19 coronavirus, which was first detected in December 2019, has had an extremely adverse impact on both global and domestic economic growth. The impact of government restrictive measures on entire sectors has been severe; production has been negatively affected and aggregate demand in the economy has fallen.

Three years after the outbreak of the pandemic, the intensification of vaccination programmes in a multitude of countries around the world has reinforced hopes for a return to economic and social normality and a return to economic recovery, mainly from the second half of 2022.

At this point in time, there seems to be a remission of the phenomenon, given that the restrictive measures of spread as well as the relevant health protocols have been almost universally lifted and there is global optimism that within 2023 the virus will acquire an endemic form.

In view of the above and given the significant presence of the Group in the global market, this risk is assessed as real, as it may lead to delays in the implementation of existing projects or assignment of new ones; however, there is cautious optimism in both the domestic and international economic environment that the pandemic is in recession and the situation is under control.

In any case, the Management of the Company and the Group closely monitors on a daily basis the developments, evaluates and takes any measures necessary to limit the effects, protect the health and safety of employees and maintain the business activities of the Group at satisfactory levels. In addition, government interventions and aid have been used to ensure its operational continuity and uninterrupted operation and to restrict the impact on the Group's financial situation, financial performance and results. On the basis of the developments and the measures taken, and also the Group’s implementations in progress, neither the Group nor any individual activity thereof, are faced at the time of drafting of the present Report with the possibility of virus, while interruption (going concern).

i. Risks from climate change

The term 'Climate change' means global climate change due to human activities and caused mainly by an increase in the concentration of greenhouse gases in the atmosphere.

The Company, recognizing both the risks associated with the phenomenon of climate change and its obligations in relation to the need to continuously improve its environmental performance, follows a path of sustainable development and carries out its activities in a way that ensures the protection of the environment.

To address the risks of climate change, the Company promotes and implements a policy that focuses on the following axes:

✓ design of an emergency plan for the management and reaction to extreme natural phenomena on the premises of the Group's companies;

✓ assessment of the impact of the Company's activities on the environment, recording and evaluating potential risks, taking the necessary preventive measures, carrying out regular checks to confirm implementation and assessing the effectiveness of the measures;

✓ replacement of energy-intensive equipment with new, lower energy requirements;
✓ continuous monitoring of energy consumption and taking measures to further reduce it;
✓ raising awareness and informing the Company's employees about energy saving issues;
✓ continuous information, training and awareness of staff, in a manner adapted to the tasks and needs of each employee in order to promote an environmentally responsible culture;
✓ motivation of the Company's partners in environmental protection and strengthening their environmental awareness.

j. Risks from the current developments in Ukraine

Given that the Group does not have a presence in Russia and Ukraine through a subsidiary, there does not appear to be an immediate risk in terms of both the Group's productive operation or employee safety. Additionally, there seems to be no direct impact on the Group's turnover since there are no significant implementations in these countries.

However, given the extroversion of the Group, the negative impact of the ongoing war conflict on world economic activity, the continuous price increases in raw materials, interest rates and energy prices, supply chain delays and strong inflationary pressures, Management is monitored on a continuous and systematic basis the developments that are changing at a rapid pace in order to ensure the uninterrupted operation of both the Company and the Group.

The persistence of the energy crisis may result in a further increase in the Group's operating expenses but also reduce the demand for the Group's products and services depending on the duration and intensity of the phenomenon. In any case, the Group's Management closely monitors developments on a daily basis, while evaluating and taking the measures deemed appropriate

6. SEGMENT REPORTING

For administrative purposes, the Group is organized into business centers and business units. The Group's activities are in two business areas, the ones of financial solutions and business solutions.
The results of the Group's segments are analyzed as follows:

01.01-31.12.2022	Financial Solutions	Business Solutions	Total
Sales	23.236.553	7.684.481	30.921.034
Less: Intercompany	(3.622.924)	(2.262.889)	(5.885.813)
Sales to third parties	19.613.629	5.421.592	25.035.221
Gross profit	**10.891.683**	**827.999**	**11.719.682**
Other income			1.193.169
Operating costs (disposal, administration and research)			(8.368.675)
Other operating expenses			(388.423)
Operating result			**4.155.753**
Financial income / (cost)			(329.146)
Profit before tax			**3.826.607**
Income taxes			(560.259)
Results after taxes			**3.266.348**
Non-controlling interests			2.252
Net Results after Tax attributable to the Shareholders of the Parent Company			**3.264.096**

31.12.2022	Financial Solutions	Business Solutions	Unallocated	Total Amounts
Intangible assets	12.517.777	20	-	12.517.797
Tangible assets	-	10.408	4.538.036	4.548.444
Other assets	13.713.528	9.125.210	7.268.004	30.106.742
Total liabilities	(5.092.212)	(3.850.075)	(10.357.665)	(19.299.952)
Net asset value	**21.139.093**	**5.285.563**	**1.448.375**	**27.873.031**

01.01-31.12.2021	Financial Solutions	Business Solutions	Total
Sales	20.394.197	4.318.803	24.713.000
Less: Intercompany	(3.456.005)	(1.991.160)	(5.447.165)
Sales to third parties	16.938.192	2.327.643	19.265.835
Gross profit	**8.957.387**	**653.301**	**9.610.688**
Other income			854.080
Operating costs (disposal, administration and research)			(7.725.957)
Other operating expenses			(253.873)
Operating result			**2.484.938**
Financial income / (cost)			90.761
Profit before tax			**2.575.699**
Income taxes			(538.895)
Results after taxes			**2.036.804**
Non-controlling interests			(802)
Net Results after Tax attributable to the Shareholders of the Parent Company			**2.037.606**

31.12.2021	Financial Solutions	Business Solutions	Unallocated	Total Amounts
Intangible assets	11.306.474	20	-	11.306.494
Tangible assets	-	12.114	4.303.816	4.315.930
Other assets	11.931.170	5.694.686	10.189.367	27.815.223
Total liabilities	(4.968.318)	(3.154.324)	(10.373.063)	(18.495.705)
Net asset value	**18.269.326**	**2.552.496**	**4.120.120**	**24.941.942**

There is no question of the dependence of the Group on significant customers as, apart from a customer from the wider public sector which contributed 15%, all other customers are below the level of 7% of the total sales of the Group. It is noted that the aforementioned customer has long-term implementation contract that is in progress and is not considered as doubtful customer.

The Company has chosen to organize its entity according to the categories of products and services. In particular, in the case of the Company, there are two main categories, that of the solutions addressed to the financial sector (such as Finuevo Core, Finuevo Digital, RiskAvert, IMSplus, Axia, Acumen^{net}) and solutions addressed to public (mainly ad hoc projects such as digitalization of court minutes) and private organizations.

The Company has chosen to organize its entity by product categories as above rather than geographically, as it does not consider it representative because "research and development" that is an important factor for the Company is not geographically related, and also results per geographic area are likely to be affected from short-term reasons and thus not provide reliable information. For example, a new customer in a particular geography is billed with licenses that do not repeat next year, although the same customer is retained the following year and priced with maintenance contracts, which are lower in value than licenses.

However, it is disclosed for completeness that in 2022 69% of the Group's income came from non-Domestic customers.

