ANNUAL FINANCIAL REPORT

for the period from
1 January to 31 December 2014

prepared in accordance with the International Financial Reporting Standards (IFRS)

Nea Ionia, 24 March 2015

SingularLogic

CONTENTS

A. Audit Report prepared by Independent Certified Public Accountant

To the Shareholders of SINGULARLOGIC S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the attached separate and consolidated financial statements of "SINGULARLOGIC S.A.”, which comprise the separate and the consolidated statement of financial position on 31 December 2014, the separate and consolidated comprehensive income statements, the statements of changes in equity and the cash flow statements for the fiscal year that ended on the above date, along with a summary of important accounting policies and methods and other explanatory notes.

Management responsibility for the separate and consolidated financial statements

Management is responsible for preparing and fairly presenting these separate and consolidated financial statements in accordance with the International Financial Reporting Standards, as adopted by the European Union, and in line with those internal checks and balances which Management considers necessary to make it possible to draw up the separate and consolidated financial statements free of material misstatements due to fraud or error.

Auditor’s responsibility

It is our responsibility to express an opinion on these separate and consolidated financial statements on the basis of our audit. We performed our audit in accordance with the International Standards of Auditing. These Standards require that we comply with the code of conduct and that we plan and perform our audit so as to provide a fair assurance as to what extent the separate and consolidated financial statements are free of material misstatements.

The audit includes the performance of procedures for the collection of audit data with regard to the sums and disclosures included in the separate and consolidated financial statements. The procedures selected are at the auditor’s discretion, including an assessment of the risk of material misstatements in the separate and consolidated financial statements whether due to fraud or error. When carrying out the risk assessment, the auditor examines the internal checks and balances on preparation and fair presentation of the company's separate and consolidated financial statements for the purpose of designing auditing procedures which are suitable under the circumstances, and not to express an opinion on the effectiveness of the company’s internal checks and balances. The audit also includes an evaluation of the suitability of the accounting policies and methods applied and the fairness of the assessments made by Management, and an evaluation of the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the attached separate and consolidated financial statements reasonably depict, in all material respects, the financial position of “SINGULARLOGIC S.A.” and its subsidiaries on 31 December 2014, their financial performance and cash flows for the accounting period which ended on that date in line with the International Financial Reporting Standards as adopted by the European Union.

Matter of emphasis

We draw your attention to note 13.18 to the financial statements. This indicates that, owing to the contractual termination of short-term borrowings totalling €53.6 million which may shortly become due and payable, the Group is at a phase of negotiations with credit institutions to refinance such borrowings. Moreover, explanatory note 14.5 makes reference to the fact that due to the contractual termination of borrowings, the Group's total short-term liabilities are in excess of the total current assets by approximately €48.5 million. These circumstances may eventually imply uncertainty about the problem-free continuing activities of the Group, which depend on the refinancing of its existing borrowings. Same explanatory note 14.5 sets out the actions taken by Group Management to deal with the above risks. More specifically, it indicates that the Company reached an agreement about the refinancing of its corporate bonds with the involved banks, by entering into a Memorandum of Understanding (MOU) and Termsheet on 25/02/2015. Our opinion is not qualified in relation to this matter.

<u>Reference to other Legal and Regulatory Issues</u>

We have verified that the content of the Board's Management Report corresponds to and matches that of the attached separate and consolidated financial statements in the context of the provisions of Articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 24 March 2015

The Certified Public Accountant

Manolis Michalios

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B. Annual Report of the Board of Directors on the consolidated and separate Financial Statements on the year from 1 January 2014 to 31 December 2014

1. Economic Review

The signs of recovery in the market of IT projects recorded in the first half of 2014 were not kept in the second half of the year since the persistent recession of economic activities in 2014 had a negative impact on private-sector investment activities while also generating serious delays in launching tenders for public works. Meanwhile, the market of self-produced packaged software for small and medium-sized enterprises registered further losses although the drop seems to have been considerably limited in comparison with previous years.

