



# **UniSystems Information Technology Systems SA**

**Consolidated and Separate Financial Statements**

**for financial year 2017**

**(from January 1<sup>st</sup> to December 31<sup>st</sup>, 2017)**

**in accordance with International Financial Reporting Standards**

**UNISYSTEMS SA**

**G.E.MI. (General Electronic Commercial Registry) No - 121831201000  
former SA Registration No 1447/01NT/B/86/331(08)**

**19-23, Al. Pantou street, Kallithea**

**Kallithea**

**March 2018**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Unisystems Information Technology Systems SA

### **Audit Report on Consolidated and Separate Financial Statements**

#### **Opinion**

We have audited the consolidated and separate financial statements of Unisystems Information Technology Systems Société Anonyme (Group and/or Company), which comprise the consolidated and separate statement of financial position of December 31<sup>st</sup>, 2017, the consolidated and separate statement of income, comprehensive income, changes in equity and cash flow statements for the year then ended, as well as the notes on the consolidated and separate financial statements which include a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company on December 31<sup>st</sup>, 2017, their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and in line with the regulatory requirements of Codified Law 2190/1920.

#### **Basis for opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs), which have been incorporated into the Greek Legislation. Our responsibility, according to these standards, is set out in detail under the section of our report "Auditor's Responsibility on Auditing consolidated and separate financial statements". We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Auditor's Independence**

Throughout our appointment we have maintained our independence from the Company and the Group, in accordance with the Code of Ethics for Professional Auditors by the International Ethics Standards Board for Accountants (IESBA Code) which is incorporated in the Greek Legislation, as well as the ethics requirements of Law 4449/2017, associated with the consolidated and separate financial statements' audit in Greece. We have fulfilled our ethical obligations in accordance with Law 4449/2017 and the requirements of the IESBA Code of Ethics.

#### **Other Information**



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The Members of the Board of Directors are responsible for Other Information. Other Information includes the Management Report of the Board of Directors (but does not include financial statements and the audit report thereupon) that we received prior to this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the Other Information and, except as expressly mentioned under this section of our Report, we do not express an audit opinion or any assurance opinion thereupon.

With regard to our audit on the consolidated and separate financial statements, our responsibility is to read the Other Information and, thus, to consider whether the Other Information is materially inconsistent with the consolidated and separate financial statements or the knowledge we acquired based on our audit or otherwise appears to be fundamentally incorrect.

We have considered whether the Management Report of the Board of Directors includes the disclosures required by Codified Law 2190/1920 or not.

Based on the work we performed during our audit, in our opinion:

- The information included in the Board of Directors' Management Report for the year ended on 31.12.2017 corresponds to the consolidated and separate financial statements,
- The Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of Articles 43a and 107A of Codified Law 2190/1920.

Moreover, based on the knowledge and understanding obtained from our audit concerning Unisystems Information Technology Systems SA, the Group and their environment, we are obliged to note if we found any material inconsistencies in the Management Report of the Board of Directors. We have nothing to note on this issue.

#### **Board of Directors' and Management's responsibility on the consolidated and separate financial statements**

The Board is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the IFRS, as adopted by the European Union, the requirements of Codified Law 2190/1920, as well as the internal control functions which the Board determines as necessary in order to enable the preparation of the consolidated and separate financial statements that are free from any material misstatements due to fraud or error.

When preparing the consolidated and separate financial statements, the Board is responsible to assess whether the Company and the Group are able to continue their activities or not and shall make known, where appropriate, the issues related to the ongoing activity and the use of the accounting base of ongoing activity, unless the Board either intends to liquidate the Company and the Group or interrupt their activities, or has no realistic alternative but to proceed with these actions.

The Management is responsible to supervise the Company's and the Group's financial reporting process.

### **Auditor's responsibilities for auditing the consolidated and separate financial statements**

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

As part of our audit duty, in accordance with the USAs incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated and separate financial statement due to fraud or error, by designing and performing audit procedures that respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material misstatement due to fraud is higher than that due to error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentations or the override of internal control.
- Obtain understanding of the internal control functions, in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.



- Evaluate the appropriateness of accounting policies and methods used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the ongoing activity and on the basis of accounting evidence obtained as to whether there is any material uncertainty related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue their activity. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the relevant disclosures in the consolidated and separate 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 the auditor's report. However, future events or conditions may lead the Company and the Group to cease to operate as an ongoing activity.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, as well as whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and corporate financial statements. We are responsible for the direction, supervision and performance of the Company's and the Group's audit. We remain solely responsible for our audit opinion.

We notify the Management 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.

#### **Report on other legal and regulatory requirements**

The work we have performed on the Management Report of the Board of Directors is mentioned above under the section "Other information".



PricewaterhouseCoopersSA  
Certified Auditors Accountants  
ICPAG Reg. no 113

Athens, May 8<sup>th</sup>, 2018

The Certified Auditor

Dimitris Sourbis

ICPAG Reg. no 16891

**Statement of Financial Position**

	Note	The GROUP		The COMPANY	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	7.935	9.229	7.934	9.227
Intangible assets	7	1.427	1.139	1.427	1.139
Investment property	8	2.835	2.845	2.835	2.845
Investments in subsidiaries and associates	9	-	-	224	345
Deferred tax assets	11	3.504	4.272	3.504	4.272
Other long-term receivables	13	238	1.160	238	1.160
		<b>15.939</b>	<b>18.645</b>	<b>16.162</b>	<b>18.988</b>
<b>Current assets</b>					
Inventories	12	1.988	1.977	1.988	1.977
Trade and other receivables	13	48.471	52.473	47.448	52.087
Available-for-sale financial assets	10	-	4.539	-	4.539
Current tax assets		1.460	-	1.447	-
Cash and cash equivalents	14	6.442	11.756	5.987	11.162
		<b>58.361</b>	<b>70.745</b>	<b>56.870</b>	<b>69.765</b>
Non-current assets held for sale and discontinued operations	15	-	-	-	-
<b>Total assets</b>		<b>74.300</b>	<b>89.390</b>	<b>73.032</b>	<b>88.753</b>
<b>EQUITY</b>					
<b>Attributable to the Company's shareholders</b>					
Share capital	16	4.410	10.080	4.410	10.080
Share premium	16	9.329	9.329	9.329	9.329
Other reserves	17	3.448	3.500	3.645	3.645
Retained earnings		12.494	13.574	11.877	13.217
		29.681	36.483	29.261	36.271
Non-controlling interests		-	-	-	-
<b>Total equity</b>		<b>29.681</b>	<b>36.483</b>	<b>29.261</b>	<b>36.271</b>
<b>LIABILITIES</b>					
<b>Borrowings</b>					
Retirement benefit obligations	18	3.466	3.017	3.466	3.017
Grants		44	-	43	-
Trade and other payables	19	52	52	52	52
		<b>3.562</b>	<b>3.069</b>	<b>3.561</b>	<b>3.069</b>
<b>Current liabilities</b>					
Trade and other payables	19	40.895	48.640	40.059	48.205
Current income tax liabilities		14	410	3	420
Grants		148	-	148	-
Borrowings	20	-	788	-	788
		<b>41.057</b>	<b>49.838</b>	<b>40.210</b>	<b>49.413</b>
<b>Total liabilities</b>		<b>44.619</b>	<b>52.907</b>	<b>43.773</b>	<b>52.482</b>
<b>Total equity and liabilities</b>		<b>74.300</b>	<b>89.390</b>	<b>74.032</b>	<b>88.753</b>

The notes on pages 11 to 70 are an integral part of these financial statements

**Income Statement**

	Note	The GROUP		The COMPANY	
		From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Sales</b>	5	<b>84.000</b>	<b>82.534</b>	<b>82.841</b>	<b>81.439</b>
Cost of sales	21	(70.580)	(69.517)	(69.723)	(68.683)
<b>Gross profit</b>		<b>13.420</b>	<b>13.017</b>	<b>13.118</b>	<b>12.756</b>
Distribution costs	21	(6.005)	(6.423)	(5.828)	(5.958)
Administrative expenses	21	(6.205)	(4.237)	(6.177)	(4.208)
Other operating income/(expenses) - net	23	563	266	563	264
Other gains/(losses) - net	23	(1.078)	(2.182)	(1.253)	(2.667)
<b>Profit/(loss) before tax, interest &amp; investing activities</b>		<b>695</b>	<b>441</b>	<b>423</b>	<b>187</b>
Finance income	24	82	320	82	305
Finance (expenses)	24	(317)	(384)	(316)	(389)
Finance expenses - net	24	(235)	(64)	(234)	(84)
<b>Profit/(loss) before tax</b>		<b>460</b>	<b>377</b>	<b>189</b>	<b>103</b>
Income tax	25	(1.299)	(2.024)	(1.289)	(2.024)
<b>Profit/(loss) for the year</b>		<b>(839)</b>	<b>(1.647)</b>	<b>(1.100)</b>	<b>(1.921)</b>
<b>Attributable to:</b>					
Shareholders of the parent company		(839)	(1.647)	(100)	(1.921)
Non-controlling interests		-	-	-	-
		<b>(839)</b>	<b>(1.647)</b>	<b>(100)</b>	<b>(1.921)</b>
<b>Earnings per share attributable to shareholders of the parent company</b> (amounts in € per share)					
Basic and diluted	27	(0,0799)	(0,0784)	(0,1047)	(0,0914)

The notes on pages 11 to 70 are an integral part of these financial statements



Statement of Comprehensive Income

	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit/(loss) for the year	(839)	(1.647)	(1.100)	(1.921)
<u>Items that will not be reclassified to profit or loss:</u>				
Actuarial gains/(losses)	(238)	(56)	(238)	(56)
Total comprehensive income for the year after tax	<b>(1.077)</b>	<b>(1.703)</b>	<b>(1.338)</b>	<b>(1.977)</b>
<b>Attributable to:</b>				
Shareholders of the parent company	(1.077)	(1.703)	(1.338)	(1.977)
Non-controlling interests	-	-	-	-
	<b>(1.077)</b>	<b>(1.703)</b>	<b>(1.338)</b>	<b>(1.977)</b>

The notes on pages 11 to 70 are an integral part of these financial statements

## Statement of Changes in Equity

		<b>The GROUP</b>					
		<b>Attributable to the shareholders of the parent company</b>					
		<b>Share capital &amp; Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Non controlling interests</b>	<b>Total Equity</b>
<b>Balance at 1<sup>st</sup> January 2016</b>	Note	19.409	3.791	15.013	38.213	41	38.254
<hr/>							
<b>Total income/(loss) for the year after tax</b>		-	-	(1.703)	(1.703)	-	(1.703)
Statutory reserve		-	-	-	-	-	-
Foreign currency translation differences from foreign operations		-	(61)	-	-	(41)	(102)
Share capital reduction	16	-	-	-	-	-	-
Divident payout to QH		-	-	-	-	-	-
Other		-	-	34	34	-	34
<b>Balance at 31<sup>st</sup> December 2016</b>		<b>19.409</b>	<b>3.730</b>	<b>13.344</b>	<b>36.483</b>	<b>-</b>	<b>36.483</b>
<b>Total comprehensive income for the year after tax</b>		-	-	(1.077)	(1.077)	-	(1.077)
Statutory reserve		-	-	-	-	-	-
Foreign currency translation differences from foreign operations		-	(52)	-	(52)	-	(52)
Share capital reduction	16	(5.670)	-	-	(5.670)	-	(5.670)
Divident payout to QH		-	-	-	-	-	-
Other		-	-	(3)	-	-	(3)
<b>Balance at 31<sup>st</sup> December 2017</b>		<b>13.739</b>	<b>3.678</b>	<b>12.264</b>	<b>29.681</b>	<b>-</b>	<b>29.681</b>

The notes on pages 11 to 70 are an integral part of these financial statements

**The COMPANY**

	Share capital & share premium reserve	Other reserves	Retained earnings	Total equity
Note				
<b>Balance at 1<sup>st</sup> January 2016</b>	<b>19.409</b>	<b>3.874</b>	<b>14.968</b>	<b>38.251</b>
<b>Total comprehensive income for the year after tax</b>	-	-	(1.977)	(1.977)
Statutory reserve	-	-	-	-
Foreign currency translation differences from foreign operations	-	-	-	-
Share capital reduction	-	-	-	-
16				
Divident payout to QH	-	-	-	-
Other	-	-	(3)	(3)
<b>Balance at 31<sup>st</sup> December 2016</b>	<b>19.409</b>	<b>3.874</b>	<b>12.988</b>	<b>36.271</b>
<b>Total comprehensive income for the year after tax</b>	-	-	(1.338)	(1.338)
Statutory reserve	-	-	-	-
Foreign currency translation differences from foreign operations	-	-	-	-
Share capital reduction	(5.670)	-	-	(5.670)
16				
Divident payout to QH	-	-	-	-
Other	-	-	(2)	(2)
<b>Balance at 31<sup>st</sup> December 2017</b>	<b>13.739</b>	<b>3.874</b>	<b>11.648</b>	<b>29.261</b>

The notes on pages 11 to 70 are an integral part of these financial statements

**Statement of Cash Flows**

	Note	The GROUP		The COMPANY	
		From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Cash flows from operating activities</b>					
Cash flows from operating activities	26	(2.279)	16.774	(2.128)	16.739
Interest paid		(422)	(486)	(411)	(394)
Income tax paid		(409)	(1.723)	(409)	(1.722)
<b>Net cash flows from operating activities</b>		<b>(3.110)</b>	<b>14.565</b>	<b>(2.948)</b>	<b>14.623</b>
<b>Cash flows from investing activities</b>					
Purchases of tangible assets	6	(236)	(688)	(235)	(688)
Purchase of intangible assets	7	(826)	(45)	(826)	(45)
Sales of tangible and intangible fixed assets		1	6	1	6
Contribution in kind to the parent company			1.649	-	1.649
Dividends received	20	-	9	-	9
Acquisition of subsidiaries, associates, joint ventures and other investments or change in the interest held		-	(4.539)	(55)	(4.909)
Interest received	24	86	530	76	497
<b>Net cash flows from investing activities</b>		<b>(975)</b>	<b>(3.078)</b>	<b>(1.039)</b>	<b>(3.481)</b>
<b>Cash flows from financing activities</b>					
Proceeds from grants on assets		731	-	731	-
Share capital reduction	16	(1.131)	-	(1.131)	-
Repayments of borrowings	20	(788)	(21.263)	(788)	(21.263)
Proceeds from borrowings	20	-	-	-	-
<b>Net cash flows from financing activities</b>		<b>(1.188)</b>	<b>(21.263)</b>	<b>(1.188)</b>	<b>(21.263)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(5.273)</b>	<b>(9.776)</b>	<b>(5.175)</b>	<b>(10.121)</b>
<b>Cash and cash equivalents at beginning of year</b>	14	11.756	21.594	11.162	21.283
Exchange gains/(losses) on cash and cash equivalents		(41)	(62)	-	-
<b>Cash and cash equivalents at end of year</b>	14	<b>6.442</b>	<b>11.756</b>	<b>5.987</b>	<b>11.162</b>

The notes on pages 11 to 70 are an integral part of these financial statements

## Notes on the Financial Statements

### 1. General information

Unisystems Information Systems SA (the "Company") was founded on December 31<sup>st</sup>, 1970 (due to the transformation of the limited liability company established in 1964 under the trade name "Electronic Explorers Doxiadis - Research and Computing Center - Limited Liability Company").

The Company and its subsidiaries (the "Group") operate in the field of information technology and in particular, in the supply of integrated IT and network services and solutions covering hardware and software, and the implementation of large scale projects.

The Group operates in Greece, Belgium, Luxembourg, Turkey, and Romania, as well as in other countries abroad.

The Company's registered offices are located in Kallithea at 19-23, Pantou street and its website is [www.unisystems.com](http://www.unisystems.com).

The financial statements include the Company's separate financial statements and the consolidated financial statements of the Company and its subsidiaries (the "Group") dated December 31<sup>st</sup>, 2017, according to the International Financial Reporting Standards ("IFRS"). The names of these subsidiaries are listed under Note 2.2.

The Group's financial statements are consolidated by applying full consolidation procedures in the consolidated financial statements of Quest Holdings SA based in Kallithea, Athens, which on 31.12.2017 held a 100% percentage of the Company.

In summary, the basic information about the Company is as follows:

### Composition of the Board of Directors

Ioannis K. Loumakis	Chairman & CEO	<b>Supervisory authority</b>
Apostolos M. Georgantzis	Vice Chairman	Region of Attica, Regional Unit of Southern District of Athens
Eftihia S. Koutsourelis	Member	<b>G.E.MI. (General Electronic Commercial Registry) No - 121831201000</b>
Theodoros D. Fessas	Member	<b>former SA Reg. No 1447/01NT/B/86/331(08)</b>
		<b>Tax Registration Number</b>
Markos G. Bitsakos	Member	094029552

The Board of Directors of the Company approved the Group's and the Company's annual financial statements for the 47th financial year which ended on December 31<sup>st</sup>, 2017, at its meeting held on 30.03.2018.

## 2. Principles for the preparation of Financial Statements

The main accounting policies applied for the preparation of these consolidated and separate financial statements are presented below. These accounting policies have been consistently applied to all the financial years presented, unless otherwise stated.

### 2.1 Framework for the preparation of Financial Statements

These financial statements include the financial statements of Unisystems Information Systems SA (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") dated December 31<sup>st</sup>, 2017, in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union.

The separate and consolidated financial statements of "Unisystems Information Systems SA" of December 31<sup>st</sup>, 2017, that cover the 47<sup>th</sup> financial use from January 1<sup>st</sup> to December 31<sup>st</sup>, 2017, have been prepared by the Management on the basis of the historical cost principle, except for available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments that are measured at fair value.

The accounting principles applied for the preparation and presentation of the Company's and the Group's financial statements for the year ended on December 31<sup>st</sup>, 2017 are consistent with the accounting principles applied in the previous financial year (2016).

The preparation of financial statements in accordance with the IFRS requires the use of certain significant accounting estimates and management judgment in the process of applying the accounting principles. It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Despite the fact that these estimates are based on the best possible knowledge of the Management in relation to the current conditions and activities, the actual results may eventually differ from these estimates.

Areas that require a higher degree of judgment by the Management and are significant for the financial statements are reported under Note 4.

#### **Business Continuity**

The Group and the Company meet their daily working capital needs through generated cash flows and related available resources, including bank borrowings.

Current economic conditions continue to impose restrictions on the demand for the Group's and Company's products, as well as to their liquidity for the foreseeable future.

The Group's and Company's projections, taking into account the possible changes in their business performance, create a reasonable expectation on the Management's part that the Group and the Company have sufficient resources to efficiently continue their business activities in the near future.

Therefore, the Group and the Company continue to apply the "principle of business continuity" during the preparation of the separate and consolidated financial statements for the financial year ended on December 31<sup>st</sup>, 2017.

**New standards, amendments to standards and interpretations:** Specific new standards, amendments to standards and interpretations have been issued, which are mandatory for accounting periods beginning on or after 1.1.2017. The Group's and Company's assessment regarding the impact of applying these new standards, amendments and interpretations is set out below.