7. DISCONTINUED ACTIVITIES

Below are presented the results of the discontinued activity for Group and Company, concerning the sale of the Business Unit of Ticketing and Customs Management which took place on June 14th 2022.

	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Sales	329.467	851.419
Cost of goods sold	(311.272)	(453.443)
Gross profit	**18.195**	**397.976**
Administrative expenses	(45.020)	(83.911)
Distribution expenses	(39.297)	(71.418)
Research expenses	(16.144)	(29.244)
Operating result	**(82.266)**	**213.403**
Financial income/(cost)	-	-
Result before tax (A)	**(82.266)**	**213.403**
Attributable income tax (A)	18.099	(46.949)
PLUS		
Profit from sales (B)	**1.478.957**	-
Attributable income tax (B)	(325.371)	-
Total result before tax (A+B)	**1.396.691**	**213.403**
Less : Total attributable tax (A+B)	(307.272)	(46.949)
Net profit after tax from discontinued activity	**1.089.419**	**166.454**

The table below shows the net cash flow from operating, investing and financing activities related to discontinued activities.

	GROUP	
	31.12.2022	**31.12.2021**
Operating activities	(68.714)	348.471
Investing activities	2.058.620	(279.843)
Funding activities	-	-
Net increase in cash for the year	**1.989.906**	**68.628**

8. OPERATING INCOME/EXPENSE ANALYSIS

The expenses of the Group and the Company for the year ended 2022 and year ended 2021 respectively, are analysed as below:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Cost of goods sold	10.835	596	10.835	11.169
Remuneration and staff costs	10.973.911	10.033.646	4.632.850	4.246.609
Fees and expenses of third parties	8.177.111	4.984.564	6.164.942	3.326.940
Third party benefits	589.519	467.141	348.184	240.993
Taxes Fees	181.438	152.630	54.265	32.100
Other Expenses	1.006.367	751.452	685.454	453.367
Depreciation of fixed assets	2.048.337	2.667.382	704.710	703.515
Total	**22.987.518**	**19.057.411**	**12.601.240**	**9.014.693**

The distribution of costs is as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Cost of Sales	13.386.103	9.655.147	7.202.113	4.333.052
Distribution costs	3.417.390	3.088.261	1.988.070	1.589.196
Administrative expenses	2.287.910	2.054.315	1.535.355	1.061.393
Research Expenses	2.663.375	2.583.381	1.123.532	1.700.842
Depreciation of Subsidized Assets	-	944.928	-	-
Total	**21.754.778**	**18.326.032**	**11.849.070**	**8.684.483**
Capitalized Expenses				
Software Development Costs	1.232.740	731.379	752.170	330.210
Total	**22.987.518**	**19.057.411**	**12.601.240**	**9.014.693**

The other operating expenses of the Group and the Company for the year 2022 and for the year 2021 respectively are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Receivable write-offs	-	230.593	-	230.593
Depreciated inventory write-offs	-	-	-	-
Goodwill impairment of subsidiary	250.000	-	250.000	-
Other expenses	138.423	23.280	57.956	2.625
Total	**388.423**	**253.873**	**307.956**	**233.218**

The other operating income of the Group and the Company for the year 2022 and for the year 2021 respectively are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Grant Revenue	89.385	108.328	64.067	77.505
Revenue from settlement of liabilities	651.406	362.108	466.556	-
Exchange Valuation Differences	235.536	3.936	-	-
Reimbursable Advance Income	28.463	371.850	28.463	371.850
Other income	188.379	7.858	45.427	7.563
Total	**1.193.169**	**854.080**	**604.513**	**456.918**

The number of personnel, for the Group and the Company, as at December 31, 2022 and December 31, 2021 and the payroll cost for the years 2022 and 2021 are analyzed as follows:

	2022		2021	
	GROUP	COMPANY	GROUP	COMPANY
Number of personnel	197	107	177	98
Total cost	**10.973.911**	**4.632.850**	**10.033.646**	**4.246.609**

9. FINANCIAL INCOME/EXPENSE ANALYSIS

The financial income/expenses for the Group and the Company for the financial years of 2022 and 2021 respectively are analysed as below:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Income from participations and securities	104.129	70.447	82.104	65.065
Profit/(loss) from selling of participations and securities	86.466	100.621	(46.632)	57.657
Profit/(loss) from foreign exchange differences	(289.621)	180.779	25.905	163.350
Profit/(loss) from fair value measurement of participations and securities	(32.738)	(35.414)	107.177	(50.743)
Interest subsidies due to Covid-19	-	10.856	-	10.856
Interest and bank expenses	(296.092)	(257.478)	(240.485)	(221.555)
Other financial expenses	111.579	25.228	126.195	25.228
Financial impact IFRS 16	(12.869)	(4.278)	-	-
Total	**(329.146)**	**90.761**	**54.264**	**49.858**

It is noted that in 2022 at Group and Company level borrowing costs remain at approximately the same level as in 2021. In addition, negative accounting valuations of foreign currency assets were observed, but this has largely reversed in the first months of 2023.

10. INCOME TAX

The amount of taxes has been calculated using the actual tax rates for each financial year. Non-deductible expenses include mainly provisions that are reversed by Management when calculating income tax.

Income tax statements are filed on a yearly basis, but profits and losses reported for tax purposes are concluded when the tax authorities review the tax returns and taxpayers' books at the time that the related tax liabilities are settled. Tax losses, to the extent that are recognized by the tax authorities, may be used to offset profits for the five following fiscal years after the current financial year.
The following is a reconciliation for nominal and effective tax rates for the Group and the Company:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Profit before tax	**5.223.298**	**2.789.102**	**3.557.693**	**1.122.376**
Income tax calculated at the nominal applicable tax rate 2019: 24%, 2018: 29%	1.149.125	613.602	782.692	246.923
Tax effect of non -taxable income	(408.796)	(231.321)	(793.578)	(316.800)
Revaluation of deferred tax assets	4.995	30.542	-	25.447
Tax effect of different tax rates applicable to other countries where the Group operates	(374.787)	(145.013)	-	-
Tax effect of non-tax deductible expenses	404.250	278.882	339.065	258.731
Prior year tax differences	85.084	33.544	(52.072)	33.962
Differences of tax audit and other taxes	7.660	5.608	-	-
Income taxes	**867.531**	**585.844**	**276.107**	**248.263**
Income tax from continuing activities as reported in the Income Statement	**560.259**	**538.895**	**(31.165)**	**201.314**
Income tax form discontinued activities	**307.272**	**46.949**	**307.272**	**46.949**

Deferred tax accounts for the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Deferred tax assets	1.099.656	1.253.523	547.970	546.263
Deferred tax liabilities	(798.030)	(918.419)	(336.930)	(330.558)
	301.626	**335.104**	**211.040**	**215.705**

The fact that in some cases, income and expenses are accounted for in a different time from the date when such income is tax charged or the expenses are deducted for the purpose of determining the taxable income, creates the need to account for deferred tax assets or deferred tax liabilities.

