

REPORT
OF INDEPENDENT NON-EXECUTIVE MEMBERS
OF THE BOARD OF DIRECTORS OF THE «PROFILE SYSTEMS & SOFTWARE A.E.»

ADDRESSED TO THE ANNUAL ORDINARY GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 31, 2024

INTRODUCTORY

This Report is prepared and submitted jointly by the Independent Non-Executive Members of the Board of Directors of the Société Anonyme under the name "PROFILE COMMERCIAL AND INDUSTRIAL INFORMATION TECHNOLOGY SOCIETE ANONYME" and the distinctive (commercial) title "PROFILE SYSTEMS & SOFTWARE S.A." (hereinafter referred to as brevity "**Company**" or "**Issuer**"), to the Annual Ordinary General Meeting of Shareholders to be held on May 31, 2024, in accordance with the provisions of article 9 par. 5. Law 4706/2020, as currently in force.

It is noted that this Report will be posted on the Company's website and will be presented at the above Annual General Meeting of the Company's shareholders.

I. COMPOSITION (SYNTHESIS) OF THE BOARD OF DIRECTORS

1.1 The Board of Directors of the Company consists of an appropriate, competent and appropriate, always in accordance to the size, nature and scope of the Company's activities, combination of executive, non-executive and independent non-executive members, so that, in accordance with the spirit and philosophy of sound corporate governance in the decision-making process by the above collective body, on the one hand this collective body does not be dominated by one person or a small group of cooperating individuals and on the other hand different views, perspectives and approaches are effectively promoted within this corporate body, in order to ensure the smooth and smooth operation of the body and the greatest possible enhancement of productivity, diversification, competitiveness and innovation of the Company.

1.2 The existing and legally elected Board of Directors of the Company consists of seven members, and in particular of :

- (a)** two (2) executive members (President- Chief Entrepreneur and CEO),
- (b)** three (3) non-executive members and
- (c)** two (2) independent non-executive members.

The CVs of the members of the Board of Directors are available on the Company's website (<http://www.profilesw.com>)

1.3 The independent non-executive members continue to meet the conditions and criteria for independence set by the current legislative and regulatory framework in general (article 9 par. 1 and 2 of Law 4706/2020), namely:

(α) do not hold, directly or indirectly, more than 0.5% of the Company's share capital and
(b) are free from any relationship of dependence with the Company or related persons and maintain no financial, business, family or other relationship that may influence their decisions and independent, objective and impartial judgment

subject to the following reservation :

In view of the fact that both independent non-executive members during the current fiscal year will reach the time limit set in point (ca) of para. 2 of article 9 of Law 4706/2020, it is necessary for the appropriate actions to be taken by the competent body to replace them.

1.4 In compliance and alignment with best corporate governance practices and in order to ensure that all members of the Board of Directors allocate the necessary time for the effective exercise of the responsibilities and duties related to their position and to avoid excessive burdens from other professional commitments, none of the members of the Board of Directors of the Company (including independent ones) participates in Boards of Directors of more than five (5) companies, the shares of which are listed and traded on regulated markets.

II. FINDINGS – REMARKS – RECOMMENDATIONS OF INDEPENDENT NON-EXECUTIVE MEMBERS

2.1 During the fiscal (financial) year 2023 (01.01.2023-31.12.2023) the independent non-executive members of the Board of Directors held individual meetings (either in person or via teleconference) without the presence of any other member, executive or not.

2.2 During their meetings, the following were analysed and ascertained::

(α) the lawful operation of the Board of Directors and the existence of a clear, adequate and appropriate separation of responsibilities at management level, in accordance with the Company's Articles of Association, the Company's Internal Regulation and the Corporate Governance Code adopted by the Company.

In particular, and in accordance with the provisions of the Company's current Internal Rules of Operation, the duties of the Chairman of the Board of Directors and those of the Chief Executive Officer are exercised by different persons, while in full compliance with the provision of article 8 par. 2 of Law 4706/2020 and taking into account the fact that the President of the Board of Directors is an executive member, the Vice-Chairman of this corporate body is one of its non-executive members;;

(b) the successful execution and implementation during the fiscal (financial) year ending 31.12.2023 of the duties of Mr. Charalambos Stasinopoulos in the role of Chief Entrepreneur, a position established pursuant to the relevant decision of the Board of Directors dated

30.11.2020, for the proper assurance of the Company's business continuity and the systematic strengthening of the multifaceted and multilevel business activity of both it (the Company) and of the Group in general, especially in terms of its extroversion, and on the other hand, the successful execution by Mr. Evangelos Angelides of the duties of the Company's Chief Executive Officer (CEO) and the successful transition and strengthening of the new governance regime under conditions of normality, solidarity and constructive cooperation,

(c) the non-executive members of the Board of Directors have no management power, except for the general duties reserved to them by their capacity as members of the Board of Directors, which (duties) include in particular :

- ✓ monitoring and examining the Company's strategy and implementation, as well as the achievement of its objectives,
- ✓ ensuring effective oversight of executive members, including monitoring and auditing their performance individually and collectively,
- ✓ expressing views on proposals made by executive members on the basis of existing information,
- ✓ constructive participation and fruitful criticism in the decision-making of the Board of Directors.