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**Mandatory Standards and Interpretations for the current financial year****IAS 7 (Amendments) "Disclosures"**

The amendments introduce mandatory disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

**IAS 12 (Amendments) "Recognition of deferred tax assets on unrealized losses"**

The amendments clarify how to account for deferred tax assets on unrealized losses incurred from loans measured at fair value.

**Annual improvements to IFRS (2014-2016 Cycle)****IFRS 12 "Disclosure of Interests in Other Entities"**

The amendment clarifies that the obligation to provide disclosures according to IFRS 12 apply to interests in entities that are classified as held for sale, with the exception of the obligation to provide a summary of financial reporting.

**Mandatory Standards and Interpretations for subsequent periods****IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1<sup>st</sup>, 2018)**

IFRS 9 replaces the provisions of IAS 39 regarding the classification and measurement of financial assets and financial liabilities and it also includes a model of expected credit loss that replaces the incurred loss impairment model currently applied. IFRS 9 establishes a more principle-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

Based on the Management's current assessment, IFRS 9, when first applied and at subsequent periods, is not expected to have a significant impact on the Group's and Company's financial statements. Specifically, the Group and the Company expect, by applying this standard, increased allowance for doubtful debts and corresponding negative effect on equity in a range of EUR 1,5 to EUR 2 million.

**IFRS 9 (Amendments) "Prepayment Features with a negative compensation" (is effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2019)**

Amendments enable companies, provided they meet a particular condition, to measure at amortized cost or at fair value some prepayable financial assets with negative compensation. The assets affected would otherwise have been measured at fair value through profit or loss.

**IFRS 15 "Revenue from Contracts with Customers" (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2018)**

IFRS 15 was issued on May 2014. The purpose of the standard is to provide a single, comprehensible model for revenue recognition for all contracts with customers in order to improve comparability between companies in the same industry, across industries and across capital markets. It includes the principles that an entity must apply to determine the measurement of revenue and the timing of its recognition. The main principle is that an entity will recognize revenue in a way that reflects the transfer of goods or services to customers at an amount that it expects to be entitled to in return for these goods or services.

The Group and the Company, in order to assess the impact that may arise from the adoption of IFRS 15 on January 1<sup>st</sup>, 2018, investigated the different types of contracts with customers based on the five criteria of the new standard. The Management estimates that the adoption of IFRS 15 will not have a material effect on the net position on 1.1.2018.

**IFRS 16 "Leases"** (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2019)

IFRS 16 was issued on January 2016 and replaces IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information in a manner that reasonably represents the reason for transactions regarding leases. IFRS 16 introduces a single accounting model on the part of the lessee, which requires a lessee to recognize assets and liabilities for all lease contracts with a term of over 12 months, unless the underlying asset is of insignificant value. Regarding the lessor's accounting requirements, IFRS 16 substantially incorporates the requirements of IAS 17. Therefore, the lessor continues to classify lease contracts as operating and finance leases, and to account for these two types of leases differently.

**IFRS 17 "Insurance contracts"** (effective for annual periods beginning on or after January 1<sup>st</sup>, 2021)

IFRS 17 was issued on May 2017 and replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of the standard is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard addresses the comparability problems created by IFRS 4 as it requires that all contracts be accounted for in a consistent manner. Insurance liabilities will be measured at current value and not at historical cost. The standard has not yet been adopted by the European Union.

**IFRS 2 (Amendments) "Classification and measurement of share-based payment transactions"** (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2018)

The amendment clarifies the measurement basis for share-based, cash-settled payments and the accounting for the modification of an award from cash-settled to equity-settled. In addition, it introduces an exception to the principles in IFRS 2 under which an award is treated as if it were entirely equity-settled, where an employer is required to withhold an amount to cover the employees' tax obligation resulting from a share-based payment and pay this amount to the tax authorities.

**IFRS 4 (Amendments) "Application of IFRS 9 Financial instruments to IFRS 4 Insurance contracts"** (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2018)

The amendments introduce two approaches. The amended standard will (a) provide the option for all entities issuing insurance contracts to recognize in other comprehensive income rather than in the income statement any other deviations resulting from the application of IFRS 9 prior to the adoption of the new standard for insurance contracts, and (b) provide entities whose activities are mainly linked to the insurance industry, the option to be temporarily exempted from applying IFRS 9 until 2021. Entities that defer the application of IFRS 9 will continue to apply the existing Standard for Financial Instruments IAS 39.

**IAS 40 (Amendments) "Transfer of Investment Property"** (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2018)

The amendments clarify that in order to transfer an item to or from investment properties a change in use must be made. In order to consider if the use of a property has been changed, it should be assessed whether the property meets the definition and the change in use can be substantiated.

**IAS 28 (Amendments) "Long term investments in associates and joint ventures"** (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2019)



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The amendments clarify that entities must account for their long-term investments in an associate or joint venture - to which the net position method does not apply – according to IFRS 9. The amendments have not been adopted yet by the European Union.

**IFRIC 22 "Transactions in Foreign Currency and Advances"** (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2018)

The Interpretation provides guidance on how to determine the transaction date when applying the foreign currency translation model, IAS 21. This Interpretation applies when an entity either pays or receives a consideration in advance for contracts denominated in a foreign currency.

**IFRIC 23 "Uncertainty over income tax treatments"** (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2019)

The Interpretation provides clarifications, regarding the recognition and measurement of current and deferred income tax, when there is uncertainty over the tax treatment of certain items. IFRIC 23 applies to all aspects of income tax accounting when there is such uncertainty, including taxable profit/loss, the tax base of assets and liabilities, tax profits and tax losses, and tax rates. The Interpretation has not yet been adopted by the European Union.

**IAS 19 (Amendments) "Plan amendment, curtailment or settlement"** (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2019)

The amendments clarify how the entities must account for retirement expenses when changes in fixed retirement plans take place. The amendments have not been adopted yet by the European Union.

**Annual improvements to IFRS (2014-2016 Cycle)**

IAS 28 "Investments in associates and joint ventures" (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2018)

The amendments clarify that when venture capital organizations, mutual funds and similar entities use the option to measure investments in associates or joint ventures at fair value through profit or loss, this option should be made separately for every associate or joint venture at the time of initial recognition.

**Annual improvements to IFRS (2015-2017 Cycle)** (effective for annual accounting periods beginning on or after January 1<sup>st</sup>, 2019)

The amendments listed below include changes in four IFRS. The amendments have not been adopted yet by the European Union.

IFRS 3 "Business combinations"

The amendments clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.

IFRS 11 "Joint arrangements"

The amendments clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 "Income taxes"

The amendments clarify that an entity accounts for all effects on income tax from dividends paid in the same way.

IAS 23 "Borrowing costs"

Amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally.

## 2.2 Consolidation of Financial Statements

### (a) Subsidiaries

Subsidiaries are the companies whose financial and operating policies are directly or indirectly controlled by the Group. Subsidiaries are fully consolidated from the date on which their control is acquired and are no longer consolidated from the date such control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition cost of a subsidiary is measured at the fair value of the assets transferred, the shares issued and the liabilities incurred at the date of the acquisition plus any costs directly attributable to the acquisition. The identifiable assets, liabilities and contingent liabilities acquired in a business combination are measured at the fair value at the time of their acquisition, irrespective of the shareholding percentage. The surplus of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total cost of acquisition is less than the Group's share of the fair value of the net assets acquired, the difference is recognized directly in the Income Statement.

Transactions, balances and unrealized gains arising between Group companies are eliminated on consolidation. Unrealized losses are also eliminated, unless the transaction presents evidence of the transferred asset's impairment. The accounting policies of subsidiaries have been adjusted to be consistent with those adopted by the Group.

The Company records the investments in associates in the separate financial statements at cost less impairment losses.

The Group's consolidated subsidiaries are the following: a) Unisystems Cyprus S.A. which consolidates the financial statements of its subsidiary: Unisystems Information Technology Systems SRL and b) Unisystems Netherlands B.V. which consolidates the financial statements of its subsidiary Unisystems Turkish Information Technologies Inc.

### (b) Joint ventures

Under the provisions of IFRS 11, investments in joint ventures are classified either as joint operations or as joint ventures, and the classification is determined by the contractual rights and obligations of each investor. The Group has assessed the nature of its joint investment agreements and has decided that these constitute joint ventures. On 31.12.2017, the Company held interests in the following joint ventures:

- Joint venture "Unisystems Information Technology Systems SA - SingularLogic SA", Athens, for the project "Computerization of the Criminal Record Central Service of the Ministry of Justice". The joint venture is in the process of liquidation.
- Joint venture "Unisystems Information Technology Systems SA - SingularLogic SA", Athens, for the project "Computerization of the Criminal Record Service of the Public Prosecution Office of the First Instance Court of six cities". The joint venture is in the process of liquidation.

- Joint Venture of Integrated IT Projects ALTEC-INFO QUEST-INTRACOM IT SERVICES-PC SYSTEMS under the distinctive title "K.O.E.P." (joint venture Information Technology Olympic Projects) for the project "Computerization of Athens 2004". The joint venture is in the process of liquidation.
- Joint venture "Unisystems Information Systems SA - SPACE HELLAS" for the project "Provision of Hardware and Software Systems for the Development of the Cadastral Information System of the National Cadastre and Mapping Agency SA".

It is noted that these Joint Ventures:

- (a) Have been established, in accordance with the applicable legislation, for tax purposes and no equity relationship exists between the Company and these Joint Ventures.
- (b) Have all the features of the joint arrangements as provided by the International Financial Reporting Standard 11.
- (c) The Company, based on the relevant billing, has recorded the proportionate share of the net fee (proportion of income minus expenses) it has received for the above mentioned projects executed by the Joint Ventures up to 31.12.2017, in its financial statements.

For the above reasons, these Joint Ventures were not included in the consolidation.

### **(c) Associates**

Associates are undertakings over which the Group has a material influence but does not control, which generally applies when the holding percentages range from 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost. The investment account of associates also includes goodwill arising on acquisition (less any impairment losses).

The Group's share in the profits or losses of associates after the acquisition is recognized in the income statement, whereas the share of post-acquisition inventories is recognized in inventories. Accumulated changes after acquisition affect the carrying value of investments in associates with a corresponding adjustment to the current value of the investment. In the event that the Group's share in the losses of an associate exceeds the value of the investment in the associate, no further losses are recognized unless payments have been made or other obligations have been assumed on behalf of the associate.

The Group assesses at each reporting date whether there is an objective indication that investments in associates are impaired. When an indication arises, the Group calculates the amount of the impairment as the difference between the recoverable value of investment in associates and the carrying value and recognizes the amount in the income statement.

Unrealized profits from transactions between the Group and its associates are eliminated according to the Group's interest held in the associates. The accounting policies of associates have been amended to be consistent with those adopted by the Group.

## **2.3 Foreign currency translation**

### **(a) Functional currency and reporting currency**

The items included in the financial statements of the Group companies are calculated using the currency of the primary economic environment in which each company operates ("functional currency"). The separate and consolidated financial statements are presented in thousands Euros, which is the functional and reporting currency of the parent Company, as well as the Group companies.

**(b) Transactions and balances**

Transactions in foreign currencies are translated into the functional currency on the basis of the exchange rates prevailing at the date of each transaction. Foreign exchange profits and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies to the exchange rates prevailing at the balance sheet date are recognized in the income statement. Gains or losses arising from exchange differences related to cash or loan liabilities are presented in the income statement under "Financial income/(expenses) - net". All other gains or losses arising from foreign exchange differences are presented in the income statement under "Other gains /(losses) - net".

Foreign exchange differences arising from non-monetary items at fair value are considered as part of the fair value and are therefore recorded as fair value differences.

**(c) Group companies**

The translation of financial statements of the Group companies (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the Group's reporting currency, is as follows:

- Assets and liabilities for each statement of financial position are translated at the exchange rates prevailing at the date of each financial position statement,
- Revenues and expenses are translated at the average exchange rates of the reporting period (unless the average exchange rate is not a reasonable approximation of the cumulative effect of the exchange rates prevailing at the dates of the transactions, in which case revenues and expenses are translated at the exchange rates prevailing at the dates of transactions) and
- The resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are treated as assets and liabilities of the foreign entities and are translated using the exchange rate at the reporting date. Exchange differences arising are recognized in other comprehensive income.

**2.4 Tangible fixed assets**

Tangible fixed assets are recognized at cost less accumulated amortization and any impairment loss. Acquisition cost also includes expenditure directly related to the acquisition of property and equipment.

Subsequent expenditure is either included in the carrying amount of fixed tangible assets or, as appropriate, it is recognized as a separate asset only when it is probable that future economic benefits to the Group are greater than initially expected in accordance with the initial return on the asset and provided that its cost can be measured reliably. The carrying amount of the replaced asset is written off.

Repairs and maintenance costs are recognized in the Income Statement when incurred.

Land is not depreciated. Depreciation on other tangible assets is calculated using the straight line method to allocate their cost evenly on an annual basis over the expected useful life of the asset so as to write off the cost to its residual value.

The estimated useful life of fixed assets is as follows:

Buildings and leasehold improvements	50	Years
Machinery - technical installations and other mechanical equipment	1-7	Years
Vehicles	5-8	Years
Furniture and equipment	1-7	Years

The residual value and the useful life of tangible assets are subject to review at each balance sheet date, if necessary. When the carrying values of tangible assets exceed their recoverable amount, the difference (impairment) is recognized directly as an expense in the Income Statement.

When tangible assets are sold, the difference between the consideration received and their carrying value is recorded as gain or loss in the Income Statement.

## 2.5 Intangible assets

### (a) Goodwill

Goodwill represents the difference between the cost of acquisition and the fair value of the subsidiary's/associate's equity at the date of acquisition. Goodwill resulting from acquisitions of subsidiaries is recognized in intangible assets. Goodwill resulting from acquisitions of associates is recognized in investments in associates. Goodwill is reviewed annually for impairment and is recognized at cost less any impairment losses that are recognized as expenses in the income statement when incurred and are not reversed. Gains and losses resulting from an enterprise's disposal include the carrying amount of the goodwill of the enterprise sold.

For the purpose of reviewing goodwill for impairment, goodwill is allocated to cash generating units. Impairment losses are recognized when the recoverable value is less than the carrying value. Gains and losses resulting from a company's disposal include the goodwill of the company sold. Impairment losses are recognized as expenses in the income statement when incurred and are not reversed.

### (b) Concessions and industrial property rights

Concessions and industrial property rights are measured at acquisition cost less amortization and any impairment loss. Amortization is calculated using the straight line method over the useful life of these assets, which ranges from 3 to 5 years.

### (c) Software

Software licenses are measured at acquisition cost less accumulated amortization less any accumulated impairment loss. Amortization is calculated using the straight line method over the useful life of these assets, which ranges from 3 to 5 years, or annually, depending on the license renewal.

Costs associated with software maintenance are recognized as expenses when incurred. Expenses incurred for the development of specific software controlled by the Group (proprietary software) are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the developed software so that it is available for use
- The company's management intends to complete the developed software in order to use it or sell it
- It is possible to use or sell the software
- It is expected that future financial benefits will result from the software
- There are sufficient technical, financial and other resources to complete software development and to use or sell the software
- Costs associated with software development can be measured reliably

Directly related costs that are capitalized as part of the software product include software development personnel costs and a proportion of overheads.

Other development costs that do not meet the above conditions are recognized directly in the income statement. Development costs that were previously recognized as expenses in the income statement are not recognized as an asset in the next reporting period.

Proprietary software that has been recognized as an intangible asset is depreciated over its useful life, which ranges from 3 to 5 years.

## **2.6 Impairment of non financial assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested for impairment annually. Assets that are amortized are subject to impairment testing whenever circumstances indicate that their carrying amount may not be recoverable. The recoverable value is the highest value between the assets' net realizable value less the selling cost and the value in use. To calculate impairment, assets are categorized at the lowest possible level of separately identifiable cash flows (cash generating units). Impairment losses are recognized as expenses in the Income Statement in the year they are incurred. Impairment of assets (other than goodwill) is reviewed at each reporting date for any impairment loss reversal.

## **2.7 Non-current assets (or disposal groups) held for sale**

Non-current assets are classified as held for sale when their carrying amount is recovered principally through the sale and the sale is considered to be highly probable. They are valued at the lower value between carrying value and fair value less costs to sell.

## **2.8 Financial assets**

The financial assets of the Group are classified in the following categories: loans and receivables and available for sale. Classification depends on the purpose for which the investment was undertaken. The Management determines the classification at initial recognition.

### **(a) Loans and receivables**

These include non-derivative financial assets with fixed or defined payments that are not traded in active markets. They are included in current assets except for those with a maturity longer than 12 months from the balance sheet date, that are

classified in non-current assets. Loans and receivables are included in the balance sheet under "Other long term receivables", "Trade and other receivables" and "Cash and cash equivalents".

#### **(b) Available-for-sale financial assets**

Non derivative financial assets which are either registered in this category or not classified in any other category as they are not held for trading and are not issued by the Company or are not held to maturity. They are included in non-current assets unless the Management intends to liquidate them within 12 months from the date of the Balance Sheet.

- Recognition and measurement

Purchases and sales of financial assets are recognized at the date of the transaction, the date on which the Group commits to purchase or sell the asset. Purchases and sales of investments are recognized at the date of the transaction, the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction cost. Investments are derecognized when the rights to receive cash flows from investments expire or are transferred and the Group has transferred substantially all risks and rewards of ownership.

Unrealized gains or losses arising from changes in the fair value of financial assets and classified as available for sale are recognized in investment revaluation inventories. In case available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are transferred to the income statement.

- Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset has been impaired. Shares of companies that are classified as financial assets available for sale, a significant or prolonged decline in the fair value of the share price lower than the acquisition cost, is an indication of impairment. If an impairment is established, the accumulated loss (calculated as the difference between the cost of acquisition and the current fair value less any impairment loss previously recognized in the Income Statement) is transferred from the revaluation inventory to the Income Statement. Impairment losses on equity instruments recognized in the Income Statement are not reversed through the Income Statement. An impairment test of loans and receivables is described in Note 2.10.

#### **2.9 Derivative financial instruments**

Derivative financial instruments include forward currency agreements. Derivatives are initially recognized in the balance sheet at fair value at the date of the agreement, and are subsequently remeasured at their fair value. When the fair value is positive, derivatives are included in assets, and when the fair value is negative, they are included in liabilities.

The Group uses derivative financial instruments to manage the risk associated with its business activities. In case that derivative financial instruments do not meet the hedge accounting criteria, changes in their fair value are recognized in the Income Statement.

The gain or loss arising from the use of derivative financial instruments is recognized in profit or loss under "Other gains/losses".

The Group does not have an open position in derivative financial instruments on December 31<sup>st</sup>, 2017.

#### **2.10 Inventories**

Inventories are valued at the lowest rate between acquisition cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any completion and disposal costs.

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The acquisition cost of inventories is calculated using the weighted average method. Financial expenses are not included in the acquisition cost of inventories.

### **2.11 Trade receivables**

Trade receivables are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest method, less impairment losses. Impairment losses are recognized when there is objective evidence that the Group is not able to collect all amounts due under the contractual terms. The amount of provision is the difference between the carrying amount of assets and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognized as an expense in the Income Statement under distribution expenses. Any trade receivables that are considered irrecoverable are written off under the above provision.