The movement of the deferred tax asset (liability) is as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Beginning balance	332.920	249.271	215.705	218.015
Purchase of subsidiary	-	121.243		-
Income tax credit/(debit)	(33.478)	(35.410)	(4.665)	(2.310)
Exchange differencies	(7.787)	(2.184)	-	-
Ending balance	**291.655**	**332.920**	**211.040**	**215.705**

The nature of the temporary differences and the breakdown of the financial year 01.01.2022-31.12.2022 for the Group, is as follows:

GROUP	Beginning Balance	Debits / Credits (-) of Results	Debits / Credits (-) of OCI	Exchange Differencies	Ending Balance
Provisions for doubtful	362.079	11.209	-		373.288
Intangible asset write-offs	(511.988)	88.362	-		(423.626)
Leases	(14.190)	(12.896)	-		(27.086)
Provisions for Staff Compensation	233.914	(83.770)	12.373		162.517
Land-building revaluation adjustment	(289.298)	-	-		(289.298)
Difference in depreciation rates	74.109	(29.430)	-		44.679
Deferred expenses	1.239	-	-		1.239
Revenues / expenses accrued	(67.113)	44.923	-		(22.190)
Tax loss receivable	557.383	(64.249)	-		493.134
Impairment provision on Inventories	7.139	-	-		7.139
Deferred income	(35.829)	-	-		(35.829)
Other impairment provisions	15.475	-	-	(7.787)	7.688
Total	**332.920**	**(45.851)**	**12.373**	**(7.787)**	**291.655**

The nature of the temporary differences and the breakdown of the financial year 01.01.2022-31.12.2022 for the Company, is as follows:

COMPANY	Beginning balance	Debits / Credits (-) of Results	Debits / Credits (-) of OCI	Ending Balance
Provisions for doubtful	326.880	11.209	-	338.089
Intangible asset write-offs	149.392	(9.342)	-	140.050
Provisions for Staff Compensation	29.539	(10.486)	12.626	31.679
Land-building revaluation adjustment	(293.881)	-	-	(293.881)

Difference in depreciation rates	2.300	(8.672)	-	(6.372)
Deferred income	(36.677)	-	-	(36.677)
Other impairment provisions	38.152	-	-	38.152
Total	**215.705**	**(17.291)**	**12.626**	**211.040**

11. EARNINGS PER SHARE

The earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the parent financial entity by the weighted average number of ordinary shares outstanding during the year. The adjusted earnings per share are not signifficantly different form the basic earnings per share. The calculation of the earnings per share at 31.12.2022 and 31.12.2021 is as follows:

Continuing activities

GROUP	31.12.2022	31.12.2021
Net profit attributable to the shareholders of the parent company	3.264.096	2.037.606
Weighted average number of shares in circulation	23.807.289	23.805.606
Basic earnings per share	**0,1371**	**0,0856**

Discontinued activities

GROUP	31.12.2022	31.12.2021
Net profit attributable to the shareholders of the parent company	1.089.419	166.454
Weighted average number of shares in circulation	23.807.289	23.805.606
Basic earnings per share	**0,0458**	**0,0070**

The calculation of the impaired earnings per share at 31.12.2022 is as follows:

Continuing activities

GROUP	31.12.2022	31.12.2021
Net profit attributable to the shareholders of the parent	3.264.096	2.037.606
Weighted average number of outstanding shares	23.807.289	23.805.606
Revaluation for stock options	364.012	453.356
Weighted average number of shares for the calculation of diluted earnings per share	24.171.301	24.258.962
Impaired earnings per share	**0,1350**	**0,0840**

Discontinued activities

GROUP	31.12.2022	31.12.2021
Net profit attributable to the shareholders of the parent	1.089.419	166.454
Weighted average number of outstanding shares	23.807.289	23.805.606
Revaluation for stock options	364.012	453.356
Weighted average number of shares for the calculation of diluted earnings per share	24.171.301	24.258.962

Impaired earnings per share	**0,0451**	**0,0069**

Impaired earnings per share are obtained by adjusting the weighted average of existing ordinary shares during the period for potentially issued ordinary shares. The Company has shares of this class, which result from a program of granting stock options to the personnel of the Group.

12. TANGIBLE FIXED ASSETS

Tangible assets of the Group are presented as follows:

GROUP	Land	Buildings	Mechanical Equipment	Means of transportation	Furniture and other equipment	Total
Acquisition value **01.01.2021**	**2.050.000**	**4.209.052**	**1.062**	**38.016**	**2.951.214**	**9.249.344**
Acquisition of subsidiary	-	15.079	-	-	63.606	78.685
Additions in period	-	-	-	-	92.961	92.961
Disposals/ Write-offs	-	-	-	-	-	-
Balance 31.12.2021	**2.050.000**	**4.224.131**	**1.062**	**38.016**	**3.107.781**	**9.420.990**
Acquisition of subsidiary						
Additions in period	-	266.532	-	-	192.100	458.632
Disposals/ Write-offs	-	-	-	-	(669)	(669)
Exchange differencies		(996)			(3.114)	(4.110)
Balance 31.12.2022	**2.050.000**	**4.489.667**	**1.062**	**38.016**	**3.296.098**	**9.874.843**
Accumulated depreciations 01.01.2021	**-**	**(2.044.934)**	**(1.062)**	**(37.952)**	**(2.516.334)**	**(4.600.282)**
Disposals/ Write-offs	-	-	-	-	(476)	(476)
Depreciation		(125.708)	-	(64)	(378.530)	(504.302)
Accumulated depreciations 31.12.2021	**-**	**(2.170.642)**	**(1.062)**	**(38.016)**	**(2.895.340)**	**(5.105.060)**
Disposals/ Write-offs	-	-	-	-	-	-
Depreciation	-	(130.406)	-	-	(90.933)	(221.339)
Accumulated depreciations 31.12.2022	**-**	**(2.301.048)**	**(1.062)**	**(38.016)**	**(2.986.273)**	**(5.326.399)**
Net book value 01.01.2021	**2.050.000**	**2.164.118**	**-**	**64**	**434.880**	**4.649.062**
Net book value 31.12.2021	**2.050.000**	**2.053.489**	**-**	**-**	**212.441**	**4.315.930**
Net book value 31.12.2022	**2.050.000**	**2.188.619**	**-**	**-**	**309.825**	**4.548.444**

Tangible assets of the Company are presented as follows:

COMPANY	Land	Buildings	Mechanical Equipment	Means of transportation	Furniture and other equipment	Total
Acquisition value **01.01.2021**	**2.050.000**	**4.190.257**	**-**	**36.842**	**794.128**	**7.071.227**
Additions in period	-	-	-	-	45.984	45.984

Disposals/ Write-offs	-	-	-	-	-	-
Balance 31.12.2021	**2.050.000**	**4.190.257**	**-**	**36.842**	**840.112**	**7.117.211**
Additions in period	-	266.532	-	-	122.024	388.556
Disposals/ Write-offs	-	-	-	-	-	-
Balance 31.12.2022	**2.050.000**	**4.456.789**	**-**	**36.842**	**962.136**	**7.505.767**
Accumulated depreciations 01.01.2021	**-**	**(2.026.659)**	**-**	**(36.777)**	**(685.335)**	**(2.748.771)**
Disposals/ Write-offs	-	-	-	-	-	-
Depreciation	-	(125.708)	-	(64)	(36.702)	(162.474)
Accumulated depreciations 31.12.2021	**-**	**(2.152.367)**	**-**	**(36.841)**	**(722.037)**	**(2.911.245)**
Disposals/ Write-offs	-	-	-	-	-	-
Depreciation	-	(126.208)	-	-	(43.068)	(169.276)
Accumulated depreciations 31.12.2022	**-**	**(2.278.575)**	**-**	**(36.841)**	**(765.105)**	**(3.080.521)**
Net book value 01.01.2021	**2.050.000**	**2.163.598**	**-**	**65**	**108.793**	**4.322.456**
Net book value 31.12.2021	**2.050.000**	**2.037.890**	**-**	**1**	**118.075**	**4.205.966**
Net book value 31.12.2022	**2.050.000**	**2.178.214**	**-**	**1**	**197.031**	**4.425.246**

Land and buildings were revalued on 01.01.2004 by independent appraisers at their fair value and the differences were recognized in retained earnings. Historical cost is selected as the basis for the subsequent valuation of these items. It is noted that for the company's properties there are no pre-notices.