(d) the exercise of the duties of the executive members of the Board of Directors (President BoD & CEO), took place in compliance with the law, the Articles of Association and the legal authorizing decisions of both the General Assembly and the Board of Directors, with primary criterion and decisive factor the promotion of corporate objectives and plans, the proper management of the Company's property, the implementation of the budget and the achievement of the objectives set,

(e) the absence of any situation of conflict between the private interests of all members of the Board of Directors and the interests of the Company and the proper observance and strict implementation of policies, mechanisms and procedures for the prevention, recognition and effective treatment and management of situations of conflict of interest,

(f) the demonstration by the members of the Board of Directors of the necessary and appropriate professionalism, ethics, consistency, integrity and the dedication of sufficient time in the performance of their duties,

(g) the proper implementation of the corporate strategy in accordance with the current planning of the competent Divisions, in order for the Company to continue to distinguish itself for the promotion of innovative products and high quality services, the establishment of long-term relationships of trust, the strengthening of its extroversion and the creation of a sense

of familiarity to its transactors (with constant personalization of its relationships with its customers),

(h) identifying, assessing and appropriately managing the main business and financial risks faced or likely to be faced by the Company, as well as other issues that may have a significant impact on its financial statements, in accordance with the size, nature and complexity of its activities, and their detailed presentation and reporting in the relevant Section of the Annual Management Report of the Board of Directors,

(i) the conduct of the Company's internal audit in accordance with the applicable legislative and regulatory framework in general and the principles of the Code of Ethics, the coverage of the main activities of the company and the adequacy of the Company's management and organization systems, aiming on the one hand at the reliable presentation of the financial figures that constitute the image of the economic unit, on the other hand, the timely diagnosis of any irregularities, errors, weaknesses and possible fraud that may result in the mismanagement and/or loss of assets of the Company,

(j) the adoption of a process for evaluating the performance and effectiveness of the Board of Directors and its specific Committees and the need to strengthen this process, as well as the need to strengthen the means and infrastructure used by the Committees and the S.A. with the use of artificial intelligence tools for the more direct and effective organization of communication and management of findings

(k) the need to provide additional information to the members of the Board of Directors, even with the assistance of external consultants – associates, regarding market trends and emerging risks, environmental issues, sustainable development issues, issues related to new technologies, developments in the context of corporate governance, etc., in order for the Company to fully comply with the applicable legislative and regulatory framework in general. Besides, the provision of additional information and training contributes not only to enhancing the breadth and depth of knowledge, strengthening the skills and competences of the members of the Board of Directors and further supporting their personal development and development, but also to improving the effectiveness and operation of the College and its individual Committees in general.

(l) the necessity for the implementation by the Company's Management of educational and other information programs, with the distribution of the necessary supporting material for the effective assimilation, implementation and implementation of all the Policies and Procedures of the Company's IRO (Internal Rules of Operation) which seminar program etc. will be regularly reviewed and updated, in order to take into account the constantly changing

needs of the market and the economic developments from time to time, social and political conditions and trends .

(m) The necessity of a substantial analysis and thorough review by the Company's Management of the submitted Evaluation Report of the Corporate Governance System (CCS), prepared by the "Law Firm D.I. Paschos and Associates" following the relevant mandate from the Board of Directors prepared in order to examine the effectiveness of the CCS, in accordance with paragraph j of para. 3 and para. 4 of article 14 of Law 4706/2020 and Decision 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Commission, in order to identify any weaknesses (even of medium or low importance) and to take the necessary corrective and/or improvement actions.

(n) The need to strengthen the Committees both in terms of their number and in composition with the presence of external members, in order to upgrade the level of organization of the Company's corporate governance and the optimal monitoring of corporate's operation and actions , especially at Group level.

Nea Smyrni, 24th April 2024

The Independent Non-Executive Members of the Board of Directors

Antonios Roussos

Emmanouil Tsiritakis