### **2.12 Cash and cash equivalents**

Cash and cash equivalents include cash, sight deposits and bank overdrafts, as well as short term investments of up to three months of high liquidity and low risk. Bank overdrafts are included in short term borrowings.

### **2.13 Share capital**

Ordinary shares are included in the Company's equity.

Costs directly attributed to the issue of shares are shown after the deduction of the relevant income tax as a reduction of the proceeds. Costs directly attributed to the issue of shares for the acquisition of entities are included in the acquisition cost of the entity acquired.

The cost of acquiring equity shares is deducted from the Company's equity until the shares are sold, canceled or reissued. Any gain or loss arising from the sale of equity shares, net of other expenses directly attributable to the transaction and taxes, is presented as a reserve in equity.

### **2.14 Trade Liabilities**

Trade liabilities include payment obligations for products and services acquired by the suppliers in the course of the Group's ordinary activities. Trade payables are recorded as current liabilities when their payment is due within the next year. If payment is settled beyond the year, they are included in non-current liabilities.

Trade payables are initially recognized at fair value and are subsequently measured according to the unamortized cost method using the effective interest rate.

### **2.15 Borrowings**

Borrowings are initially recorded at their fair value, less any expenses directly attributed to the transaction. They are subsequently measured at amortized cost. Any difference between the amount received (net of related costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has the right to defer the payment of the obligation for at least 12 months from the balance sheet date.

### **2.16 Borrowing Costs**

Overall borrowing costs and borrowing costs incurred specifically for the acquisition, construction or production of an asset that meets the conditions, are capitalized as part of the cost of that asset for the period of time required for that asset to be



ready for use or sale. An asset that meets the conditions, requires an extended period of time to be ready for its intended use or sale.

All other borrowing costs are recognized in the income statement as incurred.

### **2.17 Current and deferred income tax**

The income tax charge for the financial year consists of current and deferred tax, namely tax charges or tax reliefs related to the economic benefits arising in the reporting period which have already been accounted for or will be accounted for by the tax authorities in different financial years.

Current income taxes include liabilities towards tax authorities related to taxes payable on the taxable income for the year and any additional income taxes regarding prior financial years.

Current taxes are calculated according to the tax rates and tax legislation applicable in the fiscal years to which they correspond, based on the taxable profit for the reporting period.

Deferred income tax is determined using the liability method on temporary differences arising between the carrying amount and the tax base of the assets and liabilities. No deferred income tax is recognized if it results from the initial recognition of an asset or liability in a transaction other than a business combination which, when incurred, affected neither the accounting nor taxable profit or loss.

Deferred tax is determined on the basis of the tax rates (and tax laws) that have been enacted or have been materially enacted at the balance sheet date and are expected to apply when the deferred income tax asset is recovered or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that there will be a future taxable profit to utilize the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for deductible temporary differences arising from investments in subsidiaries and associates, except where the reversal of temporary differences is controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax is recognized in the Income Statement if the transactions and financial events relevant to that tax charge are also recognized in the Income Statement. Deferred income tax is recognized directly in equity if the transactions and financial events relevant to that tax charge are also recognized in equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority.

### **2.18 Employee benefits**

#### **(a) Short term benefits**

Short term employee benefits (other than employment termination benefits) both in cash and in kind are recognized as an expense when they are accrued. Any outstanding payment is recognized as a liability and if the amount already paid exceeds the amount of benefits, the company records the excess amount as an asset (prepaid expense) only to the extent that the prepayment leads to a reduction in future payments or a cash refund.

## **(b) Post employment benefits**

Post employment benefits include both defined contribution, as well as defined benefit plans.

### ➤ Defined contribution plan

Based on the defined contribution plan, the company's (legal) obligation is limited to the amount it has agreed to contribute to the insurance fund managing the contributions and granting the benefits (pensions, health care services, etc.), so that no further obligation arises for the Group if the State Insurance Fund is unable to pay a pension to the insured beneficiaries.

The accrued cost of defined contribution plans is recorded as an expense in the relevant financial year.

### ➤ Defined benefit plan

The obligation recorded in the balance sheet regarding the defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is calculated by discounting the future cash outflows using as discount rate the interest rate of long term high quality corporate bonds that are denominated in the currency in which the benefits will be paid and have an approximately equal duration to the duration of the pension plan.

The current service cost of the defined benefit plan is recognized in the income statement unless it is included in the cost of an asset. Current service cost reflects the increase in the defined benefit obligation arising from employee employment during the financial year, as well as changes due to cuts or settlements.

Past service cost is recognized directly in the income statement.

The net interest cost is calculated as the net amount between the defined benefit plan liability and the fair value of the plan assets multiplied by the discount rate. This cost is included in the income statement under employee benefits.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are transferred to equity by being charged or credited to other comprehensive income over the period in which they arise.

## **(c) Employment termination benefits**

Termination benefits are paid when employees leave before the retirement date. The Group recognizes these benefits when it commits to the following: either when it terminates the employment of current employees under a detailed plan for which there is no possibility of withdrawal, or when it offers these benefits as an incentive for voluntary redundancy. Termination benefits that are due 12 months after the balance sheet date, are discounted to their present value. In case of employment termination where it is impossible to identify the employees who will use these benefits, the benefits are disclosed as a contingent liability, but they are not accounted for.

## **2.19 Grants**

State grants are recognized at their fair value when it is certain that the grant will be received and the Group will comply with all relevant conditions. Government grants received to cover expenses are recognized in the income statement in such a way that they are attributable to these expenses. Government grants related to the purchase of fixed tangible assets are included in non-current liabilities as deferred state grants and are carried as income in the income statement using the straight line method over the estimated useful life of the related assets.

## 2.20 Provisions

Provisions are recognized when:

- i. There is a present legal or constructive obligation as a result of past events.
- ii. It is likely that an outflow of resources will be required to settle the obligation.
- iii. The required amount can be reliably estimated.

Provisions are calculated at the present value of the expenses that, on the basis of the Management's best estimate, are required to settle the present obligation at the balance sheet date. The discount interest rate used to determine the present value reflects current market assessments of the time value of money and risks associated with the specific liability.

## 2.21 Revenue recognition

Revenues include the fair value of goods that are sold and services that are supplied in the ordinary course of the Company's business, net of Value Added Tax, rebates and refunds. Intragroup revenues within the Group are fully eliminated.

Revenue is accounted for only when it is probable that the economic benefits associated with the transaction will flow to the entity.

Group and Company revenues are generated from software development agreements, as well as from computer hardware and application sales and maintenance agreements.

The specific recognition criteria applicable to revenue are as follows:

### (a) Supply of services through:

- **Software Development Agreements**

The Group and the Company use the percentage of completion method to determine the appropriate amount of revenue to be recognized over a specific period. The percentage of completion is calculated on the basis of total costs incurred up to the balance sheet date as a percentage of the total estimated cost for each agreement. Costs are recognized in the period in which they are incurred. When the outcome of an agreement cannot be reliably calculated, income is recognized only to the extent that the expenses incurred are likely to be recovered. When it is probable that the total cost of the agreement will exceed the total revenue, then the expected loss is directly recognized in the income statement as an expense.

- **Software Support Services Agreements (Times & Means)**

Times & Means are agreements for which there is no predetermined total contractual scope and price. As a result, the total revenue to which the agreement will amount to, is unknown from the outset. These agreements form a cooperation framework between the Company and the customer and in some cases determine a financial threshold which may not be exceeded.

Times & Means agreements involve software support services by specifying the general cooperation framework, the time period, price lists based on man hours, engineers' profiles, billing terms, payment terms, settlement terms, etc.

Revenue from these agreements is recorded directly when these services are billed (on-time billing), with the exception of certain cases (end of reporting period) during which the corresponding revenues are calculated (off-time billing) and recorded as accrued revenue. Accrued accounts are settled in the next reporting period when the revenue is billed.

- **Computer hardware and application maintenance services**

Revenue from the supply of maintenance services is accounted for as the service is provided on the basis of the schedule specified in the agreements.

**(b) Sales of products**

Sales of products are recognized when the Group delivers the goods to the customers, the customers accept the goods and the collection of the amounts due is reasonably assured. In cases of warranty refund for sales of products, refunds are accounted for at every balance sheet date as a reduction of revenue, based on statistics.

**(c) Income from interest**

Interest income is recorded on a time proportion basis using the effective interest rate. When receivables are impaired, their carrying amount is reduced to their recoverable amount, which corresponds to the present value of the expected future cash flows discounted at the initial effective interest rate. Subsequently, interest is calculated using the same interest rate on the impaired (new carrying) value.

**(d) Dividends**

Dividends are accounted for as income when they are collected.

**2.22 Leases**

As lessor:

Rights to use leased equipment and IT systems, whereby all risks and rewards of ownership are materially transferred to Group customers, are classified as finance leases. Finance leases are initially recognized as receivables at the commencement of the lease period at the lower of the fair value of the leased equipment or the present value of the minimum lease receivables. The difference between the gross amount of the receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized in the income statement over the term of the lease using the net investment method, which represents a constant periodic rate of return.

Finance lease receivables are long term leases, which are included in the balance sheet under "Trade and other receivables". These receivables are measured at amortized cost using the effective interest rate less impairment loss. Impairment losses are recognized when there is objective evidence that the Company is not able to collect all amounts due under the contractual terms. The provision for impairment losses is based on the Company's historical data and the risks inherent in its portfolio.

As lessee:

Leases of fixed assets whereby the Group retains substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the commencement of the lease at the lower of the fair value of the asset or the present value of the minimum lease payments. The corresponding lease payables, net of finance charges, are included in liabilities. The part of the finance charge related to finance leases is recognized in the income statement over the term of the lease. Fixed assets acquired under finance leases are depreciated over the shorter of their useful life and the term of the lease.

The Company and the Group do not hold any finance leases as lessees.

Leases where the risks and rewards of ownership are substantially retained by the lessor are considered as operating leases. Payments made in terms of operating leases (net of any incentives offered by the lessor) are recognized in the income statement proportionately during the lease term.

### **2.23 Dividend distribution**

Dividends of ordinary shares are recorded as a liability in the reporting period to be announced and approved by the General Meeting of Shareholders.

### **2.24 Earnings per share**

Basic earnings per share are calculated by dividing the net profit attributable to shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during each year, excluding the average number of ordinary shares acquired as equity shares. Diluted earnings per share are calculated by dividing the net profit attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding during each year (adjusted with the effect of stock options)

### **2.25 Comparative information and roundings**

The financial statement information of the year ended on 31.12.2016 were used as comparative data for the presentation of the financial statements for the year ended on December 31<sup>st</sup>, 2017.

In order for the financial statements for the year ended on December 31<sup>st</sup>, 2016 to be comparable to those of the current financial year, reclassifications have been made that have no effect on the Company's and the Group's equity or results.

### 3. Financial risk management

#### 3.1. Financial risk factors

The Group is exposed to financial risks, such as market risks (fluctuations in exchange rates, interest rates, market prices), credit risks and liquidity risks. The Group's general risk management program focuses on the unpredictability of financial markets and seeks to minimize their potential negative impact on the Group's financial performance. The Group uses derivative financial instruments to hedge its exposure to specific risks.

Risk management is carried out by the Group's central financial department, which operates under specific rules approved by the Company's Board of Directors. The Board of Directors provides instructions and guidelines on general risk management, as well as specific guidelines for managing certain risks, such as foreign currency risk, interest rate risk and credit risk.

#### (a) Market risk

##### (i) Foreign currency risk

The Group operates in Europe and therefore the major part of the Group's transactions is carried out in Euros. Nevertheless, part of the Group's commodity purchases is also carried out in other currencies, mainly in US Dollars. The timely payment of these trade payables reduces foreign currency risk significantly. In order to hedge exchange rate risk, the Group purchases foreign exchange in advance and executes foreign exchange forward contracts with external counterparties.

More specifically, the Group's and the Company's exposure to exchange rate risk on 31.12.2017 and 31.12.2016 is as follows:

	<b>The GROUP</b>			
	<b>31.12.2017</b>			
	<b>US \$</b>	<b>Turkish Lira</b>	<b>Romanian RON</b>	<b>Total</b>
Receivables in foreign currency	92	-	1.114	1.206
Payables in foreign currency	134		924	1.058
<b>Total</b>	<b>226</b>	<b>-</b>	<b>2.038</b>	<b>2.264</b>
	<b>31.12.2016</b>			
	<b>US \$</b>	<b>Turkish Lira</b>	<b>Romanian RON</b>	<b>Total</b>
Receivables in foreign currency	25	15	737	777
Payables in foreign currency	44	50	723	817
<b>Total</b>	<b>69</b>	<b>65</b>	<b>1.460</b>	<b>1.594</b>
	<b>The COMPANY</b>			
	<b>31.12.2017</b>			
	<b>US \$</b>			<b>Total</b>
Receivables in foreign currency	92			92
Payables in foreign currency	134			134
<b>Total</b>	<b>226</b>			<b>226</b>
	<b>31.12.2016</b>			
	<b>US \$</b>			<b>Total</b>
Receivables in foreign currency	25			25
Payables in foreign currency	44			44
<b>Total</b>	<b>69</b>			<b>69</b>

(ii) Price risk

The Group does not hold any tradable securities and therefore it is not exposed to securities price risk.

The Company's exposure to commodities price risk is negligible.

(iii) Interest rate risk

The Group does not finance its working capital needs through bank borrowings, therefore it does not incur interest expenses. As a result, it is not significantly affected by interest rate fluctuations.

The Group's loan obligations include the execution of a bond loan agreement for the construction of a building. At the end of the current financial year, the remaining loan amount of €788 thousand was repaid.

As far as reserves in foreign currency are concerned, the Group's policy is to maintain the minimum amount necessary to cover current liabilities in that currency.

**(b) Credit risk**

The Company provides services exclusively to renowned and trustworthy counterparties. According to the Company's and the Group's policy, all customers who are provided with services on credit are subject to credit control procedures. To monitor customer credit risk, customers are grouped according to their business sector, their credit characteristics, their receivables' aging characteristics and any past issues on receivables' collectability. Customers identified as "high risk" are placed in a special customer account and future sales must be prepaid. Depending on the customer's history and status, the Group requires, where possible, securities or other collateral (e.g. letters of credit) to secure its receivables.

The Group recognizes an impairment provision that represents its estimate of losses in respect of trade and other receivables. This provision mainly consists of impairment losses on specific receivables that, given to the specific conditions, are expected to be realized but are not finalized yet. This provision is reported as a write-off in the Balance Sheet under "Trade and Other Receivables".

Regarding the credit risk arising from the placement of cash and cash equivalents, it is stressed that the Group cooperates exclusively with financial institutions with a high credit rating.

A relevant aging analysis of the Group's and Company's receivables is included in Note 13.

**(c) Liquidity risk**

Each Group company prepares financial statements and submits them to Unisystems Information Technology Systems SA on a quarterly basis in order to prepare cash flow forecasts, thus monitoring liquidity effectively at Group level.

Liquidity management is achieved by maintaining sufficient cash and credit limits with the cooperating banks. The existing available unutilized approved bank credits to the Group are sufficient to address any potential shortage of cash.

More specifically, the analysis of the Group's and the Company's financial liabilities based on their maturity is as follows:

<b>The GROUP</b>					
	<b>&lt;1 year</b>	<b>1-2 years</b>	<b>3-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>31.12.2017</b>					
Borrowings	-	-	-	-	-
Trade and other payables	40.894	52	-	-	40.946
	<b>40.894</b>	<b>52</b>	-	-	<b>40.946</b>
<b>31.12.2016</b>					
Borrowings	788	-	-	-	788
Trade and other payables	48.640	52	-	-	48.692
	<b>49.428</b>	<b>52</b>	-	-	<b>49.480</b>

  

<b>The COMPANY</b>					
	<b>&lt;1 year</b>	<b>1-2 years</b>	<b>3-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>31.12.2017</b>					
Borrowings	-	-	-	-	-
Trade and other payables	40.059	52	-	-	40.111
	<b>40.059</b>	<b>52</b>	-	-	<b>40.111</b>
<b>31.12.2016</b>					
Borrowings	788	-	-	-	788
Trade and other payables	48.206	52	-	-	48.258
	<b>48.994</b>	<b>52</b>	-	-	<b>49.046</b>

**(d) Economic downturn risk - Macroeconomic business environment in Greece**

The macroeconomic and financial environment in Greece shows signs of stabilization, but there is still uncertainty. Capital controls initially imposed on the country on June 28<sup>th</sup>, 2015 have remained in place, but since then they have been partly modified (relaxed) as far as businesses are concerned. Under the assumption that the agreed terms and conditions of the third rescue plan will be implemented and capital controls will be further relaxed and in the short or medium term they will be eliminated, no significant negative impact on the Group's and Company's activities is expected.

The Management continuously assesses the potential effect of any changes in the macroeconomic and financial environment in Greece so as to ensure that all necessary actions and measures will be taken in order to minimize any impact on the Group's activities. The Management cannot accurately forecast likely developments in the Greek economy, but based on its assessment, it has come to the conclusion that no significant additional provisions for impairment of the Group's financial and non financial assets are required on December 31<sup>st</sup>, 2017.



More specifically, according to its assessment, the Group shows adequacy regarding the following:

- The ability to repay or refinance existing or future debt, as there is sufficient cash on the one hand, and the Group is not exposed to borrowing, on the other hand.
- The recoverability of trade receivables, given the rigorous credit policy applied and credit insurance provided on a case-by-case basis.
- The ability to retain a high sales turnover due to the diversity of its activities with a main focus on the supply of services to EU customers.
- The recoverability of the tangible and intangible assets' value, since the Group adjusts these values annually according to their fair value.

### **(e) Non financial risks**

In addition to the financial risks, the Group focuses on monitoring specific issues that have been identified as material for its sustainable development. These issues relate to full compliance with legislation and the implementation of corporate governance policies, human resources, the environmental impact of corporate activity, the supply chain and the growth of the companies within the market they operate.

### **3.2 Capital risk management**

The purpose of capital risk management is to safeguard the Group's ability to continue as a going concern in order to provide satisfactory returns for shareholders, to maintain an ideal capital structure and to reduce capital costs.

In order to maintain or adjust the capital structure, the amount of dividends paid to shareholders may be adjusted, equity may be returned to shareholders, new shares may be issued or assets may be sold to reduce debt.

The Group controls capital risk based on the leverage ratio. This ratio is calculated as net debt divided by total capital (equity and borrowed capital). Net debt is calculated as total borrowings (current and non-current) less cash and cash equivalents.

The leverage ratios on December 31<sup>st</sup>, 2017 and 2016 for the Group are as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>
Total debt (Note 20)	-	788
Less: Cash and cash equivalents (Note 14)	(6.442)	(11.756)
Net debt	(6.442)	(10.968)
Total equity	<u>29.681</u>	<u>36.483</u>
Total capital	<u>23.239</u>	<u>25.515</u>
<b>Leverage ratio</b>	<b>-27,72%</b>	<b>-42,99%</b>

The change from -42,99% on 31.12.2016 to -27,72% of the leverage ratio on 31.12.2017 is due to the lower level of net cash and to lower equity.