13. GOODWILL

Goodwill for the Group is analyzed as follows:

Subsidiaries (Cash flow units)	Balance 31.12.2021	Increase	Decrease	Exchange differencies	Balance 31.12.2022
CENTEVO AB	1.503.114	-	-	(117.784)	1.385.330
LOGIN S.A.	687.350	-	-	-	687.350
GLOBAL SOFT S.A.	544.809	-	(250.000)	-	294.809
Goodwill	**2.735.273**	**-**	**(250.000)**	**(117.784)**	**2.367.489**

Check of goodwill for possible impairment is conducted annually as well as when there is evidence of impairment.

On December 31, 2022 the Group conducted the annual impairment test for goodwill for the above subsidiaries (cash flow units).

The audit revealed the need to write down goodwill related to the subsidiary GLOBAL SOFT S.A. by € 250.000.

There was no need to write down goodwill of the other cash-generating units as their use value was greater than the book value.

The recoverable amount of the assets of the above cash-generating units, has been determined based on the value-for-use calculation using estimated cash flows from financial budgets approved by Management for a period of five years. The pre-tax discount rate used was 11.4% for Greece and from 8.1% to 8.7% for EU countries, and the growth rate of the cash flow beyond the forecast period was calculated as 1.6%.

The key assumptions used by Management in the calculation of the cash flow forecasts in the context of the annual audit of impairment of goodwill and in which the value of use is also more sensitive, are as follows:

- ✓ Sales and Gross profit margins
- ✓ Discount rates
- ✓ Growth rates used to calculate cash flows beyond the five-year forecast period

Sales forecasts are based on careful estimates of various factors, such as past performance, market growth assessments where it is active, or whether the Group is planning to operate and where competition exists.
The profit margins are based on estimates during the five-year budget period with regard to the formation of prices and sales volumes, market shares and production and operating costs and no substantial change is expected compared to 2022.

The discount rate represents the present market estimates for the individual risks of each cash-generating unit. The calculation of discount rates is based on the specific conditions that the Group operates and is derived from the weighted average cost of capital. The weighted average cost of capital takes into account both borrowing and equity. The cost of equity is derived from the expected return on the investment of the Group's investors. The cost of borrowing is based on the effective interest rate on loans that the Group is using.
Growth in perpetuity is mainly based on published studies and surveys.

14. INTANGIBLE ASSETS

The intangible assets of the Group are analyzed as follows:

GROUP	Development Cost Complete	Purchased software	Other Intangible Assets	Development Cost Incomplete	Total
Acquisition cost 01.01.2021	**9.414.330**	**131.831**	**426.473**	**1.263.300**	**11.235.934**
Acquisition of subsidiary	1.510.057	-	743.310	-	2.253.367
Additions in period	949.243	1.251	-	2.085.470	3.035.964
Disposals/ Write-offs	(13.749)	-	-	-	(13.749)
Balance 31.12.2021	**11.859.881**	**133.082**	**1.169.783**	**3.348.770**	**16.511.516**
Additions in period	1.320.158	15.935	-	2.595.000	3.931.093
Exchange differencies	(121.507)	-	(58.245)		(179.752)
Disposals/ Write-offs	(3.183.489)	(7.916)	-	-	(3.191.405)
Balance 31.12.2022	**9.875.043**	**141.101**	**1.111.538**	**5.943.770**	**17.071.452**
Accumulated depreciations 01.01.2021	**(5.563.606)**	**(101.852)**	**(248.826)**	**-**	**(5.914.284)**
Acquisition of subsidiary	-	-	-	-	-
Disposals/ Write-offs	-	-	-	-	-
Depreciation	(1.837.242)	(20.246)	(168.523)	-	(2.026.011)
Accumulated depreciations 31.12.2021	**(7.400.848)**	**(122.098)**	**(417.349)**	**-**	**(7.940.295)**
Disposals/ Write-offs	2.503.540	7.915	-	-	2.511.455

Exchange differencies	27.372	-	12.923	-	40.295
Depreciations	(1.337.727)	(4.291)	(190.581)	-	(1.532.599)
Accumulated depreciations 31.12.2022	**(6.207.663)**	**(118.474)**	**(595.007)**	**-**	**(6.921.144)**
Net book value 31.12.2021	**4.459.033**	**10.984**	**752.434**	**3.348.770**	**8.571.221**
Net book value 31.12.2022	**3.667.380**	**22.627**	**516.531**	**5.943.770**	**10.150.308**

The Company's intangible assets are broken down as follows:

COMPANY	Development Cost Complete	Purchased software	Other Intangible Assets	Development Cost Incomplete	Total
Acquisition cost 01.01.2021	**3.907.129**	**45.574**	**-**	**-**	**3.952.703**
Additions in period	610.054	-	-	-	610.054
Disposals/ Write-offs	-	-	-	-	-
Balance 31.12.2021	**4.517.183**	**45.574**	**-**	**-**	**4.562.757**
Additions in period	852.455	15.935	-	-	868.390
Disposals/ Write-offs	(3.183.489)	-	-	-	(3.183.489)
Balance 31.12.2022	**2.186.149**	**61.509**	**-**	**-**	**2.247.658**
Accumulated depreciations 01.01.2021	**(1.783.545)**	**(31.629)**	**-**	**-**	**(1.815.173)**
Disposals/ Write-offs	-	-	-	-	-
Depreciation	(650.090)	(10.474)	-	-	(660.564)
Accumulated depreciations 31.12.2021	**(2.433.635)**	**(42.103)**	**-**	**-**	**(2.475.738)**
Disposals/ Write-offs	2.503.540	-	-	-	2.503.540
Depreciation	(604.491)	(3.173)	-	-	(607.664)
Accumulated depreciations 31.12.2022	**(534.586)**	**(45.276)**	**-**	**-**	**(579.862)**
Net book value 31.12.2021	**2.083.548**	**3.470**	**-**	**-**	**2.087.018**
Net book value 31.12.2022	**1.651.563**	**16.233**	**-**	**-**	**1.667.796**

Intangible assets include the cost of developing banking platforms and investment management, purchased software as well as acquired intangible assets through redemptions. It is noted that the software development costs of the year includes expenses of the Company and the Group (see note 8), as well as software development costs by third parties on our behalf. The incomplete development costs relate to purchased software from third parties (mainly development platforms) that will be implemented by a newly established subsidiary of the Group (established within 2020) and which has been subject to the provisions of the Development Law 4399/2016.