In 2014, SingularLogic Group, among others, entered dynamically the energy market by carrying out an integrated CRM project for ELPEDISON, i.e. an electricity supplier, while successfully carrying out once again the collection and broadcasting of the results of municipal/ regional elections and the 2014 European Parliament elections. In addition, the Group completed a number of important projects for the public sector such as “Digital Actions of the Athens Chamber of Industry and Commerce to boost entrepreneurship in the Prefecture of Attica", "Pre-trial stage e-services and on-line services for the Athens Bar Association's attorneys" and "Office automation services for criminal record departments of Greek Public Prosecutor's offices".

In 2014, SingularLogic Group registered a 2.5% drop in sales in relation to 2013, reaching €50.02 million from €51.3 million, mainly due to the drop in revenues from public works. Revenues from private-sector IT projects rose by 1% and software sales to small and medium-sized enterprises were marginally reduced. Despite the drop in sales, the continuing optimisation of the Group's cost base resulted in an increase in its operating profitability (EBITDA) to €4.4 million from €2.7 million in 2013.

As indicated above, in the section “Bank Loans” on 25.02.2015 SingularLogic entered into a Memorandum of Understanding (MOU) and Termsheet to refinance all its corporate bonds with EFG Eurobank, Piraeus Bank and Alpha Bank. Once the refinancing of SingularLogic corporate bonds is completed, which is expected to take place by the end of May 2015, the company’s liquidity ratios will be fully restored to sound levels.

Sales breakdown

Implementing a customer-oriented approach to business monitoring, the Group classifies customers in three categories:

- Large corporations
- SMEs
- State

Below is given a breakdown of Group sales per customer category:

SALES PER BUSINESS ACTIVITY				
(Amounts in euro)	01/01/2014-31/12/2014	%	01/01/2013-31/12/2013	%
Large corporations	33,480,338	66.94	33,486,523	65.26
Small and medium-sized enterprises	10,446,024	20.88	10,757,775	20.97
Public sector	6,090,934	12.18	7,067,122	13.77
Total	**50,017,295**	**100.00**	**51,311,420**	**100.00**

The table below sets out the breakdown of Group sales per revenue category for the period 01.01.2014-31.12.2014:

SALES BREAKDOWN PER CATEGORY				
(Amounts in euro)	01/01/2014-31/12/2014	%	01/01/2013-31/12/2013	%
Sales of software user licences	4,050,575	8.10	3,759,833	7.34
Software maintenance sales	16,657,775	33.30	17,607,409	34.31
Sales of services	22,579,221	45.15	23,225,419	45.26
Sales of Merchandises	6,729,725	13.45	6,718,759	13.09
Total	**50,017,295**	**100.00**	**51,311,420**	**100.00**

2. Risk Management

The Group is exposed to such risks as foreign exchange risk, the risk from technological developments, credit and interest rate risks.

(a) Foreign exchange risk

The Group mainly operates in the EU and, therefore, its exposure to the foreign exchange risk is not considerable. Nevertheless, risk arises from commercial transactions in foreign currency and also from net investments in foreign entities, the net assets of which are exposed to foreign exchange risk (mainly in USD and the Romanian RON). The amount of these transactions is not significant and no exchange risk hedging is implemented.

(b) Risk from Technological Developments

The technological developments pertaining to the business of IT companies may affect their competitiveness, thus giving rise to the need for ongoing update and renewal. Certain important and necessary variations in the existing technology may eventually require major investments and a period of operating consolidation with the current activity.

In all events, it is noted that the Company uses its best efforts to be hedged at all times against the risk of diminished technological development in the following ways:

- By developing its products in widespread international platforms with an extensive lifecycle, which entail the respective investment in know-how on the part of the Company's clientele;
- By being an expert in adopting and adapting its product development to state-of-the-art operating systems and technologies;
- By taking part in European projects such as “BROKER@CLOUD”, “SIIP" and "RAPID”, for the unique purpose of being updated and recognising the most innovative technologies and eventually incorporating them in its product development process.

(c) Credit risk and liquidity risk
The Group does not have any credit risk consolidation in terms of receivables since such risk is spread along a large number of customers. These receivables are monitored on an ongoing basis and in case an eventual risk is recognised, the adequate measures are taken.