### 3.3 Determination of fair values

The Group provides the necessary disclosures concerning fair value measurement through a three-tier hierarchy.

- Financial assets that are traded in active markets whose fair value is determined on the basis of the published market prices applicable at the reporting date for similar assets and liabilities ("Level 1").
- Financial assets that are not traded in active markets whose fair value is determined using valuation techniques and assumptions based either directly or indirectly on market data at the reporting date ("Level 2").
- Financial assets that are not traded in active markets whose fair value is determined using valuation techniques and assumptions that are not mainly based on market data ("Level 3").

The different levels are defined as follows:

		<b>The GROUP</b>							
		31.12.2017				31.12.2016			
Note		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	10	-	-	-	-	-	4.539	-	4.539
Financial assets at fair value through profit or loss		-	-	-	-	-	-	-	-
Derivative financial assets		-	-	-	-	-	-	-	-
		-	-	-	-	-	4.539	-	4.539
Derivative financial liabilities		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		<b>The COMPANY</b>							
		31.12.2017				31.12.2016			
Note		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	10	-	-	-	-	-	4.539	-	4.539
Financial assets at fair value through profit or loss		-	-	-	-	-	-	-	-
Derivative financial assets		-	-	-	-	-	-	-	-
		-	-	-	-	-	4.539	-	4.539
Derivative financial liabilities		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

There were no transfers between Level 1 and Level 2 during the reporting period.

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#### **4. Critical accounting estimates and judgments made by the Management**

The Management's estimates and judgments are continuously being reviewed and are based on historical data and expectations for future events that are considered reasonable under the circumstances.

##### **4.1 Critical accounting estimates and assumptions**

The Group and the Company make estimates and assumptions about future developments. The estimates and assumptions that present a significant risk of causing material adjustments to the book values of assets and liabilities within the next 12 months relate to:

###### **(a) Estimate in revenue recognition from software development agreements**

For the recognition of revenue from construction contracts and the supply of services the Group uses the percentage of completion method in accordance with IAS 11. This method calculates the completion percentage of the project up to the relevant balance sheet date cumulatively, based on the percentage obtained by adjusting the invoiced revenue in relation to the total revised contractual price. Any possible revisions of the total contractual cost and price are taken into account in the period during which these revisions occur, whereupon the relevant amounts of cost and revenue are settled.

###### **(b) Income tax**

The Group operates through its subsidiaries in various countries, and its subsidiaries are subject to income tax in relation to the tax regime of each country. The Management is required to issue a judgment in order to determine the provision for income tax. There are many transactions and calculations for which the final tax determination is uncertain. If the final outcome of the tax clearance or tax audit is different from the provision that was initially recognized, this difference will impact the income tax and the provision for deferred taxes for the reporting period.

###### **(c) Depreciation rates on tangible fixed assets**

The Company's tangible fixed assets are depreciated according to their remaining useful life. The remaining useful life of tangible fixed assets is reassessed regularly and adjusted. The actual useful life of tangible fixed assets may be adjusted due to factors such as maintenance costs.

###### **(d) Provision for slow moving and obsolete inventories**

The Group Management periodically reassesses the adequacy of the provision for slow moving and obsolete inventories. The provision for inventories that sit idle for a period of two to four years is calculated based on inventory aging and past experience. For inventories that remain idle for longer than four years, a relevant provision equal to 100% of their acquisition cost is formed.

###### **(e) Impairment of receivables**

The Group Management regularly reassesses the adequacy of the provision for doubtful receivables in relation to credit policy and taking into account the data from the Group's Legal Service, which arise from processing historical data and recent developments of the cases that are being handled.

**(f) Employee benefits**

The present value of retirement benefits is based on a number of factors identified using actuarial methods and assumptions. Such an actuarial assumption is the discount rate used to calculate the cost of benefits. Any changes in these assumptions will alter the present value of the related liabilities in the statement of financial position.

The Group and the Company determine the appropriate discount rate at the end of each financial year. This is defined as the interest rate that should be used to determine the present value of future cash flows that are expected to be required in order to meet pension plan liabilities. To determine the appropriate discount rate, the interest rate of high-quality corporate bonds is used, which are converted into the currency in which the obligation will be paid, and whose expiry date is approaching that of the relevant pension obligations.

More specifically, the assumptions used are presented in Note 18.

**(g) Impairment of investments in subsidiaries and associates**

The carrying values of investments are subject to impairment testing when events or changes in circumstances indicate that these amounts may no longer be recoverable. Impairment loss on investments is recognized in the statement of comprehensive income. Impairment loss on investments is incurred when its acquisition cost exceeds the carrying value of the investment.

**(h) Impairment of investment property**

The Company records its fixed assets under "Investment property" according to the provisions of IAS 40 "Investment property". The Company, taking into consideration the conditions in the real estate market, proceeds to the impairment of the above investment when the current value is less than the acquisition cost of the property. For this purpose, it utilizes reports from recognized property evaluators.

If there is an impairment, the expense is recognized under "Other gains/(losses)" in the Income Statement.

## 5. Segment reporting

A segment is a distinct component of the Group, which involves either the supply of services (business segment) or the supply of services in a specific economic environment (geographical segment), which is subject to risks and benefits that differ from those of other segments.

The Company's and the Group's registered offices are located in Greece, where their main business activity is also conducted. The Group's products are mainly sold in Greece and other countries of the European Union.

The Group's sales by geographical segment are analyzed as follows:

	<b>The GROUP</b>		
	<b>Sales</b>	<b>Total assets</b>	<b>Tangible and intangible investment property</b>
	<b>1.1 -31.12.2017</b>	<b>31.12.2017</b>	<b>1.1 -31.12.2017</b>
Greece	50.617	62.003	1.060
Eurozone	32.032	16.544	2
Other countries	1.351	1.796	-
<b>Total</b>	<b>84.000</b>	<b>80.343</b>	<b>1.087</b>

  

	<b>The GROUP</b>		
	<b>Sales</b>	<b>Total assets</b>	<b>Tangible and intangible investment property</b>
	<b>1.1 -31.12.2016</b>	<b>31.12.2016</b>	<b>1.1 -31.12.2016</b>
Greece	57.416	76.405	732
Eurozone	24.029	13.219	89
Other countries	1.089	1.952	-
<b>Total</b>	<b>82.534</b>	<b>91.576</b>	<b>821</b>

Sales by category are analyzed as follows:

	<b>The GROUP</b>	
	<b>From 1<sup>st</sup> January to</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
Sales of goods	4.761	11.068
Revenue from services	79.239	71.466
Other	-	-
<b>Total</b>	<b>84.000</b>	<b>82.534</b>

**6. Fixed Tangible assets**

The Company's and the Group's fixed tangible assets are analyzed as follows:

	The GROUP				
	Land & Buildings	Vehicles & machinery	Furniture & fittings	PPE under construction	Total
<b>Acquisition cost</b>					
<b>1<sup>st</sup> January 2016</b>	<b>2.332</b>	<b>174</b>	<b>6.141</b>	<b>5.709</b>	<b>14.356</b>
Additions	115	-	577	-	692
Disposals/write-offs	-	(28)	(210)	-	(238)
<b>31<sup>st</sup> December 2016</b>	<b>2.447</b>	<b>146</b>	<b>6.508</b>	<b>5.709</b>	<b>14.810</b>
<b>Accumulated depreciation</b>					
<b>1<sup>st</sup> January 2016</b>	<b>(100)</b>	<b>(150)</b>	<b>(5.039)</b>	-	<b>(5.289)</b>
Depreciation for the year	(28)	(4)	(484)	-	(516)
Disposals/write-offs	-	21	206	-	227
<b>31<sup>st</sup> December 2016</b>	<b>(128)</b>	<b>(133)</b>	<b>(5.317)</b>	-	<b>(5.578)</b>
<b>1<sup>st</sup> January 2017</b>	<b>2.447</b>	<b>146</b>	<b>6.508</b>	<b>5.709</b>	<b>14.810</b>
Additions	60	-	198	-	261
Disposals/write-offs	(26)	(1)	(495)	-	(522)
Impairments	-	-	-	(1.000)	(1.000)
<b>31<sup>st</sup> December 2017</b>	<b>2.481</b>	<b>145</b>	<b>6.211</b>	<b>4.709</b>	<b>13.546</b>
<b>Accumulated depreciation</b>					
<b>1<sup>st</sup> January 2017</b>	<b>(128)</b>	<b>(133)</b>	<b>(5.317)</b>	-	<b>(5.578)</b>
Depreciation for the year	(57)	(3)	(468)	-	(528)
Disposals/write-offs	1	1	493	-	495
<b>31<sup>st</sup> December 2017</b>	<b>(184)</b>	<b>(135)</b>	<b>(5.292)</b>	-	<b>(5.611)</b>
<b>Net book value at 31<sup>st</sup> December 2016</b>	<b>2.319</b>	<b>13</b>	<b>1.191</b>	<b>5.706</b>	<b>9.229</b>
<b>Net book value at 31<sup>st</sup> December 2017</b>	<b>2.297</b>	<b>10</b>	<b>919</b>	<b>4.709</b>	<b>7.935</b>

<b>The COMPANY</b>					
	<b>Land &amp; Buildings</b>	<b>Vehicles &amp; machinery</b>	<b>Furniture &amp; fittings</b>	<b>PPE under construction</b>	<b>Total</b>
<b>Acquisition cost</b>					
<b>1<sup>st</sup> January 2016</b>	<b>2.331</b>	<b>172</b>	<b>6.054</b>	<b>5.709</b>	<b>14.266</b>
Additions	115	-	577	-	692
Disposals/write-offs	-	(28)	(210)	-	(238)
<b>31<sup>st</sup> December 2016</b>	<b>2.446</b>	<b>144</b>	<b>6.421</b>	<b>5.709</b>	<b>14.720</b>
<b>Accumulated depreciation</b>					
<b>1<sup>st</sup> January 2016</b>	<b>(100)</b>	<b>(148)</b>	<b>(4.956)</b>	-	<b>(5.204)</b>
Depreciation for the year	(28)	(5)	(483)	-	(515)
Disposals/write-offs	-	21	207	-	228
<b>31<sup>st</sup> December 2016</b>	<b>(128)</b>	<b>(132)</b>	<b>(5.232)</b>	-	<b>(5.491)</b>
<b>1<sup>st</sup> January 2017</b>	<b>2.446</b>	<b>144</b>	<b>6.421</b>	<b>5.709</b>	<b>14.720</b>
Additions	62	-	198	-	261
Disposals/write-offs	(26)	(2)	(492)	-	(520)
Impairments	-	-	-	(1.000)	(1.000)
<b>31<sup>st</sup> December 2017</b>	<b>2.482</b>	<b>142</b>	<b>6.127</b>	<b>4.709</b>	<b>13.460</b>
<b>Accumulated depreciation</b>					
<b>1<sup>st</sup> January 2017</b>	<b>(128)</b>	<b>(132)</b>	<b>(5.232)</b>	-	<b>(5.492)</b>
Depreciation for the year	(57)	(3)	(468)	-	(528)
Disposals/write-offs	1	2	491	-	494
<b>31<sup>st</sup> December 2017</b>	<b>(184)</b>	<b>(133)</b>	<b>(5.209)</b>	-	<b>(5.526)</b>
<b>Net book value at 31<sup>st</sup> December 2016</b>					
	<b>2.318</b>	<b>12</b>	<b>1.189</b>	<b>5.709</b>	<b>9.228</b>
<b>Net book value at 31<sup>st</sup> December 2017</b>					
	<b>2.298</b>	<b>9</b>	<b>918</b>	<b>4.709</b>	<b>7.934</b>

Additions of tangible fixed assets of the Group for the financial year 2017 amounting to €261 thousand involve mainly expenses incurred for the purchase of computers and other equipment, whereas disposals/write-offs amounting to €520 thousand mainly involve the destruction, disposal and donation of fully depreciated and devalued computers.

The Company, in order to finance the investment that involves the construction of a building in Kallithea, at 1, Kosmeridi-Kanakidi Street, which started in 2008, received a bond loan amounting to €2.100 thousand in 2012. The amount of the investment as of 31.12.2017 amounts to €4.709 thousand. For this investment, interest accrued on the bond loan for the years 2017 and 2016 was not capitalized. In addition, during the current financial year, the Company proceeded with impairment of the underlying assets by €1.000 thousand.

**The Group**
**Property, plant and equipment**

The allocation of depreciation of tangible assets by function is as follows:

Cost of sales	438
Distribution costs	45
Administrative expenses	<u>45</u>
	<u><b>528</b></u>

**The Company**
**Property, plant and equipment**

The allocation of depreciation of tangible assets by function is as follows:

Cost of sales	438
Distribution costs	45
Administrative expenses	<u>45</u>
	<u><b>528</b></u>



**7. Intangible assets**
**The GROUP**

	<b>Industrial Property Rights</b>	<b>Software</b>	<b>Other</b>	<b>Total</b>
<b>Acquisition cost</b>				
<b>1<sup>st</sup> January 2016</b>	<b>1.139</b>	<b>1.965</b>	<b>2.493</b>	<b>5.597</b>
Additions	-	129	-	129
Impairment	-	(84)	-	(84)
<b>31<sup>st</sup> December 2016</b>	<b>1.139</b>	<b>2.010</b>	<b>2.493</b>	<b>5.642</b>
<b>Accumulated depreciation</b>				
<b>1<sup>st</sup> January 2016</b>	<b>(1.139)</b>	<b>(1.765)</b>	<b>(973)</b>	<b>(3.877)</b>
Depreciation for the year	-	(180)	(460)	(640)
Impairment	-	14	-	14
<b>31<sup>st</sup> December 2016</b>	<b>(1.139)</b>	<b>(1.931)</b>	<b>(1.433)</b>	<b>(4.503)</b>
<b>1<sup>st</sup> January 2017</b>	<b>1.139</b>	<b>2.010</b>	<b>2.493</b>	<b>5.642</b>
Additions	-	826	-	826
Impairment	-	(131)	(121)	(252)
<b>31<sup>st</sup> December 2017</b>	<b>1.139</b>	<b>2.706</b>	<b>2.372</b>	<b>6.217</b>
<b>Accumulated depreciation</b>				
<b>1<sup>st</sup> January 2017</b>	<b>(1.139)</b>	<b>(1.931)</b>	<b>(1.433)</b>	<b>(4.503)</b>
Depreciation for the year	-	(51)	(450)	(501)
Impairment	-	131	82	214
<b>31<sup>st</sup> December 2017</b>	<b>(1.139)</b>	<b>(1.851)</b>	<b>(1.800)</b>	<b>(4.790)</b>
<b>Net book value</b>				
<b>at 31<sup>st</sup> December 2016</b>	<b>-</b>	<b>78</b>	<b>1.061</b>	<b>1.139</b>
<b>Net book value</b>				
<b>at 31<sup>st</sup> December 2017</b>	<b>-</b>	<b>855</b>	<b>572</b>	<b>1.427</b>

**The COMPANY**

	Industrial Property Rights	Software	Other	Total
<b>Acquisition cost</b>				
<b>1<sup>st</sup> January 2016</b>	<b>1.139</b>	<b>1.965</b>	<b>2.493</b>	<b>5.597</b>
Additions	-	129	-	129
Impairment	-	(84)	-	(84)
<b>31<sup>st</sup> December 2016</b>	<b>1.139</b>	<b>2.010</b>	<b>2.493</b>	<b>5.642</b>
<b>Accumulated depreciation</b>				
<b>1<sup>st</sup> January 2016</b>	<b>(1.139)</b>	<b>(1.765)</b>	<b>(973)</b>	<b>(3.877)</b>
Depreciation for the year	-	(180)	(460)	(640)
Impairment	-	14	-	14
<b>31<sup>st</sup> December 2016</b>	<b>(1.139)</b>	<b>(1.931)</b>	<b>(1.433)</b>	<b>(4.503)</b>
<b>1<sup>st</sup> January 2017</b>	<b>1.139</b>	<b>2.010</b>	<b>2.493</b>	<b>5.642</b>
Additions	-	826	-	826
Impairment	-	(130)	(121)	(251)
<b>31<sup>st</sup> December 2017</b>	<b>1.139</b>	<b>2.706</b>	<b>2.372</b>	<b>6.217</b>
<b>Accumulated depreciation</b>				
<b>1<sup>st</sup> January 2017</b>	<b>(1.139)</b>	<b>(1.931)</b>	<b>(1.433)</b>	<b>(4.503)</b>
Depreciation for the year	-	(51)	(450)	(501)
Impairment	-	131	83	214
<b>31<sup>st</sup> December 2017</b>	<b>(1.139)</b>	<b>(1.851)</b>	<b>(1.800)</b>	<b>(4.790)</b>
<b>Net book value</b>				
<b>at 31<sup>st</sup> December 2016</b>	<b>-</b>	<b>79</b>	<b>1.060</b>	<b>1.139</b>
<b>Net book value</b>				
<b>at 31<sup>st</sup> December 2017</b>	<b>-</b>	<b>855</b>	<b>572</b>	<b>1.427</b>

The impairment of the Group's intangible assets in the financial year 2017 amounting to €251 thousand mainly involve the deletion of the Company's software on 31.12.2017 which was not subsidized for the ICT4GROWTH action.

**The GROUP**
**Intangible assets**

The allocation of depreciation of tangible assets by function is as follows:

Cost of sales	417
Distribution costs	44
Administrative expenses	40
	<b>501</b>

**The COMPANY**
**Intangible assets**

The allocation of depreciation of tangible assets by function is as follows:

Cost of sales	417
Distribution costs	44
Administrative expenses	40
	<b>501</b>

**8. Investment property**

The change in the Group's and the Company's investment property is as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Cost</b>				
<b>Opening balance</b>	6.144	6.144	6.144	6.144
<b>At year end</b>	<b>6.144</b>	<b>6.144</b>	<b>6.144</b>	<b>6.144</b>
<b>Accumulated depreciation</b>				
<b>Balance at the beginning of the year</b>	(3.299)	(1.289)	(3.299)	(1.289)
<b>Depreciation for the period</b>	(10)	(10)	(10)	(10)
<b>Impairment of investment</b>	-	(2.000)	-	(2.000)
<b>Balance at the end of year</b>	<b>(3.309)</b>	<b>(3.299)</b>	<b>(3.309)</b>	<b>(3.299)</b>
<b>Net book value at the end of year</b>	<b>2.835</b>	<b>2.845</b>	<b>2.835</b>	<b>2.845</b>

The aforementioned amount of €2,835 thousand refers to the impaired fair value of the property located on Athinon Avenue. The Group, taking into account the relevant report issued by a renowned evaluator, as well as the conditions prevailing in the real estate market, has proceeded with the partial write-off of the value of that investment (fair value adjustment) in the previous financial year, through profit or loss, in the amount of EUR 2.000 thousand. The Group had purchased this property in financial year 2006 where it initially intended to erect a building for the relocation of its offices. In financial year 2007 it was decided that no new building would be built on this property. Therefore, since the property is held for long term increase in value rather than for short term sale and according to the relevant provisions of IAS 40 "Investment property", it was recorded under investment property. The depreciation of EUR 10 thousand involves small scale installations located in the above property. Under IFRS 13 (Fair Value Measurement), the Company's Management estimates that the value of investment property approximates fair value and that no significant evidence for further impairment has arisen in the current financial statements.