15. INVESTMENTS IN SUBSIDIARIES

The change in the value of investments in affiliated companies is analyzed as follows:

COMPANY	Balance at 31.12.2021	Increases (Decreases) in period	Balance at 31.12.2022
GLOBAL SOFT S.A.	1.131.639	(250.000)	881.639
COMPUTER INTERNATIONAL FRANCHISE LTD	-	-	-
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	3.800.195	-	3.800.195
PROFILE DIGITAL SERVICES S.A.	580.000	-	580.000
PROFILE TECHNOLOGIES SINGLE MEMBER S.A.	2.000.000	-	2.000.000
Total	**7.511.834**	**(250.000)**	**7.261.834**

The investment in the associated company COMPUTER INTERNATIONAL FRANCHISE LTD amounting to € 138.416 has been reduced by an equal provision from previous years, since the company has been wound up and is still in liquidation, which has not yet been completed, for mainly formal reasons.

Based on the results of the impairment test, on December 31, 2022, there was a need to write down the subsidiary GLOBAL SOFT SA by €250.000.

16. INVENTORIES

The Group's and Company's inventories are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Inventories	92.922	84.519	66.943	58.539
Impairment provision	-	-	-	-
Total	**92.922**	**84.519**	**66.943**	**58.539**

The Group's and Company's inventories mainly include electronic equipment and ready-to-use software that are used in the projects that are being implemented.

17. TRADE AND OTHER COMMERCIAL RECEIVABLES

The trade receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Customers	12.719.947	11.781.270	8.357.156	8.145.814
Less disputed receivables transferred to other receivables	(2.555.761)	(2.555.761)	(2.555.761)	(2.555.761)
Customer balance	**10.164.186**	**9.225.509**	**5.801.395**	**5.590.053**
Billing notes received	7.104	7.104	3.696	3.696
Postdated cheques	232.006	231.649	183.611	183.281
Total trade receivables	**10.403.296**	**9.464.262**	**5.988.702**	**5.777.030**
Less: Provision for impairment	(4.572.214)	(4.487.135)	(4.183.786)	(4.132.836)
Final Balance	**5.831.082**	**4.977.127**	**1.804.916**	**1.644.194**

For the years ended December 31, 2022 and December 31, 2021 respectively, trade receivables and the related Impairment are analyzed as follows:

	GROUP		COMPANY	
31.12.2022	**Trade Receivable**	**Impairment**	**Trade Receivable**	**Impairment**
Not due	4.629.875	(51.611)	1.386.195	(47.495)
Past due more than 120 days	966.555	(48.432)	273.124	(16.074)
Past due more than 240 days	412.627	(96.678)	193.391	(48.534)
Past due more than 360 days	4.394.239	(4.375.493)	4.135.992	(4.071.683)
	10.403.296	**(4.572.214)**	**5.988.702**	**(4.183.786)**

	GROUP		COMPANY	
31.12.2021	**Trade Receivable**	**Impairment**	**Trade Receivable**	**Impairment**
Not due	3.976.087	(37.582)	1.395.550	(31.758)
Past due more than 120 days	710.812	(39.357)	63.802	(3.551)
Past due more than 240 days	375.508	(27.103)	131.682	(18.244)
Past due more than 360 days	4.401.855	(4.383.093)	4.185.996	(4.079.283)
Total	**9.464.262**	**(4.487.135)**	**5.777.030**	**(4.132.836)**

The Group applies the simplified approach, in accordance with IFRS 9 and calculates ECLs on Trade Receivables based on lifetime expected credit losses. The Group uses the historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, policy that the Group also used to have in the previous years. The total effect for 2022 is included in the results of the current financial year.

The movement in the provision for impairment of trade receivables is set out below:

	GROUP	COMPANY
Balance 31.12.2020	**4.440.650**	**4.086.872**
Provision as per IFRS 9	46.485	45.964
Write-offs	-	-
Balance 31.12.2021	**4.487.135**	**4.132.836**
Provision as per IFRS 9	85.079	50.950
Write-offs	-	-
Balance 31.12.2022	**4.572.214**	**4.183.786**

18. PREPAYMENTS AND OTHER RECEIVABLES

Advance payments and other receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Advances	559.696	211.970	655.955	204.949
Greek State	428.139	479.800	199.975	272.278
Prepaid expenses	174.235	211.841	121.220	128.288
Accrued income receivable	3.751.342	1.758.298	4.011.272	1.418.519
Other debtors	3.579.372	3.243.756	2.785.113	2.790.002
Total	**8.492.784**	**5.905.665**	**7.773.535**	**4.814.036**

These other receivables are considered to be short-term. Their fair values are considered to approximate their book values.

- The fund Revenues Receivable refers to a recognized value from implemented services which, however, based on the contracts with customers, had not been invoiced until 31.12.2021. Revenues receivable mainly relate to implementation contracts with two public sector bodies, while the related costs are presented in the Accrued expenses and interest payable line (note 28).

- Under the account “Other debtors” an amount of € 2.556 thousand is included, which relates to two claims under litigation, from the wider public sector with amounts of € 2.067 thousand and € 489 thousand, that have not yet been finalized in court so that they can be enforced, but have been tried on the first degree with a positive outcome for the company. The company considers that the interest-bearing claims, are reasonable, well-founded and documented, as on the one hand there are the evidence of delivery of equipment and services (a fact which was demonstrated during the court proceedings) and on the other hand the debtors continue to function normally on their markets, there is therefore no objective evidence of impairment on those receivables.

19. SHORT-TERM INVESTMENTS

The short-term investments of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Opening Balance	**3.012.258**	**2.077.978**	**2.406.422**	**1.658.406**
Additions in period	1.883.441	3.159.981	875.141	2.615.870
Sales in period	(864.784)	(2.187.255)	(563.271)	(1.817.111)
Total short-term investments	**4.030.915**	**3.050.704**	**2.718.292**	**2.457.165**
Plus revaluation at fair value	(32.738)	(35.414)	107.177	(50.743)
Exchange rate differences	-	(3.032)	-	-
Ending balance	**3.998.177**	**3.012.258**	**2.825.469**	**2.406.422**

The amounts of short-term investments refer to financial placements in securities, mutual funds and other securities traded on regulated markets. They primarily aim to place part of the Group's liquidity on safe investments in order to ensure the adequacy of the financing of the investment program for the Group's development and as a "natural" foreign exchange risk offset by the Group's non-euro projects. An important part of these additions and sales concerns the recycling / reinvestment of these short-term placements.
The short-term investments are calculated at fair value through profit or loss.

20. CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Cash on hand	6.895	9.128	417	2.559
Cash in banks	10.148.933	12.602.965	3.202.738	5.659.216
Total	**10.155.828**	**12.612.093**	**3.203.155**	**5.661.775**

Available cash and cash equivalents represent cash in the Group and Company funds and bank deposits available on demand. Bank deposits are charged with interest at floating rates based on monthly bank rates.