The Group manages its liquidity needs by carefully monitoring its debts, long-term and short-term financial liabilities and also the payments made daily. Liquidity requirements are monitored in various time zones on a daily and weekly basis and on a rolling 30-day basis. Long-term liquidity requirements for the 6 months ahead and the following year are calculated each month.
The maturity of the Group’s financial liabilities on 31 December 2014 is broken down as follows:

31/12/2014

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Over 5 years**
Amounts in €				
Bonds payable next year	53,628,000	-	-	-
Finance lease obligations	-	-	-	-
Trade liabilities	3,665,174	3,230,013	-	-
Other short-term liabilities	11,933,648	8,516,522	-	-
Short-term borrowing	3,675,198	-	-	-
	72,902,019	**11,746,535**	**0**	**0**

31/12/2013

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Over 5 years**
Amounts in €				
Bonds payable next year	53,628,000	-	-	-
Finance lease obligations	15,621	15,622	21,270	-
Trade liabilities	6,256,807	3,741,872	-	-
Other short-term liabilities	11,047,461	8,353,800	-	-
Short-term borrowing	3,982,218	-	-	-
	74,930,108	**12,111,294**	**21,270**	**0**

On 31.12.2014, the Group’s short-term loan liabilities, due to their contractual termination, include corporate bonds amounting to €53,628,000 with the result of the short-term liabilities appearing higher than current assets (by €48,508,981 and €48,670,799 for the Group and the Company respectively). On 25.02.2015, the Company reached an agreement concerning the refinancing of the above loans with the involved banks, i.e. EFG EUROBANK ERGASIAS S.A., PIRAEUS BANK and ALPHA BANK, by entering into a Memorandum of Understanding (MOU) and Termsheet. All corporate bonds will be

refinanced through the issue of two ordinary corporate bonds equal to €56,892,000 and maturing on 31.01.2018. It is expected that the new loan agreements will be signed and the disbursement will be completed by the end of May 2015. This significant development bears witness to the trust and support of the banks to the strategy and prospects of SINGULARLOGIC while also restoring the liquidity ratios of both Group and Company to sound levels.

d) Interest rate risk

The Group is exposed to the variation risk of future cash flows due to change in the interest rates since it has issued corporate bonds and has obtained short-term loans at a floating rate.

3. Major events occurring after the end of the fiscal year

The Company entered into a Memorandum of Understanding and Termsheet with EFG EUROBANK ERGASIAS, PIRAEUS BANK and ALPHA BANK to refinance all its corporate bonds through the issue of two ordinary corporate bonds totalling €56,892,000. It is expected that the new loan agreements will be signed and the disbursement will be completed by the end of May 2015.

The new loans are expected to be of three-year term and the interest period will come to six months save the first period which will expire on 30.06.2015. The interest rate will be common for both loans and will correspond to the sum of six-month Euribor plus a rate spread. The new loans are not expected to vary considerably the interest rate cost of the Company or the Group.

4. Outlook for 2015

2015 is expected to be an improved year for SingularLogic Group. The persistent climate of political instability and uncertainty doubled by the signification restrictions on market liquidity are expected to slow down the investments of both private and public sectors. In view of another difficult year but always in line with its long-term growth strategy, the Group strengthens considerably its presence abroad on an independent basis but also through partnerships. It is expected that the increase in international business activities will offset the weakness of the domestic market.

Meanwhile, further cost reduction, the effective cash flow management, the strengthening of its customer-oriented approach to large corporations as well as the development of innovative solutions based on leading-edge technologies are top priorities of SingularLogic’s Management, which aim at enhancing the competitiveness of Group products and services.