## 9. Investments in subsidiaries and associates

- Investments in subsidiaries

The Company's investments in subsidiaries are as follows:

**31<sup>st</sup> December  
2016**

Name	Cost of investment	Impairment	Impairment of previous years	Value in the statement of financial position	Country	Interest held (%)
Unisystems Cyprus Limited	2.104	-	(2.005)	99	CYPRUS	100,00%
Unisystems Netherlands BV	1.006	(485)	(275)	246	NETHERLANDS	100,00%
	<b>3.110</b>	<b>(485)</b>	<b>(2.280)</b>	<b>345</b>		

**31<sup>st</sup> December  
2017**

Name	Cost of investment	Impairment	Impairment of previous years	Value in the statement of financial position	Country	Interest held (%)
Unisystems Cyprus Limited	2.104	-	(2.005)	99	CYPRUS	100,00%
Unisystems Netherlands BV	1.061	(176)	(760)	125	NETHERLANDS	100,00%
	<b>3.165</b>	<b>(176)</b>	<b>(2.765)</b>	<b>224</b>		

The above list includes only the subsidiaries in which the Company has made a direct investment. Note 33 includes a list of all the Company's direct and indirect investments in subsidiaries.

The Company, in order to determine whether there is an impairment of investments in subsidiaries on December 31<sup>st</sup>, 2017, has conducted relevant impairment tests. The audit revealed a need for impairment of Unisystems Turkey, which belongs to the Unisystems BV subgroup, by 176 thousand Euros.

During financial year 2017, the Company increased the share capital of Unisystems BV by 55 thousand Euros due to the negative net position of its subgroup.

There are no subsidiaries which the Company does not control.

- Investments in associates

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Balance at the beginning of the year</b>	-	-	<b>345</b>	<b>460</b>
Additions	-	-	55	370
Disposals/write-offs	-	-	-	-
Impairment	-	-	(176)	(485)
<b>Balance at the end of year</b>	<b>-</b>	<b>-</b>	<b>224</b>	<b>345</b>

The company holds 40% of the share capital of ParkMobile Hellas SA which was established in 2006. The investment cost on December 31<sup>st</sup>, 2017 amounted to €1.284 thousand and it is fully impaired.

The data involving this associate are as follows:

#### 31<sup>st</sup> December 2016

Name	Assets	Liabilities	Sales	Gain/(Loss)	Interest held (%)	Country
PARKMOBILE HELLAS SA	419	739	-	11	40%	Greece
	<b>419</b>	<b>739</b>	<b>-</b>	<b>11</b>		

#### 31<sup>st</sup> December 2017 (Not yet published data)

Επωνυμία	Assets	Liabilities	Sales	Gain/(Loss)	Interest held (%)	Country
PARKMOBILE HELLAS SA	406	738	-	(12)	40%	Greece
	<b>406</b>	<b>738</b>	<b>-</b>	<b>(12)</b>		

**10. Available for sale financial assets**

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Balance at 1<sup>st</sup> January</b>	<b>4.539</b>	<b>142</b>	<b>4.539</b>	<b>142</b>
Additions		4.539		4.539
Disposals/write-offs	(4.539)	-	(4.539)	-
Impairment	-	(142)	-	(142)
<b>Balance at the end of the year</b>	<b>-</b>	<b>4.539</b>	<b>-</b>	<b>4.539</b>
Less: Available for sale financial assets (non-current assets)	-	-	-	-
<b>Financial assets at fair value (Current Assets)</b>	<b>-</b>	<b>4.539</b>	<b>-</b>	<b>4.539</b>

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<u>Non-listed securities:</u>				
- Shares in Greece	-	4.539	-	4.539
<u>Bonds</u>				
- Low risk bonds of E,U, countries	-	-	-	-
	-	<b>4.539</b>	~-	<b>4.539</b>

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<u>Available-for-sale financial assets are analysed in the following currencies:</u>				
Euro	-	<b>4.539</b>	-	<b>4.539</b>

Available for sale financial assets include unlisted shares and low risk mutual funds of European Union countries. Investments in unlisted shares are recorded at cost less impairment.

The fair value of mutual funds is determined on the basis of the published market prices applicable at the date of financial reporting.

The value of shares relates to investments where the Company holds no more than 40% of the share capital. However, the Company is not in a position to exercise significant influence on them, since the other shareholders, either individually or jointly, control them.

The following table presents investments in companies classified as available for sale financial assets:

Company	Country	Interest Held (%)
1. ITEC SA	GREECE	34,00%
2. CREATIVE MARKETING SA	GREECE	40,00%
3. ACROPOLIS TECHNOLOGICAL PARK	GREECE	4,43%
4. PROBANK SA( in liquidation status)	GREECE	0,10%
5. EPIRUS TECHNOLOGY PARK	GREECE	2,47%

The amount of 142 thousand Euros in the impairment account in the previous financial year refers to the write-off through profit or loss for the Company and the Group of the Company's investment in "ACROPOLIS TECHNOLOGICAL PARK" and "EPIRUS TECHNOLOGY PARK". All the above shares are fully impaired.

In the previous financial year, the amount of €4.539 thousand in the account of additions relates to the Company's investment in BRIQ Properties REIC. BRIQ Properties REIC was established under notarial act no. 33100/07.10.2016, as amended by notarial act no. 33141/21.10.2016 (GEMI announcement no. 56308/21.10.2016).

To establish "BriQ Properties REIC" the Company's contribution included the following: a) contribution in kind, i.e. a land plot and a warehouse building of a total surface area of 3.989 sq.m. at 65, Loutrou Street, Menidi, Attica, worth €1.649 thousand and b) contribution in cash which amounted to €2.880 thousand.

In addition to the valuation of this investment on 30.11.2016 and the increase in value by €10 thousand recorded in the Unisystems' books the value amounts to €4.539 thousand.

Subsequently, the General Meeting of the Company's shareholders decided on December 23rd, 2016 to reduce the Company's share capital (GEMI Announcement 741113/5.01.2017) by returning the shares of BriQ Properties REIC ( 1.944.285 shares) worth €4.539 thousand owned by Unisystems to the parent company Quest Holdings SA in kind and additional cash (€1.130.872).

In the current financial year, the amount of €4.539 thousand under the sales account relates to the return in kind of the shares of BriQ Properties REIC held by the shareholders (1.944.285 shares).

The aforementioned transfer was accounted for in the current financial year after its publication in GEMI on 5.01.2017.

**11. Deferred tax**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax is levied by the same tax authority. The offset amounts are as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Deferred tax liabilities:</b>				
To be settled after more than 12 months	(8.929)	4.939	8.929	4.939
<b>Deferred tax liabilities:</b>				
Payable after 12 months	(5.425)	(667)	(5.425)	(667)
	<b>3.504</b>	<b>4.272</b>	<b>3.504</b>	<b>4.272</b>

The overall change in the deferred income tax is as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Opening balance</b>	<b>4.272</b>	<b>3.678</b>	<b>4.272</b>	<b>3.678</b>
Recognised in the income statement (Note 25)	(865)	571	(865)	571
Acquisition of subsidiary	-	-	-	-
plus Taxes directly to movements in net position	97	23	97	23
<b>Balance at the end of the year</b>	<b>3.504</b>	<b>4.272</b>	<b>3.504</b>	<b>4.272</b>

	The GROUP			
	Accelerated tax depreciation	Valuation income at fair value	Other	Total
<b>1<sup>st</sup> January 2016</b>	-	101	566	667
Charged /(credited) in the income statement	-	-	-	-
<b>31<sup>st</sup> December 2016</b>	-	101	566	667
<b>1<sup>st</sup> January 2017</b>	-	101	566	667
Charged /(credited) in the income statement	362	(101)	4.498	4.759
<b>31<sup>st</sup> December 2017</b>	<b>362</b>	-	<b>5.064</b>	<b>5.426</b>



**Deferred tax assets:**

	Provision for receivables	Write-off of intangible assets	Tax losses	Revenue recognition	Other	Total
<b>1<sup>st</sup> January 2016</b>	<b>541</b>	<b>(143)</b>	-	<b>3.087</b>	<b>859</b>	<b>4.345</b>
Charged/(credited) in Equity	-	-	-	-	23	<b>23</b>
Charged/(credited) in the income statement	(38)	68	-	4.889	(4.348)	<b>571</b>
<b>31<sup>st</sup> December 2016</b>	<b>503</b>	<b>(75)</b>	-	<b>7.976</b>	<b>(3.466)</b>	<b>4.939</b>
<b>1<sup>st</sup> January 2017</b>	<b>503</b>	<b>(75)</b>	-	<b>7.976</b>	<b>(3.466)</b>	<b>4.939</b>
Charged/(credited) in Equity	-	-	-	-	97	<b>97</b>
Charged/(credited) in the income statement	200	168	859	(3.490)	6.156	<b>3.893</b>
<b>31<sup>st</sup> December 2017</b>	<b>703</b>	<b>93</b>	<b>859</b>	<b>4.486</b>	<b>2.788</b>	<b>8.929</b>

**The COMPANY**
**Deferred tax liabilities:**

	Accelerated tax depreciation	Valuation income at fair value	Other	Total
<b>1<sup>st</sup> January 2016</b>	-	<b>101</b>	<b>566</b>	<b>667</b>
Charged/(credited) in the income statement	-	-	-	-
Acquisition of subsidiary	-	-	-	-
<b>31<sup>st</sup> December 2016</b>	-	<b>101</b>	<b>566</b>	<b>667</b>
<b>1<sup>st</sup> January 2017</b>	-	<b>101</b>	<b>566</b>	<b>667</b>
Charged/(credited) in the income statement	362	(101)	4.498	4.759
Acquisition of subsidiary	-	-	-	-
<b>31<sup>st</sup> December 2017</b>	<b>362</b>	-	<b>5.064</b>	<b>5.426</b>

**Deferred tax assets:**

	Provision for receivables	Write-off of intangible assets	Tax losses	Revenue recognition	Other	Total
<b>1<sup>st</sup> January 2016</b>	<b>541</b>	<b>(143)</b>	-	<b>3.087</b>	<b>859</b>	<b>4.345</b>
Charged/(credited) in Equity	-	-	-	-	23	<b>23</b>
Charged/(credited) in the income statement	(38)	68	-	4.889	(4.348)	<b>571</b>
<b>31<sup>st</sup> December 2016</b>	<b>503</b>	<b>(75)</b>	-	<b>7.976</b>	<b>(3.466)</b>	<b>4.939</b>
<b>1<sup>st</sup> January 2017</b>	<b>503</b>	<b>(75)</b>	-	<b>7.976</b>	<b>(3.466)</b>	<b>4.939</b>
Charged/(credited) in Equity	-	-	-	-	97	<b>97</b>
Charged/(credited) in the income statement	200	168	859	(3.490)	6.156	<b>3.893</b>
<b>31<sup>st</sup> December 2017</b>	<b>703</b>	<b>93</b>	<b>859</b>	<b>4.486</b>	<b>2.788</b>	<b>8.929</b>

The tax rate of 2017 (29%) has been taken into account to calculate deferred tax.

Deferred tax liabilities from unused tax losses to be offset in future reporting periods are recognized only if it is probable that future tax profits will be offset. Deferred tax liabilities recognized for unused tax losses amounted to €859 thousand on December 31<sup>st</sup>, 2017, since the Management considers it is possible to offset tax losses with future tax profits, according to the approved business plan.

**12. Inventories**

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Merchandise	3.556	4.552	3.556	4.552
Merchandise	173	313	173	313
<b>Total</b>	<b>3.729</b>	<b>4.865</b>	<b>3.729</b>	<b>4.865</b>
Less: Provision for slow-moving Merchandise	1.741	2.888	1.741	2.888
	<b>1.741</b>	<b>2.888</b>	<b>1.741</b>	<b>2.888</b>
<b>Net realisable value</b>	<b>1.988</b>	<b>1.977</b>	<b>1.988</b>	<b>1.977</b>

  

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Provision analysis</b>				
At beginning of year	2.888	2.380	2.888	2.380
Provision formed during the year	415	671	415	671
Amount of provision used during the year	(1.562)	(163)	(1.562)	(163)
<b>At year end</b>	<b>1.741</b>	<b>2.888</b>	<b>1.741</b>	<b>2.888</b>

The amount of 1.562 thousand and 163 thousand Euros was provided because the Company destroyed inventories of equal value during financial years 2017 and 2016, respectively.

**13. Trade and other receivables**

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Trade receivables	14.790	14.678	13.852	13.990
Less: Provision for impairment of receivables	(2.424)	(2.469)	(2.424)	(2.469)
<b>Trade Receivables – Net</b>	<b>12.366</b>	<b>12.209</b>	<b>11.428</b>	<b>11.521</b>
Prepayments	20	30	20	30
Deferred expenses	20.222	29.053	20.048	29.016
Accrued expenses	15.094	8.021	15.094	7.999
Other receivables	365	2.664	362	2.659
Receivables from related parties (Note 31)	642	1.656	734	2.022
<b>Total</b>	<b>48.709</b>	<b>53.633</b>	<b>47.686</b>	<b>53.247</b>
Non-current assets	238	1.160	238	1.160
Current assets	48.471	52.473	47.448	52.087
<b>Total</b>	<b>48.709</b>	<b>53.633</b>	<b>47.686</b>	<b>53.247</b>

The aging analysis of the Group's and the Company's receivables from customers and related parties is as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Not past due and not impaired</b>	<b>10.147</b>	<b>9.951</b>	<b>9.307</b>	<b>9.635</b>
<b>Impaired trade receivables:</b>	2.424	2.469	2.424	2.469
Provision made for the following amount:	(2.424)	(2.469)	(2.424)	(2.469)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Past due and not impaired trade receivables:</b>				
Between 3 and 6 months	239	211	239	211
Between 6 and 12 months	131	334	131	334
More than 12 months	2.490	2.394	2.485	2.388
<b>Total</b>	<b>2.861</b>	<b>2.939</b>	<b>2.856</b>	<b>2.933</b>
<b>Trade receivables and receivables from related parties</b>	<b>13.008</b>	<b>12.890</b>	<b>12.163</b>	<b>12.568</b>

The change in the provision for impairment of receivables is as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Balance at the beginning of the year</b>	<b>2.469</b>	<b>2.599</b>	<b>2.469</b>	<b>2.599</b>
Provision for impairment of receivables		21		21
Write-off of receivables	-	-	-	-
Unused provisions	(45)	(151)	(45)	(151)
<b>Balance at the end of year</b>	<b>2.424</b>	<b>2.469</b>	<b>2.424</b>	<b>2.469</b>

The provision for bad debts for the financial year was recorded under the cost of sales:

Trade and other receivables are denominated in the following currencies:

	The GROUP		The GROUP	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Euro (€)	47.503	52.856	47.594	53.222
USD (\$)	92	25	92	25
Other (RON, LEV, TL)	1.114	752	-	-
<b>Total</b>	<b>48.709</b>	<b>53.633</b>	<b>47.686</b>	<b>53.247</b>

**14. Cash and cash equivalents**

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Cash in hand	33	50	11	35
Short-term bank deposits	6.409	11.706	5.976	11.127
<b>Total</b>	<b>6.442</b>	<b>11.756</b>	<b>5.987</b>	<b>11.162</b>

Short term bank deposits consist of sight or time deposits in Greece and abroad.

Cash and cash equivalents are denominated in the following currencies:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Euro (€)	5.992	11.143	5.937	11.087
USD (\$)	50	152	50	75
Other (RON, LEV, TL)	400	461	-	-
<b>Total</b>	<b>6.442</b>	<b>11.756</b>	<b>5.987</b>	<b>11.162</b>

**15. Non-current assets held for sale and discontinued operations**

The Company and its parent company "Quest Holdings SA" established a company under the name "BriQ Properties Real Estate Investment Company" and the distinctive title "BriQ Properties REIC" under notarial act no. 33100/07.10.2016, as amended by notarial act no. 33141/21.10.2016 (GEMI announcement no. 56308/21.10.2016), after obtaining the relevant license of operation by the Hellenic Capital Market Commission, in accordance with the provisions of Law 2778/99 and par. 1 of Article 5 of Law 4209/2013, the share capital of which amounted to 27.777 thousand and consists of 11.921.531 ordinary shares at a par value of €2,33 each. To establish "BriQ Properties REIC" the Company's contribution included the following: a) contribution in kind, i.e. a land plot and a warehouse building of a total surface area of 3.989 sq.m. at 65, Loutrou Street, Menidi, Attica, worth €1.649 thousand and b) contribution in cash which amounted to €2.880 thousand.

Subsequently, the General Meeting of the Company's shareholders decided on December 23<sup>rd</sup>, 2016 to reduce the Company's share capital (GEMI announcement 741113/5.01.2017) by returning the shares of BriQ Properties REIC (1.944.285 shares) worth €4.539 thousand that it owned to Quest Holdings SA in kind and cash (€1.130.872).

In the previous financial use, the amount appeared under current assets (Note 11 and current Note 10) due to the impending return of share capital to the parent company Quest Holdings SA.

The value in use and the fair value of the assets contributed in the previous financial year, according to the valuation reports of chartered evaluators as a group of assets, are presented below:

Non-current assets held for sale	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Tangible Assets	-	1.649	-	1.649
Tangible Assets	-	-	-	-
Return capital to QH	-	(1.649)	-	(1.649)
Impairment	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The establishment of REIC and the contribution of these assets was completed on 21.10.2016.

**16. Equity**
**Share capital and share premium**

Share capital is analyzed as follows:

	<u>Number of shares</u>	<u>Number of shares</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Total</u>
<b>1<sup>st</sup> January 2016</b>	<b>21.000</b>	<b>10.080</b>	<b>9.329</b>	-	<b>19.409</b>
Share capital reduction	-	-	-	-	-
Share capital increase	-	-	-	-	-
<b>31<sup>st</sup> December 2016</b>	<b>21.000</b>	<b>10.080</b>	<b>9.329</b>	-	<b>19.409</b>
<b>1<sup>st</sup> January 2017</b>	<b>21.000</b>	<b>10.080</b>	<b>9.329</b>	-	<b>19.409</b>
Share capital reduction in kind to Quest Holdings	(10.500)	(5.670)	-	-	-
Share capital increase	-	-	-	-	-
<b>31<sup>st</sup> December 2017</b>	<b>10.500</b>	<b>4.410</b>	<b>9.329</b>	-	<b>13.739</b>

By decision of the General Meeting of shareholders on 23.12.2016, which amended the Articles of Association, the Company's equity decreased by five million six hundred seventy thousand Euros (€5.670.000,00) through a direct (i) increase in the par value of each share while reducing the total number of shares to ten million five hundred thousand (10.500.000), by joining two (2) old shares to one (1) new share (reverse split) and (ii) a reduction of the par value of each new (derived from the reverse split) share to fifty four cents (€0,54) and by returning to shareholders the shares of "BriQ Properties REIC" in kind, i.e. one million nine hundred forty four thousand two hundred eighty five (1.944.285) shares, which it holds at a total value of four million five hundred thirty nine thousand one hundred twenty eight Euros (€4.539.128) and by paying one million one hundred thirty thousand eight hundred seventy two million (€1.130.872) to the shareholders.