21. SHARE CAPITAL AND SHARE PREMIUM

Company's Share Capital movement is as follows:

	Shares	Share Capital	Share Premium
Balance 01.01.2021	**11.903.561**	**5.594.674**	**2.348.390**
Share Capital Increase	-	-	-
Capital increase through special reserves	-	-	-
Increase from stock options issue	110.355	51.866	135.737
Share capital decrease	-	-	
Balance 31.12.2021	**12.013.916**	**5.646.540**	**2.484.127**
Share Capital Increase	-	-	-
Capital increase through special reserves	-	-	-
Increase from stock options issue	349.963	80.492	216.977
Stock split	12.013.916	(120.139)	-
Balance 31.12.2022	**24.377.795**	**5.606.893**	**2.701.104**

On December 3, 2021, the Board of Directors of the Company, in the context of the annual implementation of the Share Allocation Program approved by the First Repeat Annual General Meeting of shareholders of May 25, 2018 to selected executives of the Group, decided to increase the share capital by the amount of fifty-one thousand eight hundred sixty-six euros and eighty-five cents (€ 51,866.85), by issuing one hundred ten thousand three hundred fifty-five (110.355) new common registered shares, with a nominal value of forty-seven Euro cents (€0,47) each and an issue price of one Euro and seventy cents (€1,70) per share, the difference between the issue price of the above new shares and their nominal value, of Euro 135,736.65 deposited in a special reserve account "Share premium account".

On 12.05.2022, by decision of the Annual Ordinary General Meeting of the Company's shareholders, the nominal value of the Company's shares was reduced from forty-seven Euro cents (€0,47) to twenty-three Euro cents (€0,23) and simultaneously increased the total number of its shares from 12.013.916 to 24.027.832 common registered shares (stock split), by replacing each (1) old common registered share with two (2) new common registered shares, with simultaneous reduction (for rounding purposes) of the Company's share capital by the amount of one hundred twenty thousand one hundred and thirty-nine Euro and sixteen cents (€ 120.139,16) and creation of a special-purpose reserve, in accordance with the provisions of Article 31(3). 2 of Law 4548/2018, equal to the amount of the share capital reduction. On 06.12.2022 by decision of the Board of Directors of the Company and in the context of the annual implementation of the Share Allocation Program approved by the First Repeat Annual General Meeting of shareholders of May 25, 2018 to selected executives of the Company and its affiliated companies, the share capital was increased by the amount of eighty thousand four hundred ninety-one Euro and forty-nine cents (€ 80.491,49), by issuing three hundred forty-nine thousand nine hundred sixty-three (349.963) new ordinary, registered shares, with a nominal value of twenty-three Euro cents (€0,23) each and an issue price of eighty-five Euro cents (€0,85) per share, the difference between the issue price of the above new shares and their nominal value, of Euro 216.977,06, deposited in a special reserve account "Share premium account".

As a result, the company's share capital now amounts to five million six hundred and eighty-nine thousand euros and eighty-five minutes (€5.606.892.85) and is divided into twenty-four million three hundred and seven hundred ninety-five (24.377.795) ordinary, nominal shares with a nominal value of twenty-three euro cents (€0,23) each.

22. TREASURY SHARES

The change in the Group's and Company's own shares is analyzed as follows:

	GROUP		COMPANY	
	Shares	Value	Shares	Value
Balance 01.01.2021	**46.700**	**189.934**	**46.700**	**188.837**
Purchase of treasury shares during the year 2021	309.679	1.574.658	309.679	1.574.658
Selling of treasury shares during the year 2021	(330.000)	(1.621.447)	(330.000)	(1.621.447)
Balance 31.12.2021	**26.379**	**143.145**	**26.379**	**142.048**
Purchase of treasury shares during the year 2022	348.788	1.023.953	348.788	1.023.953
Selling of treasury shares during the year 2022	-	-	-	-
Balance 31.12.2022	**375.167**	**1.167.098**	**375.167**	**1.166.001**

23. RESERVES

The change in the Group's and Company's reserves is analyzed as follows:

GROUP	01.01.2022	Change	31.12.2022
Legal reserve	782.553	53.952	836.505
Tax free reserve of special tax regulations	2.518.440	120.139	2.638.579
Other Reserves	4.117.860	2.850.000	6.967.860
Reserves from stock options	659.349	306.854	966.203
Special investment reserve cover ICT4GROWTH	852.851	-	852.851
Total	**8.931.053**	**3.330.945**	**12.261.998**

COMPANY	01.01.2022	Change	31.12.2022
Legal reserve	752.683	43.706	796.389
Tax free reserve of special tax regulations	2.519.458	120.139	2.639.597
Other Reserves	4.117.860	2.850.000	6.967.860
Reserves from stock options	659.349	306.854	966.203
Special investment reserve cover ICT4GROWTH	796.080	-	796.080
Total	**8.845.430**	**3.320.699**	**12.166.129**

24. BORROWINGS & OTHER LONG-TERM PAYABLES

The long-term and short-term borrowings of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Long-term debt	2.142.857	3.214.286	2.142.857	3.214.286
Total long-term debt	**2.142.857**	**3.214.286**	**2.142.857**	**3.214.286**
Bank loans	2.908.045	2.889.312	1.669.238	1.652.326
Long-term loans payable in the next 12 months	1.613.507	822.353	1.613.507	822.353
Total short-term debt	**4.521.552**	**3.711.665**	**3.282.745**	**2.474.679**
Total debt	**6.664.409**	**6.925.951**	**5.425.602**	**5.688.965**

Loans are simply bilateral loans (not convertible, syndicated, etc.) with a variable interest rate with a total borrowing cost of 2,65%, which is considered and is indeed a market rate. Borrowing costs are expected to be higher in the current year 2023 due to the change in EURIBOR, but most of the increase is expected to be compensated as the group maintains strong cash reserves that are positively affected by the rise in international interest rates. Long-term loans have a maturity of (4) years and a grace period of 12 months.
The amounts of long-term loans that are payable within 12 months from the date of preparation of the financial statements have been carried over and are presented in short-term liabilities.

25. PROVISION FOR EMPLOYEES' INDEMNITIES

The Group and the Company recognize as a retirement benefit obligation the present value of the legal commitment it has undertaken, to pay a lump sum compensation to staff leaving due to retirement. The relevant liability was calculated based on an actuarial study by a company of independent actuaries and is analyzed as follows:

The personnel benefits obligations of the Group and the Company are analyzed as follows:

	GROUP	COMPANY
Balance of liability at 01.01.2021	**739.982**	**143.680**
Employment cost for the period 1.1-31.12.2021	204.462	77.476
Financial cost for the period 1.1-31.12.2021	(233)	(223)
Paid indemnities for the period 1.1-31.12.2021	(177.274)	(110.783)
Actuarial gains / losses for the period 1.1 – 31.12.2021	24.186	24.122
Internal movements	-	-
Balance of liability at 31.12.2021	**791.123**	**134.272**
Employment cost for the period 1.1-31.12.2022	45.805	31.996
Financial cost for the period 1.1-31.12.2022	318	299
Paid indemnities for the period 1.1-31.12.2022	(148.528)	(79.957)
Actuarial gains / losses for the period 1.1 – 31.12.2022	56.242	57.390
Internal movements	-	-
Balance of liability at 31.12.2022	**744.960**	**144.000**
Basic Assumptions:	**31.12.2022**	**31.12.2021**
Discount rate	3,39%	0,18%
Inflation	2,00%	1,00%
Future salary increases	4,00%	1,00%

The use of a higher technical interest rate of 0,5% would result in a lower respective obligation by 2,95% while the exact opposite movement, i.e. the use of a lower technical interest rate of 0,5%, would result in a higher respective obligation by 2,95%.