Thus, share capital amounts to four million four hundred ten thousand euro (€4.410.000) and is divided into 10.500.000 ordinary shares at a par value of forty two cents (€0,42) each.

The aforementioned decision was executed on 05.01.2017, on the day when GEMI announced its registration under no. 883228/29.12.2016 approval decision issued by the Attica Region (no. 22065/29.12.2016) on the amendment of the Company's Articles of Association.

## 17. Other reserves and retained earnings

Other reserves and retained earnings are analyzed as follows:

	<b>The GROUP</b>		
	<b>Statutory reserve</b>	<b>Other reserves</b>	<b>Total</b>
<b>Balance at 1<sup>st</sup> January 2016</b>	<b>3.645</b>	<b>(83)</b>	<b>3.562</b>
Changes during the year	-	(62)	(62)
Absorption/(merge) of company	-	-	-
<b>Balance at 31<sup>st</sup> December 2016</b>	<b>3.645</b>	<b>(145)</b>	<b>3.500</b>
Changes during the year	-	(52)	(52)
<b>Balance at 31<sup>st</sup> December 2017</b>	<b>3.645</b>	<b>(197)</b>	<b>3.448</b>

  

	<b>The COMPANY</b>		
	<b>Statutory reserve</b>	<b>Other reserves</b>	<b>Total</b>
<b>Balance at 1<sup>st</sup> January 2016</b>	<b>3.645</b>	-	<b>3.645</b>
Changes during the year	-	-	-
<b>Balance at 31<sup>st</sup> December 2016</b>	<b>3.645</b>	-	<b>3.645</b>
Changes during the year	-	-	-
<b>Balance at 31<sup>st</sup> December 2017</b>	<b>3.645</b>	-	<b>3.645</b>

### Statutory reserve

Statutory reserve is formed in accordance with Codified Law 2190/1920 by retaining 5% of net profit after tax and before the distribution of dividends. The Company intends to form a statutory reserve equivalent to 1/3 of the paid up share capital which may not be used for any other purpose but to cover losses, according to a decision of the Annual General Meeting of shareholders. For financial years 2017 and 2016, no statutory reserve was formed, as the existing one covers 1/3 of the paid up share capital.

### Untaxed reserves

The Group's and the Company's retained earnings include reserves stipulated by development laws. In case they are distributed, they will be taxed with the tax rate applicable for that financial year. The Group does not intend to distribute or capitalize these specific reserves and therefore has not calculated the amount of income tax that would be imposed in that case.

**18. Retirement benefit obligations**

According to the law, employees are entitled to compensation in case of redundancy or retirement, the amount of which varies according to the salary, the years of service and the reason of employment termination.

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Balance sheet obligations for:</b>				
Retirement benefits	3.466	3.017	3.466	3.017
<b>Total</b>	<b>3.466</b>	<b>3.017</b>	<b>3.466</b>	<b>3.017</b>

  

	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Charged/(credited) to the income statement:</b>				
Retirement benefits	114	117	114	117
<b>Total</b>	<b>114</b>	<b>117</b>	<b>114</b>	<b>117</b>

  

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Charged/(credited) to other income statement:</b>				
Retirement benefits	335	79	335	79
<b>Total</b>	<b>335</b>	<b>79</b>	<b>335</b>	<b>79</b>

The charge in the statement of comprehensive income is analyzed as follows:

Cost of sales:	86
Distribution costs	18
Administrative costs:	10
	<b>114</b>

The amounts recorded in the Balance Sheet are as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Present value of unfunded obligations	3.466	3.017	3.466	3.017
<b>Liability on the balance sheet</b>	<b>3.466</b>	<b>3.017</b>	<b>3.466</b>	<b>3.017</b>



The amounts recognized in the income statement are as follows:

	<b>The GROUP</b>		<b>The COMPANY</b>	
	<b>From 1<sup>st</sup> January to</b>		<b>From 1<sup>st</sup> January to</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Current service cost	246	161	246	161
Finance expenses/(income)	48	56	48	56
Past service cost and (profit)/loss from settlements	72	2	72	2
Past service cost and (gains) / settlement losses	(252)	(102)	(252)	(102)
(Profit)/loss from termination of employment	-	-	-	-
<b>Total included in employee benefits (Note 22)</b>	<b>114</b>	<b>117</b>	<b>114</b>	<b>117</b>

The change in the liability recognized in the balance sheet is as follows:

	<b>The GROUP</b>		<b>The COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Balance at the beginning of the year (adjusted)	3.017	2.820	3.017	2.820
Current service cost	246	161	246	161
Finance expenses/(income)	48	57	48	57
Past service cost and (profit)/loss from settlements	-	-	-	-
Payment of benefits from the company	(252)	(102)	(252)	(102)
Absorption/(merge) of company	-	-	-	-
Cost of curtailments-settlements-termination of employment	72	2	72	2
(Profit)/loss from change in financial assumptions	335	79	335	79
<b>Balance at the end of year</b>	<b>3.466</b>	<b>3.017</b>	<b>3.466</b>	<b>3.017</b>

The main actuarial assumptions used are as follows:

	<b>The GROUP</b>		<b>The COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Discount rate	1,70%	1,60%	1,70%	1,60%
Inflation	1,75%	1,75%	1,75%	1,75%
Future salary increases	1,75%	1,75%	1,75%	1,75%

**19. Trade and other payables**

	<b>The GROUP</b>		<b>The COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Trade payables	6.464	5.341	5.967	5.038
Amounts payable to related parties (Note 31)	1.396	561	1.406	560
Accrued expenses	4.708	4.068	4.705	4.066
Payables from software development contracts	25.066	34.816	24.859	34.766
Social insurance and other taxes - charges	3.022	2.314	2.884	2.236
Other liabilities	290	1.592	290	1.591
<b>Total</b>	<b>40.947</b>	<b>48.692</b>	<b>40.111</b>	<b>48.257</b>
<b>Payables are analysed as follows:</b>				
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Long-term	52	52	52	52
Short-term	40.895	48.640	40.059	48.205
<b>Total</b>	<b>40.947</b>	<b>48.692</b>	<b>40.111</b>	<b>48.257</b>

The credit granted to the Group is determined by the payment terms specified in every contract with a supplier.

## 20. Borrowings

Borrowings are analyzed as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Long-term borrowings</b>				
Bond loan	-	-	-	-
<b>Total long-term borrowings</b>	-	-	-	-
<b>Short-term borrowings</b>				
Bank borrowings	-	-	-	-
Bond loan	-	788	-	788
<b>Total short-term borrowings</b>	-	<b>788</b>	-	<b>788</b>
Total borrowings	-	788	-	788
Total cash	6.442	11.756	5.987	11.162
<b>Net debt</b>	<b>(6.442)</b>	<b>(10.968)</b>	<b>(5.987)</b>	<b>(10.374)</b>

The maturity dates of borrowings are as follows:

	6 months or less	6-12 months	1-5 years	Total
<b>31.12.2017</b>				
Total borrowings	-	-	-	-
	-	-	-	-
<b>31.12.2016</b>				
Total borrowings	525	263	-	788
	<b>525</b>	<b>263</b>	-	<b>788</b>

At the end of the current financial year, the remaining amount of the Group's loan of €0,8 million was repaid and the Group's approved credit limits with the cooperating Banks amount to €30 million. On July 1<sup>st</sup>, 2011 the Company entered into a bond loan agreement for the amount of €6 million with the National Bank of Greece for the construction of a building in Kallithea (as mentioned in Note 6). On February 23<sup>rd</sup>, 2012 the first instalment of the loan amounting to €2,1 million was received, which will be repaid in 8 biannual installments, starting on June 30th, 2014 with the final payment scheduled on December 31<sup>st</sup>, 2017. The interest rate of the loan is floating and includes a spread of 4,5% plus a 3-month Euribor.

Thus, at the end of the current year, the entire bond loan was repaid.

The above agreement provides for a Mortgage Series A equal to 130% of the amount of the loan, i.e. seven million eight hundred thousand (€7.800.000) on the amount of the investment.

On February 17<sup>th</sup>, 2012, a Mortgage amounting to €2,8 million was registered on the Company's land plot located at 114, Athinon Avenue, in favor of the National Bank of Greece.

On December 3<sup>rd</sup>, 2015 under no. 10.132 notarial act "MORTGAGE ELIMINATION", the National Bank of Greece consented to the elimination of the above mentioned mortgage. The existing mortgages amount to 7,8 million, as attested by Kallithea the Mortgage Registrar under certificate no. 1954 issued on 18.07.2013.

- **Financial instruments**

**GROUP**
**31.12.2017**

<b>Liabilities</b>	<b>&lt; 1 year</b>	<b>1-5 years</b>
Borrowings	-	-
Trade and other payables	40.895	52
<b>Total</b>	<b>40.894</b>	<b>52</b>

**31.12.2016**

<b>Liabilities</b>	<b>&lt; 1 year</b>	<b>1-5 years</b>
Borrowings	788	-
Trade and other payables	48.640	52
<b>Total</b>	<b>49.428</b>	<b>52</b>

**COMPANY**
**31.12.2017**

<b>Liabilities</b>	<b>&lt; 1 year</b>	<b>1-5 years</b>
Borrowings	-	-
Trade and other payables	40.059	52
<b>Total</b>	<b>40.059</b>	<b>52</b>

**31.12.2016**

<b>Liabilities</b>	<b>&lt; 1 year</b>	<b>1-5 years</b>
Borrowings	788	-
Trade and other payables	48.250	52
<b>Total</b>	<b>49.038</b>	<b>52</b>

Borrowing amounts are analysed as follow:

	<b>31.12.2017</b>	<b>31.12.2016</b>
Euro	-	788
	<b>-</b>	<b>788</b>

**21. Expenses by category**

	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Employee benefits (Note 24)	27.097	22.992	26.978	22.673
Inventory cost recognised in cost of goods sold	10.134	14.579	8.955	13.746
Impairment-inventory destruction	144	672	144	672
Impairment for doubtful requirements	-	(129)	-	(129)
Operating lease payments	1.211	1.349	1.199	1.314
Depreciation of PPE	538	526	537	525
Amortisation of intangible assets	501	640	501	640
Car rental, third party fees & premiums	1.037	843	1.034	836
Advertising expenses	383	360	381	340
Travel expenses/transportation costs	1.673	1.458	1.668	1.420
Third-party fees and expenses	38.077	35.750	38.356	35.701
Other (obsolete stock deposition. Intercompany exp.)	1.995	1.137	1.975	1.111
<b>Total</b>	<b>82.790</b>	<b>80.177</b>	<b>81.728</b>	<b>78.849</b>

Split by function:	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Cost of sales	70.580	69.517	69.723	68.683
Distribution costs	6.005	6.423	5.828	5.958
Administrative expenses	6.205	4.237	6.177	4.208
	<b>82.790</b>	<b>80.177</b>	<b>81.728</b>	<b>78.849</b>

**22. Employee Benefits**

	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Salaries and wages	20.458	17.585	20.381	17.310
Social security expenses	4.778	3.984	4.761	3.939
Cost of defined benefit plans (Note 18)	366	219	366	219
Payment of benefits (Note 18)	(252)	(102)	(252)	(102)
Other employee benefits	1.747	1.306	1.722	1.306
<b>Total</b>	<b>27.097</b>	<b>22.992</b>	<b>26.978</b>	<b>22.672</b>

The number of staff employed on December 31<sup>st</sup>, 2017 was as follows: Group 570, Company 562 (December 31<sup>st</sup>, 2016: Group 531, Company 524).

**23. Other income/(expenses) - Other gains/(losses)**

Other gains/(losses) are analyzed as follows:

	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Dividend income	-	-	-	-
Grants covering costs	549	161	549	161
Profit from sale of fixed assets	-	-	-	-
Loss from the disposal & write-off of PPE	(38)	33	(38)	32
Impairment loss on investments in related parties and associates (Note 9)	-	-	(176)	(485)
Impairment of investment property (Note 8)	-	(2.000)	-	(2.000)
Impairment of property, plant and equipment (Note 6)	(1.000)	-	(1.000)	-
Impairment of assets held for sale (Note 15)	-	(142)	-	(142)
Sales profit of non-current Assets held for sale	-	9	-	9
Gains/(Losses) on foreign exchange forward transactions	(69)	109	(69)	109
Other	44	(86)	44	(87)
<b>Total</b>	<b>514</b>	<b>1.916</b>	<b>690</b>	<b>2.403</b>

## 24. Finance income/(expenses)

The financial results are analyzed as follows:

	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Financial expenses</b>				
- Bank loans	(56)	(126)	(56)	(126)
- Interest on customer advances	(40)	(23)	(35)	(19)
- Finance leasing	(104)	(91)	(104)	(91)
- Commissions paid for letters of guarantee	(121)	(153)	(121)	(153)
- Foreign currency translation losses	4	10	-	-
- Bank expenses & other charges	-	-	-	-
	<b>(317)</b>	<b>(383)</b>	<b>(316)</b>	<b>(389)</b>
<b>Financial income</b>				
- Interest income from bank deposits	77	231	77	217
- Foreign currency translation gains	5	88	5	88
	<b>82</b>	<b>319</b>	<b>82</b>	<b>305</b>
	<b>(235)</b>	<b>(64)</b>	<b>(234)</b>	<b>(84)</b>

## 25. Income tax

	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>From 1<sup>st</sup> January to</b>	<b>(434)</b>	<b>(2.595)</b>	<b>(424)</b>	<b>(2.595)</b>
Deferred income tax (Note 11)	(865)	571	(865)	571
<b>Total</b>	<b>(1.299)</b>	<b>(2.024)</b>	<b>(1.289)</b>	<b>(2.024)</b>

Current income tax has been calculated based on the current tax rate applicable for financial year 2017, i.e. 29% (2016, 29%) as regards the Company and the Group. As far as the Group's subsidiaries established abroad are concerned, the applicable local tax rates are used to calculate the current income tax charge: Luxembourg 21%, Cyprus 12,50%, Romania 16%, Belgium 33,99%, The Netherlands 25%, Turkey 20%.

The Group's and the Company's tax on profit before tax differs from the theoretical amount that would arise using the weighted average tax rate on the profits/losses of the consolidated companies.

The difference is as follows:

	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Profit before tax</b>	460	377	189	103
Tax calculated at domestic tax rates applicable to profits	(165)	(116)	(137)	(96)
Expenses not deductible for tax purposes	(1.480)	(1.598)	(1.497)	(1.598)
Income not subject to tax	712	895	712	875
Use of previously unrecognized losses	(821)	(561)	(821)	(561)
Other taxes/other tax adjustments	455	(644)	454	(644)
<b>Total</b>	<b>(1299)</b>	<b>(2.024)</b>	<b>(1.289)</b>	<b>(2.024)</b>

#### Tax Compliance Report

For the financial years 2011 onwards, companies are subject to annual tax auditing by their chartered auditors as to their compliance with the provisions of the applicable tax law. As a result of this audit, a tax certificate is issued, which, provided that the conditions are met, replaces the audit conducted by the public authority. However, companies do not close their tax accounts for these financial years. The public authority retains the right of conducting subsequent audits. The Company was audited by chartered auditors and received a tax certificate for the financial years 2011 - 2016.

The tax audit for the financial year 2017 is already being carried out by PricewaterhouseCoopers SA. After the tax audit is concluded, the Management does not expect significant tax liabilities to incur, other than those already recorded and reported in the financial statements. The financial years for which the Company and its subsidiaries have not been audited and therefore their tax liabilities for these years have not been finalized, are presented in Note 33.



**26. Cash flows from operating activities**

	Note	The GROUP		The COMPANY	
		From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit for the year		(839)	(1.647)	(1.100)	(1.921)
<i>Adjustments for:</i>					
Income tax	25	1.299	2.024	1.289	2.024
Depreciation of PPE	6,8	538	526	537	525
Impairment of investment property	8		2000		2.000
Impairment of PPE	6	1.000		1.000	
Amortisation of intangible assets	7	501	626	501	626
Loss/(Profit) on sale of PPE and other investments	23	38	1	38	1
Interest income	24	(86)	(530)	(76)	(497)
Interest expenses	24	420	420	408	407
Dividend income	23	-	133	176	618
Foreign exchange losses/(gains)		(10)	(1)		-
Loss/(Profit) of equity transactions		(539)	-	(539)	-
Impairment of related parties	23	-	-	-	-
		<b>2.322</b>	<b>3.552</b>	<b>2.234</b>	<b>3.783</b>
<b>Working capital adjustments related to operating activities:</b>					
(Increase)/decrease in inventories		1.136	1.148	1.136	1.148
(Increase)/decrease in receivables		8.652	(2.034)	12.495	608
Increase / (decrease) of liabilities		14.147	(21.059)	10.542	(23.967)
Increase/(decrease) in provisions		(28.985)	34.970	(28.985)	34.970
Increase/(decrease) in provisions benefit obligations		449	197	449	197
		<b>(4.601)</b>	<b>13.222</b>	<b>(4.363)</b>	<b>12.956</b>
<b>Cash flows from operating activities</b>		<b>(2.279)</b>	<b>16.774</b>	<b>(2.129)</b>	<b>16.739</b>

## 27. Earnings per share

### Basic and diluted

Basic and diluted earnings per share are calculated by dividing the profit attributable to the shareholders of the parent company by the weighted average number of ordinary shares during the period, excluding ordinary shares purchased by the Company.

Ordinary shares that are issued as part of the cost of a business combination are included in the weighted average number of shares from the date of acquisition. The reason is that the acquirer consolidates gains and losses of the acquiree into its income statement as of that date.

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit after tax	(839.047)	(1.646.961)	(1.099.792)	(1.920.982)
Profit attributable to equity holders of the parent company	(839.047)	(1.646.961)	(1.099.792)	(1.920.982)
Weighted average number of ordinary shares in issue	10.500.000	21.000.000	10.500.000	21.000.000
Basic and diluted earnings / (losses) per share (€ per share)	<b>(0,0799)</b>	<b>(0,0784)</b>	<b>(0,1047)</b>	<b>(0,0914)</b>

## 28. Commitments

### Capital commitments

At the date of the annual financial statements, there is no significant capital expenditure that has been assumed but not yet incurred.

### Finance lease commitments

The Company has not entered into any finance lease agreements.

### Operating lease commitments

Future minimum leases, based on the signed operating lease agreements, are analyzed as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Up to 1 year	1.052	1.029	1.052	1.029
From 1 to 5 years	3.989	4.127	3.989	4.127
More than 5 years	3.890	5.368	3.890	5.368
	<b>8.931</b>	<b>10.524</b>	<b>8.931</b>	<b>10.524</b>

### 29. Contingent liabilities and assets

The Group and the Company have contingent liabilities and assets regarding banks, other guarantees and other issues arising in the ordinary course of business, from which no significant additional charges are expected to arise.