The use of a higher technical interest rate of 0,5% would result in a lower actual cost of the next fiscal year by 4,7% while the exact opposite movement, i.e. the use of a lower technical interest rate of 0,5%, would result in a higher actual cost by 4,7%.

26. STOCK OPTION PLAN

The Board of Directors of the Company at its meeting on January 16, 2020, following the authorization given by the 1st Repeated Annual General Meeting of the shareholders on May 25, 2018, regarding the establishment of a Share Option Scheme to the members of the Board of Directors, the Directors and the staff of the Company, proceeded to the preparation of the specific terms of this Plan.
The duration of the programme shall be fixed until the year 2025, in the sense that the total rights to be allocated to beneficiaries may be exercised no later than November 2025.
The number of Rights to be allocated under the above Program may amount to up to six hundred thousand (600.000), for its total duration (until 2025). Accordingly, the maximum number of shares to be issued, if the Board of Directors grants the maximum number of Rights and the Beneficiaries exercise all of them, may not exceed 600.000 shares.
In order to exercise the rights that have matured, the Beneficiaries must, at the time of exercise, have an employment contract and/or a paid mandate with the Company in force or be employed by virtue of a decision of the Company's Management in a company belonging to the Group.

The rights granted in FY2020 are partially matured as follows:
- On November 1, 2020, 115.093 rights
- On November 1, 2021, 142.483 rights
- On November 1, 2022, 145.954 rights that due to split are readjusted to 291.908
- On November 1, 2023, 28,220 rights that due to split are readjusted to 56.440

The rights granted in FY2022 are partially matured as follows:
- On November 1, 2022, 100.485 rights
- On November 1, 2023, 111.045 rights
- On November 1, 2024, 114.090 rights
- On November 1, 2025, 10.880 rights

Changes in the number of options during the financial year are as follows:

	Number of rights
Opening balance (01.01.2021)	**680.764**
Granted	-
Exercised	(220.710)
Expiration / forfeiture of rights	-
Closing balance (31.12.2021)	**460.054**
Granted	336.500
Exercised	(349.963)
Expiration / forfeiture of rights	-
Closing balance (31.12.2022)	**446.591**

(*) the number of allowances has been adjusted as a result of the business operation of the split (1n/1p) share.

The mature and exercisable rights at 31.12.2022 amount to 154.136.

Fair value per option was calculated using the Black & Scholes valuation model. The important variables involved in this model are the share price, the training price, the discount rate and the volatility of the share price.

The variables on the basis of which the above were calculated are:

	Granted in 2022	Granted in 2020
Exercise price	€ 0,85	€ 0,85
Grant date	25.10.2022	16.01.2020
Share price at concession date	€ 2,94	€ 1,985
Stock Volatility	35%	35%
Risk Free Rate	3,00%	0,46%

From the valuation of the rights granted, the period 01.01.2022-31.12.2022 was charged with the amount of Euro 306.854.

27. GOVERNMENT GRANTS

The Group has recognized long-term liabilities as deferred income for the long-term portion of government grants that is to be systematically and rationally recognized in income over the useful life of the fixed assets. Depreciation is accounted for in the period's results using the straight-line method according to the useful life of the corresponding subsidized assets.

The subsidies of the Group and the Company are analyzed as follows:

	GROUP	COMPANY
Balance 01.01.2021	**1.177.199**	**148.516**
Recognized Grant in 2021	135.000	-
Depreciation of Grants for the year 2021	(1.049.982)	(77.504)
Balance 31.12.2021	**262.217**	**71.012**
Recognized Grant in 2022	81.000	-
Depreciation of Grants for the year 2022	(89.385)	(64.067)
Balance 31.12.2022	**253.832**	**6.945**
Less: current portion of Government Grants classified under accrued income.	(37.832)	(6.945)
Long-term amount of Government Grants	**216.000**	**-**

28. SUPPLIERS

The Group and Company suppliers are analysed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Suppliers	1.756.983	2.028.461	1.032.729	1.414.491
Checks payable	222.647	80.985	207.986	68.366
Total	**1.979.630**	**2.109.446**	**1.240.715**	**1.482.857**

29. OTHER PAYABLES

Other payables for the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Customer advances	799.461	474.318	783.983	436.624
Accrued expenses and interest payable	2.835.630	1.778.150	2.408.689	1.259.582
Accrued Income	2.124.530	1.945.871	579.970	621.426
Other liabilities	818.406	1.073.127	721.806	571.121
Total	**6.578.027**	**5.271.466**	**4.494.448**	**2.888.753**

Specifically, Accrued Expenses relate to the recognition of service costs for Company's projects, from services rendered but which were not invoiced by suppliers until 31.12.2022, based on contracts with suppliers, but whose recognized value calculated in accordance with the measurement of the completion stage of the service in relation to its estimated total cost.

30. TRANSACTIONS WITH RELATED PARTIES

The Company's transactions with its subsidiaries are analyzed as follows:

	Sales		Purchases	
Intercompany transactions	**2022**	**2021**	**2022**	**2021**
GLOBAL SOFT S.A.	124.742	125.912	37.085	108.750
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	1.443.605	2.003.033	-	-
PROFILE SOFTWARE (UK) Ltd	387.514	199.161	-	-
PROFILE DIGITAL SERVICES S.A.	2.273.929	2.002.200	-	-
PROFILE TECHNOLOGIES SINGLE MEMBER S.A.	51.256	16.818	444.784	104.400
LOGIN S.A.	368.545	367.524	-	-
CENTEVO AB	-	49.900	-	-
Total	**4.649.591**	**4.764.548**	**481.869**	**213.150**

The terms of the transactions with the parties involved provide that sales to and purchases from, related parties are made at prevailing market prices at that time (arm's length basis).

Sales to subsidiaries mainly concern expenses incurred by the Company on behalf of the subsidiaries, mainly for the following:

• The support and planning of the commercial and technical implementation of projects in the operational area of financial solutions,
• Designing and implementing other software programs that may be used by affiliates.

The balances of receivables and payables of the Company with the affiliated companies at the end of the current fiscal year, as well as of the previous one, are analyzed as follows:

	Receivables		Liabilities	
Intercompany balances	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
GLOBAL SOFT A.E.	17.951	18.071	69.065	1.569
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	515.658	601.455	-	-
COMPUTER INTERNATIONAL FNRANCHISE Ε.Π.Ε.	171.987	171.685	-	-
PROFILE SOFTWARE (UK) Ltd	47.602	92.107	-	5.225
PROFILE DIGITAL SERVICES S.A.	141.020	157.104	-	-
PROFILE TECHNOLOGIES SINGLE MEMBER S.A.	181.829	25.541	50.332	89.456
LOGIN S.A.	37.250	-	-	-
CENTEVO AB	-	49.900	-	-
Total	**1.113.297**	**1.115.863**	**119.397**	**96.250**

The cost of remuneration for the members of the Board of Directors and the Managing Directors of the Group and the Company for the year 2022 amounted to € 1.604.228 (2021: € 1.105.840).