Contingent liabilities are analyzed as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Guarantees for advances received	1.115	1.298	1.115	1.298
Guarantees for good performance	4.495	4.916	4.495	4.916
Guarantees for participation in tenders	1.607	1.732	1.607	1.732
Mortgages on land	7.800	7.800	7.800	7.800
Guarantees to banks for associates	-	-	-	-
	<b>15.017</b>	<b>15.746</b>	<b>15.017</b>	<b>15.746</b>

Contingent receivables are analyzed as follows:

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Guarantees for securing trade receivables	22	50	22	50
Third party guarantees to suppliers	-	-	-	-
Third party pledges (cheques)	0	0	0	0
	<b>22</b>	<b>50</b>	<b>22</b>	<b>50</b>

The Company's and the Group's tax liabilities have not been finalized, because the previous financial years have not been audited yet (Note 33).

In addition, there are several outstanding litigation cases involving Group companies from which the Management estimates that no significant additional charges are expected to arise.

### 30. Current liens and encumbrances

There are no guarantees to Banks in favor of the Group's subsidiaries and associates. However, in the event that a loan is required, it will be guaranteed by the Company. There are no additional mortgages and prenotations on the Company's and the Group's land plots and buildings apart from those mentioned in Notes 20 and 29.

**31. Transactions with related parties**

Quest Holdings SA, based in Kallithea, Athens, is the parent company of Unisystems Information Technology Systems SA and owns 100% of its shares.

The financial statements of Unisystems Information Technology Systems SA are fully consolidated in the consolidated financial statements of Quest Holdings SA.

For information on Group companies of Unisystems Information Technology Systems SA refer to Note 33.

Transactions with related parties are as follows:

	The GROUP		The COMPANY	
	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> January to	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>i) Sales of goods and services</b>				
<b>Sales of goods</b>	<b>115</b>	<b>453</b>	<b>115</b>	<b>453</b>
to the parent	-	5	-	5
to subsidiaries	-	-	-	-
to associates	-	-	-	-
to associates	115	448	115	448
<b>Provision of services</b>	<b>884</b>	<b>848</b>	<b>1.206</b>	<b>1.305</b>
to the parent	29	31	29	31
to subsidiaries	-	-	322	457
to associates	-	-	-	-
to other related parties	855	817	855	817
	<b>999</b>	<b>1.301</b>	<b>1.321</b>	<b>1.758</b>
<b>ii) Purchases of goods and services</b>				
<b>Purchases of goods</b>	<b>870</b>	<b>1.696</b>	<b>870</b>	<b>1.696</b>
from the parent	-	137	-	137
from subsidiaries	-	-	-	-
from other related parties	870	1.559	870	1.559
<b>Purchases of services</b>	<b>2.846</b>	<b>2.178</b>	<b>2.927</b>	<b>2.185</b>
from the parent	440	1.149	521	1.149
from subsidiaries	-	-	-	7
from associates	-	-	-	-
from other related parties	2.406	1.029	2.406	1.029
<b>Purchases of fixed assets</b>	<b>800</b>	-	<b>800</b>	-
from the parent	-	-	-	-
from subsidiaries	-	-	-	-
from associates	-	-	-	-
from other related parties	800	-	800	-
<b>Rental costs</b>	<b>825</b>	-	<b>825</b>	-
from the parent	-	-	-	-
from subsidiaries	-	-	-	-
from associates	-	-	-	-
from other related parties	825	-	825	-
	<b>5.341</b>	<b>3.874</b>	<b>5.422</b>	<b>3.881</b>

**iii) Key management compensation**

Salaries and other short-term employee benefits	296	285	296	285
Benefits for termination of employment	-	-	-	-
Other long-term benefits	-	-	-	-
	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>

**iv) Year-end balances arising from sales-purchases of goods/services**

	The GROUP		The COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Receivables from related parties:				
- Parent	-	11	-	11
- Subsidiaries	-	-	82	366
- Other related parties	642	669	652	669
	<b>642</b>	<b>680</b>	<b>734</b>	<b>1.046</b>
Payables to related parties:				
- Parent	94	180	103	180
- Subsidiaries	-	-	-	-
- Associates	-	-	-	-
- Other related parties	1.302	380	1.302	380
	<b>1.356</b>	<b>560</b>	<b>1.405</b>	<b>560</b>

Services supplied by and to related parties, as well as sales and purchases of goods are carried out in accordance with the price lists applicable for third parties.

### 32. Construction contracts

According to IAS 11, Construction Contracts are analyzed as follows:

<b>Consolidate income statement (extracts)</b>	<b>The GROUP</b>	
	<b>2017</b>	<b>2016</b>
Contract revenue	21.371	23.576
Contract revenue	16.182	17.076
Gross profit	5.189	6.500
Selling and marketing costs	1.909	1.992
Administrative expenses	1.455	1.476
<b>Construction contracts</b>	<b>2017</b>	<b>2016</b>
The aggregate costs incurred and recognised profits (less recognised losses) to date	183.420	162.652
Less :		
Net balance sheet position for ongoing contracts	200.746	192.649
<b>Total</b>	<b>-17.326</b>	<b>-29.997</b>

### 33. Unaudited financial years

The Company has not been audited by the competent tax authorities for the financial year 2010. On 27.12.2016 the Company received an audit order for the financial year 2010.

However, according to the applicable tax provisions: (a) par. 1 of Article 84 of Law 2238/1994 (unaudited income tax cases), (b) par. 1 of Article 57 of Law 2859/2000 (unaudited VAT cases and (c) par. 5 of Article 9 of Law 2523/1997 (imposition of fines regarding income tax cases), the State's right to impose tax for the financial years up to 2011 has been subject to a period of limitations until 31.12.2017, notwithstanding special or extraordinary provisions which may provide for a longer limitation period under the conditions laid down therein.

However, according to decision no. 1738/14.07.2017 issued by the Council of State which considered the constitutionality of the continuous extensions of the tax limitation period and various deliberations concerning the violation of the 5-year limitation rule or the discriminating treatment of taxpayers due to the issuing of audit orders by various supervisory authorities found that: "In view of the evidence and the deliberations set out under paragraphs 5 and 6, the provisions included in the eighth paragraph are contrary to the provisions that elaborate on the principle of legal certainty (derived from the rule of law principle) of paragraphs 1 and 2 of Article 78 of the Constitution, as they extend the limitation period for State tax claims to calendar years prior to the years that the relevant laws were published".

Moreover, according to established case law of the Council of State and the Administrative Courts, in the absence of a limitation provision contained in the Codified Law on Stamp Duty, the State's claim for stamp duty is subject to the twenty-year limitation period laid down in Article 249 of the Civil Code.

Under audit order no. 252/0/1118 of 12.07.2017 issued by the Audit Authority for Large Enterprises, a partial audit has commenced concerning the financial year 2012 of the Company, including all tax items which, according to the order and the relevant legal provisions it invokes, can be extended up to 31.12.2022.

The financial years for which the Company and its subsidiaries have not been audited and therefore their tax liabilities for these years have not been finalized, are presented below.

The cumulative provision for the unaudited tax years, as far as the Group is concerned, amounts to €383 thousand.

<u>Group Companies</u>	<u>Country</u>	<u>Interest Held (%)</u>	<u>Consolidation Method</u>	<u>Unaudited tax years</u>
1. UniSystems Information Technology Systems SA	GREECE	-	-	2010
1.a Unisystems Belgium SA (branch)	BELGIUM	-	Full Consolidation	2014-2017
2. Unisystems Cyprus Ltd	CYPRUS	100%	Full Consolidation	2012-2017
2.a. Unisystems Information Technology Systems SRL	ROMANIA	100%	Full Consolidation	-
2.b. Unisystems Bulgaria Ltd (liquidated in 2015)	BULGARIA	100%	Full Consolidation	-
3. Unisystemes BV	NETHERLANDS	100%	Full Consolidation	2017
3.a. UNISYSTEMS TURK BİLGİ TEKNOLOJİLERİ AS (filed a clearance application on 21/2/2018 at the Istanbul Commercial Registry)	TURKEY	100%	Full Consolidation	2014-2017
4. Uni-Nortel Communication Technologies (Hellas) SA	GREECE	-	Acquired in 2010	2010
5. FAST HELLAS SA	GREECE	-	Acquired in 2010	2010-2011

**34. Events occurring after the Balance Sheet date**

No significant events occurred after the Balance Sheet date.

Kallithea, March 30<sup>th</sup>, 2018

The Chairman of the Board of  
Directors & CEO

The Vice Chairman

The Member of the Board  
of Directors

The Accounting Department  
Manager

Ioannis K. Loumakis

Apostolos M. Georgantzis

Markos G. Bitsakos

Nikolaos D. Charisis

ID no. AK 082270

ID no. Φ 090096

ID no. AA 079768

ID no. AH101374

LICENSE No. 0008340 - A  
CLASS





# **UniSystems Information Technology Systems SA**

**Management Report of the Board of Directors**

**to the Annual Ordinary General Meeting of the Shareholders**

**on the consolidated and separate Financial Statements for the year 2017**

**(from January 1<sup>st</sup>, 2017 to December 31<sup>st</sup>, 2017)**

**Kallithea**

**March 2018**

Dear Shareholders,

We have the honor to submit to you the Company's consolidated and separate Financial Statements for the year 2017 for approval and to provide you the following information.

This Board of Directors' Report is in line with the International Financial Reporting Standards (IFRS) applicable from January 1<sup>st</sup>, 2005 in Greece.

The Report lays out the main trends and factors that support growth, profitability, the financial situation and position of the Company's and the Group' business activities during the reporting period ended on December 31<sup>st</sup>, 2017, as well as the main trends and factors that may affect future growth, profitability and the financial position of the entity.

The scope of the Board of Directors' Report is to provide information that will help users of the Financial Statements to understand and assess the financial statements in the context of the environment in which the entity operates, to assess the most important business issues according to the Management, the manner in which it intends to manage them, and the strategies that have been adopted by the entity and the likelihood of their success.

This Report includes additional clarifications concerning the amounts reported in the Financial Statements, as required, and analyzes the conditions and facts on the basis of which the information presented in the financial statements was derived.

This consolidated Report was prepared in accordance with the terms and conditions set out in Article 136 of Codified Law 2190/1920 since the Company prepares separate and consolidated financial statements, and its main and primary reference point is the consolidated financial data of the Company and its associates. In the analysis that follows, non consolidated financial data are referred to by the Board of Directors as appropriate or necessary in order to clarify the content of this Report.

"Unisystems Information Technology Systems SA" Group is comprised as of December 31<sup>st</sup>, 2017 by the following companies:

Cosnsolidated companies	Interest Held (%)	Participation type	Consolidation Method
UniSystems Information Technology Systems SA	Holding company	Holding company	Full Consolidation
Unisystems Cyprus Ltd (ex-Info Quest Cyprus Ltd)	100,00%	Direct	Full Consolidation
Unisystems Information Technology Systems SRL	100,00%	In-direct	Full Consolidation
Unisystems Netherlands B.V.	100,00%	Direct	Full Consolidation
Unisystems Turkish Information Technologies Inc	100,00%	In-direct	Full Consolidation
ParkMobile Hellas SA	40,00%	Direct	The equity method

### Scope of activities

The Group operates in the field of information and technology and each company has a distinct role in the context of its operation:

**Unisystems SA** parent company ("Company" or "Unisystems") mainly deals with the provision of systems integration and large scale projects in specific market segments. Solutions include the development or conversion of business applications, specialized services in the area of information and technology, a wide range of services, such as installation and support of hardware and software, installation and support of data and voice transmission networks, development of vertical solutions for the banking, public and telecommunication sectors, full range of technical support for hardware and software nationwide around the clock, training and consultancy services, outsourcing. Moreover, the Company provides innovative services to its customers through its privately owned Data Center.

The Company is a key partner of several large foreign companies like UNISYS, EMC, ORACLE, CISCO, MICROSOFT, HP, CITRIX, REDHAT, GENESYS, etc. in Greece, which confers a significant advantage in the solutions offered.

**Development of current activities****i) Sales and distribution network**

Unisystems sales are supported by independent business units (BU) that address the financial, public, private and telecommunications sectors, which are staffed by highly trained employees who are specialized in the technological solutions offered and the specific business needs of each vertical market.

In 2017, Unisystems increased sales by about 2% in a particularly difficult year for the IT industry, as well as for the entire Greek economy, by targeting selected customers to avoid payment defaults. Among the Company's customers are many leading and dynamic companies and organizations, including Alpha Bank Group in Greece and abroad, EFG Eurobank Ergasias Group, the Bank of Greece, the Greek Stock Exchange Group, the National Bank of Greece, Piraeus Bank, Cosmote Group, Vodafone, WIND, the Ministry of Finance, the Ministry of Interior, the Ministry of Education, the Social Insurance Fund (IKA), the Greek National Healthcare Service Organization (EOPYY), the Ministry of Justice, the Supreme Council for Civil Personnel Selection (ASEP), the Council of State, Cadastre SA, First Data Hellas, ROKAS Group, ICAP, Aggelikousi Group, the National Library, etc.

Sales are mainly marketed by the Company's headquarters for the entire area where the Company and the Group operate. Since the Company's main activity is system integration and it mainly addresses corporate customers, the development of a distribution network is not required.

**Unisystems**, through its branch in Belgium, runs major IT projects for various organizations and agencies of the European Union in cooperation with leading European companies.

Unisystems has established a subsidiary in Romania to provide integrated solutions to the subsidiaries of Greek companies, foreign multinational corporations and large local companies. The Romanian market has seen significant growth in recent years.

**ii) Development of current activities**

Throughout 2017, the Company continued to invest in the expansion of DATA CENTER and CLOUD COMPUTING. It has already developed and promoted innovative cloud services (IaaS, PaaS and AaaS) under the distinctive title UNI | CLOUD. Furthermore, in 2017, the Company acquired the department and solutions related to the provision of specialized software for the management of technical projects from ACE Hellas.

**iii) International activity**

In order to protect the Company from the systemic risk that the Greek economy presented, a strategic decision was made in 2011 to intensify the Company's efforts to expand its operations abroad. The aim was the revenue that would be generated from operations abroad to represent at least 30% of the total revenue within the next decade (2011-2020).

The Company's main activity on an international level focuses on the markets of the European Union and in particular, on major IT projects of the various Directorates General and European Institutes located in the 28 Member States of the Union.

Total sales from this market amounted to €29 million in 2017 compared to €20,5 million in 2016, thus increasing by 40%. During the same period, the Company showed an outstanding performance in entering agreements for new projects, which amounted to about €40 million in 2017. For example, we mention contracts with the European Chemical Agency (Finland), the European Asylum Support Office (Malta), the Agency for the Cooperation of Energy Regulators (Slovenia), the European Patent Office (Germany), etc. The total unexecuted signed contracts for the EU market at the end of 2017 amounted to about €100 million.

The Company also operates in SE European markets and specifically in Romania, Cyprus, Albania, Serbia, FYROM and Malta. Consolidated revenues from these markets amounted to €4,3 million in 2017 and increased by 14% compared to €3,8 million in 2016. The subsidiary's performance was particularly good in Romania, as it had revenues of €1,4 million in 2017 and shows signs of dynamic growth. ORANGE, ENEL, TELEKOM ROMANIA, RAIFISEN are major customers in Romania.

The Company's consolidated total revenue from foreign markets amounted to €33,2 million and showed an increase of 36% compared to 2016 (€22,4 million). Revenue from international activities corresponds currently to 39% of the total revenue or 43% of company revenue from services in 2017.

**Goals and strategies**

The Company's main goal in recent years is to become a key provider of IT solutions, apart from the banking sector, in the telecommunications sector, the public sector and in any other market, by offering reliable infrastructure solutions and applications, either through establishing partnerships, developing new products, or building on the expertise and experience of its executives.

The Company also seeks to expand its operations abroad in two main areas:

- The IT market of the central services, agencies and organizations of the European Union that are becoming Europe's largest consumers of IT products and services.

- The market of SE Europe, where the Company's main Greek customers operate, and which is expected that in the medium term it will grow at a higher rate than the rest of Europe.

The Company has implemented and supports important projects under the Information Society NSRF program on behalf of the Ministry of Justice, the Ministry of Education, the Ministry of Interior, the Ministry of Finance, as well as a number of other entities, thus claiming a leading position in executing contracts and developing projects in the public sector.

Through the wide range of its activities, the Company has gained considerable experience in the implementation of complex projects, know-how, as well as operational "rationale" for various areas of public administration. As far as revenue is concerned, the public sector is significant for the Company. In terms of profitability, however, this sector is lagging behind, owing to significant compression of profit margins, due to intense competition, as well as significant delays in project acceptance and payment by the public administration.

The prospects of further developing the Company's performance in the public sector are considered promising for the following reasons:

- It forms an established base of Company projects and customers.
- The Greek State, due to the fact that it has fallen behind in the field of computerization, is expected to acquire modern IT systems in the coming years. All new government initiatives to modernize public administration, reduce expenditure, collect tax etc., require the development of new, modern information systems. It is worth noting that the upcoming improvement of the information systems described above is included, among others, in the terms of the new memorandum.

### **Performance and financial position**

The growth in certain basic figures of the Group, which are mainly determined by the Company's figures, in the financial year 2017 compared to the previous year, is as follows:

**Sales:** Total sales of the Group amounted to €84.000 thousand in the financial year 2017 compared to €82.534 thousand in the previous year.

**Profit/Loss for the reporting period after tax:** After tax losses amounted to €839 thousand in the financial year 2017 compared to losses of €1.647 thousand in the previous year.

**EBITDA:** Earnings before interest, taxes, depreciation and amortization amounted to €2.744 thousand in 2017 compared to €4.039 thousand in the previous year.

The Company's growth and profitability is considered to be satisfactory in 2017, especially given that the outcome has been achieved in a particularly unfavorable external environment with intense competition, decline in private sector investment and delays in the implementation of public sector and NSRF (2014-2020) projects.

In light of the above, we believe that the performance and financial position of the Group is reflected more efficiently in the financial year 2017 by presenting certain financial indexes.

**GROUP**

<b>Efficiency Ratios</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>Description</b>
EBT / Revenue	0,55%	0,46%	This indicator shows the Group's overall performance compared to sales
EBT / Average Equity	1,39%	1,01%	This indicator shows the Group's overall performance compared to Equity
Gross profit/ Revenue	15,98%	15,77%	This indicator shows the percentage of gross profit on the Group's sales
Gross profit/ Cost of sales	19,01%	18,73%	This indicator shows the percentage of gross profit on the Group's COG

<b>Turnover Ratios</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>Description</b>
Inventory turnover	5,11	5,20	The times of stocks' circulation within the period
Trade receivables turnover	1,66	1,60	This is the number of times per year of collecting the average <b>accounts receivable</b>
Trade payables turnover	1,88	2,04	This number indicates how many times the company pays off its suppliers during the period.

<b>Liquidity Ratios</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>Description</b>
Current Assets / Current Liabilities	142,14%	131,87%	This indicator shows the Group's ability to cover its short-term liabilities with its current assets
Current Assets / Current Liabilities	42,14%	31,87%	This indicator shows the proportion of short-term liabilities covered by working capital

<b>Capital Structure Ratios</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>Description</b>
Current Assets/ Total Assets	73,20%	73,95%	This indicator shows the ratio of funds allocated to current assets

Non-Current Assets/ Total Assets	26,80%	26,05%	This indicator shows the ratio of funds allocated to non-current assets
Equity / Total Liabilities	59,31%	66,22%	This indicator shows the economic self-sufficiency of the Group
Total Liabilities / Total equity and liabilities	62,77%	60,16%	This indicator shows the borrowing dependence of the Group

### COMPANY

Efficiency Ratios	31.12.2017	31.12.2016	Description
EBT / Revenue	0,23%	0,13%	This indicator shows the Group's overall performance compared to sales
EBT / Average Equity	0,58%	0,28%	This indicator shows the Group's overall performance compared to Equity
Gross profit/ Revenue	15,84%	15,66%	This indicator shows the percentage of gross profit on the Group's sales
Gross profit/ Cost of sales	18,81%	18,57%	This indicator shows the percentage of gross profit on the Group's COG
Turnover Ratios	31.12.2017	31.12.2016	Description
Inventory turnover	4,52	4,90	The times of stocks' circulation within the period
Trade receivables turnover	1,66	1,59	This is the number of times per year of collecting the average <b>accounts receivable</b>
Trade payables turnover	1,88	2,03	This number indicates how many times the company pays off its suppliers during the period.
Liquidity Ratios	31.12.2017	31.12.2016	Description
Current Assets / Current Liabilities	141,43%	131,05%	This indicator shows the Group's ability to cover its short-term liabilities with its current assets
Current Assets / Current Liabilities	41,43%	31,05%	This indicator shows the proportion of short-term liabilities covered by working capital



<b>Capital Structure Ratios</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>Description</b>
Current Assets/ Total Assets	72,48%	73,39%	This indicator shows the ratio of funds allocated to current assets
Non-Current Assets/ Total Assets	27,52%	26,61%	This indicator shows the ratio of funds allocated to non-current assets
Equity / Total Liabilities	59,48%	66,36%	This indicator shows the borrowing dependence of the Group
Total Liabilities / Total equity and liabilities	62,71%	60,11%	This indicator shows the borrowing dependence of the Group

#### **Significant events of financial year 2017**

- The General Meeting of the Company's shareholders decided on December 23rd, 2016 to reduce the Company's share capital by returning the shares of BriQ Properties REIC (1.944.285 shares) that it owned in kind and cash (€1.130.872). The relevant amendment of the Articles of Association was approved and registered at GEMI on 5.01.2017, according to the protocol no. GEMI announcement 741113/05.01.2017.

#### **Prospects for the next financial year**

It is obvious that the difficult macroeconomic conditions in Greece have affected the overall economic activity significantly. The current economic framework makes it extremely hard to forecast expected economic figures in the sectors where the company and the Group operate for 2018.

Taking these difficulties into account, the Group's Management continues to execute its business plans in 2018, having as its first priority and goal to generate positive cash flows, reduce loan exposure, limit credit risk from sales on credit and promote profitability.

Focus on foreign markets, as well as on the domestic market in the financial and telecommunications sector will be intensified in 2018. The Company targets the rest of the domestic market regarding the private sector, because in recent years there has been a significant lag in information technology investments, which must be realized so that enterprises can remain competitive.

In addition, Unisystems is a provider of two investment projects subsidized by Law 3299/2004, which started in financial year 2008 and are expected to strengthen the Group's and the Company's financial results. The first phase inspection for 50% of the investment - based on the two investment plans - has been concluded for both

projects, and approximately €430 thousand is expected to be disbursed and collected by the Company, according to Law 4399/2016. In particular:

- i. Investment for a software development project regarding "Compliance with the Regulatory Framework", with a budget of **€5.089.005**, for which it will receive a 30% subsidy on the total budget under protocol no. 33165/ΥΠΕ/4/00532/Law 3299/04 decision to subsidize the company in accordance with the provisions of Law 3299/2004 and amending decision no. 33595/ΥΠΕ/4/00532/E/Law 3299/04.
- ii. ERP software development project oriented towards the public sector, Human Resources Management Information System and eGovernment Platform, with a budget of **€4.988.349**, for which it will receive a 30% subsidy on the total budget under protocol no. 17075/ΥΠΕ/4/00641/Law 3299/04 decision of the Minister of Economy and Finance to subsidize the company DECISION - INTEGRATED INFORMATION SYSTEMS SA under the provisions of Law 3299/2004, as the latter has been absorbed by merger by Unisystems pursuant to the decision of the Minister of Development no. K2-18572/31.12.2007.

### **Long term goals - Prospects**

Prospects for the Unisystems Group are considered positive, both because the IT sector in Greece is expected to show growth in general, and because the Company combines features that make it stand out from the other companies in the industry.

The current and new needs to modernize IT services in the private and public sectors, the Community Reference Framework (NSRF 2014-2020), the memorandum requirements, the single market and the common currency, develop a new environment of competition for the Greek companies, by increasing their needs to modernize their information systems. Moreover, these factors form a framework for the development of the broader IT sector, that will benefit the companies which have the necessary know-how, experience and flexibility in order to meet new market conditions.

We also note that the Company's unexecuted signed contracts up to 2020 amount to €185 million.

In this context, the Group's main competitive advantages are as follows:

- The available know-how and continuous research and adoption of new technologies applied in the field of information technology including associated industries such as telecommunications, etc. The rapid development of information technology creates more needs to support the necessary expertise among

most users, even those who have sophisticated computerized services. The IT market requires more and more services from companies that are able to provide this expertise.

- The ability to provide integrated solutions, by combining associated services with the most suitable hardware and software that is not limited to products of a single manufacturer but also includes well-known suppliers in the IT industry with whom there is direct or indirect partnership.

### **Research and development**

The Group, as a market leader in the industry of information technology, has fully adopted the philosophy of combining information and communication technologies, investing in research and development, as well as innovation. Having prepared early on over the past years, both by enhancing the IT sector for the development of business solutions and applications, as well as by adopting strategic placements in the telecommunications sector, it is able today to meet most of the relevant needs of businesses and individuals.

In 2017, the Group drew a 5-year development plan focusing on new solutions and products, innovation and attracting new talent to the Company. Digital transformation is a component part of the Company's strategy for both its internal structures and processes and for its proposed solutions towards its customers.

An important focus for 2018 is the improvement, automation and homogeneity of the entire Application Life Cycle Management in order to enhance quality and efficiency, especially for major IT projects abroad.

### **Labor Issues**

All formal and material obligations in relation to labor issues dictated by the Greek Legislation have been fulfilled. The Company does not face any outstanding labor issues. Labor relations are particularly good.

### **Environmental Issues**

All formal and material obligations in relation to environmental issues dictated by the Greek Legislation have been fulfilled.

### **Branches**

The Company maintains a branch established in Belgium, which has opened a representation office in Luxembourg in August 2016. The above branch and representation office support the Company's operation especially in these countries. To safeguard assignments by European Union Bodies and Organizations, which are

increasing every year, the branch and office need to be abroad and it is very likely that other branches/offices will be opened abroad in 2018.

In 2018, the representation office in Luxembourg will take the form of a subsidiary due to the increase of revenues, projects and staff working in various organizations there.

## **Major risks and uncertainties**

### **Financial risk factors**

The Group is exposed to financial risks, such as market risks (fluctuations in exchange rates, interest rates, market prices), credit risks and liquidity risks. The Group's general risk management program focuses on the unpredictability of financial markets and seeks to minimize their potential negative impact on the Group's financial performance. The Group uses derivative financial instruments to hedge its exposure to specific risks.

Risk management is carried out by the Group's central financial department, which operates under specific rules approved by the Company's Board of Directors. The Board of Directors provides direction and guidance on general risk management issues, as well as specific directives for managing specific risks, such as currency risk, interest rate risk and credit risk.

#### **(a) Market risk**

##### **(i) Foreign currency risk**

The Group operates in Europe and therefore the major part of the Group's transactions is carried out in Euros. Nevertheless, part of the Group's commodity purchases is also carried out in other currencies, mainly in US Dollars. The timely payment of these trade payables reduces foreign currency risk significantly. In order to hedge exchange rate risk, the Group purchases foreign exchange in advance and executes foreign exchange forward contracts with external counterparties. More specifically, the Group's and the Company's exposure to exchange rate risk on 31.12.2017 and 31.12.2016 is as follows:

	<b>The GROUP</b>			
	<b>31.12.2017</b>			
	<b>US \$</b>	<b>Turkish Lira</b>	<b>Romanian RON</b>	<b>Total</b>
Receivables in foreign currency	92	-	1.114	1.2016
Payables in foreign currency	134	-	924	1.058
<b>Total</b>	<b>226</b>	<b>-</b>	<b>2.038</b>	<b>2.279</b>

	<b>31.12.2016</b>			<b>Total</b>
	<b>US \$</b>	<b>Turkish Lira</b>	<b>Romanian RON</b>	
Receivables in foreign currency	25	15	737	777
Payables in foreign currency	44	50	723	817
<b>Total</b>	<b>69</b>	<b>65</b>	<b>1.460</b>	<b>1.594</b>

	<b>The COMPANY</b>	
	<b>31.12.2017</b>	
	<b>US \$</b>	<b>Total</b>
Receivables in foreign currency	92	92
Payables in foreign currency	134	134
<b>Total</b>	<b>226</b>	<b>226</b>

	<b>31.12.2016</b>	
	<b>US \$</b>	<b>Total</b>
Receivables in foreign currency	25	25
Payables in foreign currency	44	44
<b>Total</b>	<b>69</b>	<b>69</b>

The Company's cash in foreign currency on December 31st of the closing year 2017 amounted to USD 60 thousand, which, converted to Euros amounts to 50 thousand.

(ii) Price risk

The Group does not hold any tradable securities and therefore it is not exposed to securities price risk.

The Company's exposure to commodities price risk is negligible.

(iii) Interest rate risk

The Group does not finance its working capital needs through bank borrowings, therefore it does not incur interest expenses. As a result, it is not significantly affected by interest rate fluctuations.

As far as reserves in foreign currency are concerned, the Group's policy is to maintain the minimum amount necessary to cover current liabilities in that currency. In the year 2017 there was no such need.

***(b) Credit risk***

The Company provides services exclusively to renowned and trustworthy counterparties. According to the Company's and the Group's policy, all customers who are provided with services on credit are subject to credit control procedures. To monitor customer credit risk, customers are grouped according to their business sector, their credit characteristics, their receivables' aging characteristics and any past issues on receivables' collectability. Potential customers identified as "high risk" are placed in a special customer account and future sales are prepaid. Depending on the customer's history and status, the Group requires, where possible, securities or other collateral (e.g. letters of credit) to secure its receivables.

The Group recognizes an impairment provision that represents its estimate of losses in respect of trade and other receivables. This provision mainly consists of impairment losses on specific receivables that, given to the specific conditions, are expected to be realized but are not finalized yet. This provision is reported as a write-off in the Balance Sheet under "Trade and Other Receivables".

Regarding the credit risk arising from the placement of cash and cash equivalents, it is stressed that the Group cooperates exclusively with financial institutions with a high credit rating, as well as the systemic banks in Greece.

A relevant aging analysis of the Group's and Company's receivables is included in Note 13.

***(c) Liquidity risk***

Each Group company prepares financial statements and submits them to Unisystems on a quarterly basis in order to prepare cash flow forecasts, thus monitoring liquidity effectively at Group level.

Liquidity management is achieved by maintaining sufficient cash and credit limits with the cooperating banks. The existing available unutilized approved bank credits to the Group are sufficient to address any potential shortage of cash.

More specifically, the analysis of the Group's and the Company's financial liabilities based on their maturity is as follows:

<b>The GROUP</b>					
	<b>&lt;1 year</b>	<b>1-2 years</b>	<b>3-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>31.12.2017</b>					
Borrowings	-	-	-	-	-
Trade and other payables	40.894	52	-	-	40.946
	<b>40.894</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>40.946</b>
<b>The COMPANY</b>					
	<b>&lt;1 year</b>	<b>1-2 years</b>	<b>3-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>31.12.2016</b>					
Borrowings	788	-	-	-	788
Trade and other payables	48.640	52	-	-	48.692
	<b>49.428</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>49.480</b>
<b>31.12.2017</b>					
Borrowings	-	-	-	-	-
Trade and other payables	40.059	52	-	-	40.111
	<b>40.059</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>40.111</b>
<b>31.12.2016</b>					
Borrowings	788	-	-	-	788
Trade and other payables	48.205	52	-	-	48.257
	<b>48.993</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>49.045</b>

**(d) Economic downturn risk - Macroeconomic business environment in Greece**

Developments during 2017 and discussions at national and international level regarding the fulfillment of the terms of Greece's financial assistance program, make the Greek macroeconomic and financial environment volatile. The return to economic stability depends to a large extent on the actions and decisions of the institutions in the country and abroad. Taking into account the nature of the activities and the financial position of the Company and the Group, any adverse developments are not expected to have a significant effect on its smooth operation, as long as they apply for a short period of time. Nevertheless, the Management constantly assesses the situation and its possible impact, in order to ensure that all necessary and effective measures and actions are taken in time to minimize any impact on the Company's and Group's activities.

More specifically, the Group has considered and confirmed the following:

- The ability to repay or refinance existing or future debt, as there is sufficient cash on the one hand, and the Group is not exposed to significant short term borrowing, on the other hand.
- The recoverability of trade receivables, given its rigorous credit policy.
- The ability to ensure a high sales turnover due to the execution of long term contracts for software development and the supply of support services for IT hardware and applications.
- The recoverability of the tangible and intangible assets' value, since the Group conducts impairment tests on these values when there are indications that their carrying amount may not be recoverable.

### 3.2 Capital risk management

The purpose of capital risk management is to safeguard the Group's ability to continue as a going concern in order to provide satisfactory returns for shareholders, to maintain an ideal capital structure and to reduce capital costs.

To maintain or adjust capital structure, the amount of dividends paid to shareholders may be adjusted, equity may be returned to shareholders, new shares may be issued or assets may be sold to reduce debt.

The Group controls capital risk based on the leverage ratio. This ratio is calculated as net debt divided by total capital (equity and borrowed capital). Net debt is calculated as total borrowings (current and non-current) less cash and cash equivalents.

The leverage ratios on December 31<sup>st</sup>, 2017 and 2016 for the Group are as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>
Total debt (Note 20)	0	788
Less: Cash and cash equivalents (Note 14)	(6.442)	(11.756)
Net debt	(6.442)	(10.968)
Total equity	<u>30.681</u>	<u>36.482</u>
Total capital	<u>24.239</u>	<u>25.514</u>
<b>Leverage ratio</b>	<b>-26.58%</b>	<b>-42.99%</b>



The change from -42,99% on December 31<sup>st</sup>, 2016 to -26,58% of the leverage ratio on 31.12.2017 demonstrates the substantial absence of loan obligations at the end of the current financial year, but to a lower cash percentage compared to the total capital employed from last year.

**(d) Capital risk management**

The Group continuously optimizes its capital structure (i.e. the relation between borrowing and equity). The purpose of capital risk management is to safeguard the Group's ability to continue as a going concern in order to provide satisfactory returns for shareholders, maintain an ideal capital structure and reduce capital costs.

**Investments in subsidiaries, associates and other companies**

The Company's securities are analyzed as follows:

<b>31st December 2016</b>	<b>Acquisition cost</b>	<b>Impairment</b>	<b>Valuation value</b>	<b>Impairment of previous years</b>	<b>Interest Held (%)</b>
<b>Investments in subsidiaries</b>					
Unisystems Netherlands BV	1.006	(485)	246	(275)	100,00%
Unisystems Cyprus Ltd	2.104	-	99	(2.005)	100,00%
	<b>3.110</b>	<b>(485)</b>	<b>345</b>	<b>(2280)</b>	
<b>Investments in associates</b>					
PARKMOBILE HELLAS SA	1.284	-	-	(1.284)	40,00%
	<b>1.284</b>	-	-	<b>(1.284)</b>	
<b>Available for sale financial assets</b>					
BriQ Properties REIC	4.530	9	4.539	-	16,31%
ITEC SA	726	-	-	(726)	34,00%
PROBANK SA	570	-	-	(570)	0,16%
ACROPOLIS					
TECHNOLOGICAL PARK	527	(132)	-	(395)	4,43%
CREATIVE MARKETING	693	-	-	(693)	40,00%
EPIRUS TECHNOLOGY PARK	10	(10)	-	-	2,47%
	<b>7.056</b>	<b>(133)</b>	<b>4.539</b>	<b>(2.384)</b>	
<b>TOTAL</b>	<b>11.450</b>	<b>(618)</b>	<b>4.884</b>	<b>(5.948)</b>	

<i>31st December 2017</i>	<i>Acquisition cost</i>	<i>Impairment</i>	<i>Valuation value</i>	<i>Impairment of previous years</i>	<i>Interest Held (%)</i>
<b>Investments in subsidiaries</b>					
<b>Unisystems Netherlands BV</b>	1.061	(176)	125	(760)	100,00%
<b>Unisystems Cyprus Ltd</b>	2.104	-	99	(2.005)	100,00%
	<b>3.165</b>	<b>(176)</b>	<b>224</b>	<b>(2.765)</b>	
<b>Investments in associates</b>					
<b>PARKMOBILE HELLAS SA</b>	1.284	-	-	(1.284)	40,00%
	<b>1.284</b>	-	-	<b>(1.284)</b>	
<b>Available for sale financial assets</b>					
<b>BriQ Properties REIC</b>	4.539	(4.539)	-	-	16,31%
<b>ITEC SA</b>	726	-	-	(726)	34,00%
<b>PROBANK SA</b>	570	-	-	(570)	0,16%
<b>ACROPOLIS</b>					
<b>TECHNOLOGICAL PARK</b>	527	-	-	(527)	4,43%
<b>CREATIVE MARKETING</b>	693	-	-	(693)	40,00%
<b>EPIRUS TECHNOLOGY PARK</b>	10	-	-	(10)	2,47%
	<b>7.065</b>	<b>(4.539)</b>	-	<b>(2.526)</b>	
<b>TOTAL</b>	<b>11.514</b>	<b>(4.715)</b>	<b>224</b>	<b>(6.575)</b>	

The carrying values of investments are subject to impairment testing when events or changes in circumstances indicate that these amounts may no longer be recoverable. Impairment loss on investments is recognized in the statement of comprehensive income. Impairment loss on investments is incurred when its acquisition cost exceeds the carrying value of the investment.

#### **Events occurring after the Balance Sheet date**

The decision of the General Meeting of Shareholders of Unisystems Türk Bilgi Teknolojileri Anonim Şirketi (a subsidiary of our subsidiary "Unisystems B.V.") was adopted on 20.02.2018, according to which the clearance and liquidation procedure of this company was completed. The company which was registered in the Istanbul Chamber of Commerce on 21.02.2018, was subsequently removed from its records.

**Dear Shareholders,**

Following the above information, we ask that you approve the consolidated and separate Financial Statements of the year 2017.

Kallithea, March 30<sup>th</sup>, 2018

The Chairman of the Board of Directors &  
CEO

Ioannis K. Loumakis