The balance of the parent company's bond issue to its 100% subsidiary "PROFILE TECHNOLOGIES SINGLE MEMBER S.A." amounted on 31/12/2022 to € 3.400.000 (31/12/2021: €1.400.000).
The amount of € 1.400.000 has been granted in application of the Decision of 31 August 2021 of the Governing Council and the amount of € 2.000.000 has been granted in application of decision of the Governing Council of 01/11/2022.
The proceeds of the Joint Bond Loan will be used by the wholly-owned subsidiary solely for the smooth and timely implementation of the medium-term business plan which it has drawn up, according to the information provided by the Goc, the commission of the sampled exporting producers did not provide any evidence to support this claim.

31. LEASES (IFRS 16)

The breakdown of both rights of use and lease obligations by applying IFRS 16 for the 2022 financial year is as follows:

	GROUP
Right-of-use assets 01.01.2021	566.690
Acquisition of subsidiary	208.807
Add-ons for the period	19.329
Depreciations for the period	(256.592)
Right-of-use assets 31.12.2021	**538.234**
Add-ons for the period	786.723
Exchange rate differencies	31.067
Depreciations for the period	(364.814)
Right-of-use assets 31.12.2022	**991.210**
Recognized Liabilities 01.01.2021	**558.294**
Acquisition of subsidiary	208.807
Add-ons for the period	29.996
Interests for the period	17.637
Payments for the period	(229.672)
Balance 31.12.2021	**585.062**
Add-ons for the period	817.814
Interests for the period	12.869
Payments for the period	(373.407)
Balance 31.12.2022	**1.042.338**
Long-Term lease liabilities	**958.377**
Short-Term lease liabilities	**83.960**
Balance 31.12.2022	**1.042.337**

32. FAIR VALUE MEASUREMENT

Fair Value: The carrying amounts reflected in the accompanying statements of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities, approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of the loans of 31.12.2022 for the Group and the Company approximate their carrying amounts reflected in the statements of financial position, as they relate to simple bilateral loans from bank institutions with floating interest rates within the market, are based on Euribor plus a spread and are therefore variable according to market conditions. Also, the loans are in euros, and they are not convertible, nor have any weights, commitments or special clauses.

Consequently, although these loans are classified in the category 1-5 years, there is no difference between the fair value and the accounting obligations in relation to those liabilities.

The Group categorized its financial instruments carried at fair value in the below categories, defined as follows:

- ✓ Level 1 - Observed / Listed (unadjusted) market prices in active markets for similar assets or liabilities.
- ✓ Level 2 - Valuation techniques for which inputs that are relevant to fair value measurement, except for official stock prices included in Level 1, are directly or indirectly observable.
- ✓ Level 3 - Valuation techniques for which inputs that are relevant to measuring fair value are not observable.

For assets and liabilities recognized in the financial statements on a recurring basis, the Group determines if there have been transfers between hierarchy levels, through the re-evaluation and classification (based on the lower level data that are important for the measurement of fair value as a whole) at the end of each reporting period.

At each reporting date, the Group analyzes the changes in value of liabilities subject to recalculation and revaluation in accordance with its accounting policies. For this analysis, management verifies the major inputs applied in the later assessment, confirming the data used in the valuation, through contracts and other relevant documents.

During the year ended December 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.
The table below provides the hierarchy of the fair values of the Group's assets and liabilities.

Assets and liabilities measured at fair value	Note	Measurement Date	Amount (€)	Level 1	Level 2	Level 3
• **Short-term investments at fair value through profit or loss**	**19**	31.12.2022		**√**	-	-

The valuation of Financial assets at fair value through profit or loss is based on their current market value on their trading market.

33. AUDITORS' REMUNERATION

Regular auditors' fees for auditing financial statements for the financial year 2022 totalled EUR 81.000 for the Group and EUR 22.000 for the Company. Auditors' fees for checking tax compliance for the year 2022 amounted to EUR 16.500 for the Group and EUR 11,000 for the Company.

Apart from the above audit services, no other services are provided by the auditors.

34. CONTINGENT LIABILITIES

There are no litigation or arbitration disputes as well as decisions of judicial or arbitration bodies that have or are likely to have a material impact on the financial position or operation of the Company and the Group.
The Group and the Company have contingent liabilities in respect of matters arising in the ordinary course of business. No material charges are expected to arise from contingent liabilities. No substantial additional payments are expected at the date of preparation of these annual financial statements.

The guarantees through letters of guarantee issued by bank institutions on 31.12.2022 concern the following:

	GROUP	COMPANY
Guarantees to ensure good execution of contracts with suppliers	28.700	28.700
Participation guarantees	673.710	673.710
Guarantees to ensure good execution of contracts with customers	1.281.934	1.281.934
Total	**1.984.344**	**1.984.344**

The tax unaudited fiscal years of the Group's companies are as follows:

NAME OF COMPANY	UNAUDITED FISCAL YEARS
PROFILE SA (*)	2017-2022
COMPUTER INTERNATIONAL FRANCHISE LTD	2007-2022
GLOBAL SOFT S.A(*)	2017-2022
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	2017-2022
PROFILE SYSTEMS (UK) LTD	2018-2022
PROFILE DIGITAL SERVICES S.A.(*)	2017-2022
LOGIN S.A.	2019-2022
PROFILE TECHNOLOGIES SINGLE MEMBER S.A. (**)	2020-2022
CENTEVO AB	2009-2022

** For the years 2017-2021 an unreserved Tax Certificate has been issued by chartered accountants, in accordance with Article 65A par. 1 of Law4174/2013.*
*** The subsidiary Profile Technologies Single Member S.A.. was established in 2020.*

For the year 2022, the Group’s subsidiaries in Greece, have been reviewed through a tax audit from the Chartered Accountants as per the provisions of article 65A of the law 4174/2013. This tax audit is in progress and the related tax certificate is expected to be issued following the issuance of the attached Financial Statements for the year ended on 31st December 2022. If additional tax liabilities arise until the completion of the tax audit, the Group’s management assumes that they will not have a significant effect in the annual financial statements.

The subsidiaries which are based abroad, are not subject to mandatory statutory tax audit. Audits are carried out exceptionally where appropriate by the tax authorities of each country on the basis of specific criteria. Tax liabilities resulting from the submission of the annual tax return remain under the control of the tax authorities for a certain period of time, in accordance with the tax laws of each country.

35. POST BALANCE SHEET EVENTS

There are no post-balance sheet events as at December 31, 2022, either involving the Company or the Group, that are required to be reported by the International Accounting Standards (IFRS).

N. Smyrni, April 6, 2023

Chairman of the BoD	CEO	Chied Financial Officer	Accounting Manager
Stasinopoulos Charalampos ID Σ 577589	Angelides Evangelos ID 1157610	Samonakis Nikolaos ID AI 051267	Santoukas Zafeirios ID AI 109838

CHAPTER 6

AVAILABILITY OF FINANCIAL STATEMENTS

According to the provisions of Law 3556/2007 and Decision 8/754 / 14-04-2016. of the Board of Directors Of the Hellenic Capital Market Commission, the Company announces that the Annual Financial Report for the year 2019 is legally presented on the internet at www.profile.gr, the posting fulfills all the requirements of article 7 of the above Decision of the Board of Directors of the Hellenic Capital Market Commission, as applicable.