Nea Ionia, 24 March 2015

The Chairman of the BoD & Managing Director

Michail Kariotoglou

C. Financial Statements

1 Income Statement

		THE GROUP		THE COMPANY	
(Amounts in €)	**Note**	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Sales	12	**50,017,295**	**51,311,420**	**44,910,498**	**45,546,360**
Cost of Goods Sold	13.23	(38,012,394)	(38,049,160)	(35,044,434)	(34,932,766)
Gross Profit		**12,004,901**	**13,262,259**	**9,866,064**	**10,613,593**
Other operating income	13.24	3,682,143	4,302,646	3,822,412	4,423,961
Selling expenses	13.23	(9,141,678)	(8,119,191)	(7,970,790)	(7,087,974)
Administrative expenses	13.23	(5,663,947)	(6,396,707)	(4,807,614)	(5,397,636)
Other operating expenses	13.24	(1,904,295)	(2,628,754)	(1,802,795)	(2,271,201)
Operating income		**(1,022,876)**	**420,253**	**(892,723)**	**280,744**
Financial income	13.25	115,813	136,460	93,580	80,364
Financial expenses	13.25	(4,489,054)	(4,501,871)	(4,402,227)	(4,418,120)
Other financial results	13.26	(26,443)	(2,906,816)	200,720	(3,757,322)
Profits /(Losses) from associates	13.5	14,974	17,857	-	-
Earnings / (losses) before tax		**(5,407,586)**	**(6,834,117)**	**(5,000,650)**	**(7,814,334)**
Income tax	13.27	1,679,063	(54,176)	1,752,008	117,505
Profits / (losses) net of tax		**(3,728,524)**	**(6,888,293)**	**(3,248,643)**	**(7,696,829)**
Period profit attributable to:					
Parent company owners		(3,800,192)	(7,053,476)	(3,248,643)	(7,696,829)
Non-controlling interests		71,668	165,183	-	-
		(3,728,524)	**(6,888,293)**	**(3,248,643)**	**(7,696,829)**

The accompanying notes form an integral part of the financial statements.

2 Statement of Comprehensive Income

	THE GROUP		THE COMPANY	
(Amounts in €)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Earnings net of tax for the period	**(3,728,524)**	**(6,888,293)**	**(3,248,643)**	**(7,696,829)**
Other comprehensive income				
Amounts not reclassified to the Income Statement during subsequent periods:				
Reassessment of liability for employee benefits	(83,001)	300,542	(55,717)	285,593
Deferred tax on reassessment of liability for employee benefits	21,580	(78,141)	14,486	(74,254)
Deferred taxes on actuarial gains/(losses) due to change in tax rate	0	(108,204)	0	(102,512)
Amounts reclassified to the Income Statement during subsequent periods:				
FX differences of foreign operations conversion	(1,801)	(3,846)	0	0
Income taxes related to items of other comprehensive income	0	0	0	0
Other comprehensive income for the period net of tax	***(63,222)***	***110,351***	***(41,230)***	***108,827***
Consolidated comprehensive income for the period	**(3,791,746)**	**(6,777,942)**	**(3,289,873)**	**(7,588,002)**
Consolidated comprehensive income for the period attributable to:				
Parent company owners	(3,863,414)	(6,943,125)	(3,289,873)	(7,588,002)
Non-controlling interests	71,668	165,183	-	-

The accompanying notes form an integral part of the financial statements.

3 Statement of financial position

	Note	THE GROUP		THE COMPANY	
ASSETS		**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Non-current assets					
Tangible assets	13.1	414,808	617,488	331,746	526,953
Goodwill	13.3	54,293,293	54,293,293	51,636,150	51,636,150
Intangible assets	13.2	22,202,773	22,472,757	21,785,809	21,940,345
Investments in subsidiaries	13.4	-	-	794,595	794,595
Investments in affiliates (consolidated using the equity method)	13.5	407,672	392,699	0	0
Deferred tax assets	13.13	2,316,637	2,461,639	2,281,462	2,436,597
Financial assets available for sale	13.7	59,932	59,932	59,932	59,932
Other long-term receivables	13.6	410,645	522,945	404,961	511,495
		80,105,760	**80,820,753**	**77,294,655**	**77,906,067**
Current Assets					
Inventories	13.8	497,490	784,334	398,481	678,363
Customers and other trade receivables	13.9	26,718,938	25,728,971	25,615,878	24,292,489
Other receivables	13.10	2,871,856	2,424,502	2,450,498	2,290,096
Assets presented at fair value through P&L	13.12	0	13,496	0	13,496
Other current assets	13.11	3,103,088	9,707,350	3,058,692	9,594,218
Cash and cash equivalents	13.15	3,544,323	5,498,113	1,876,153	3,680,695
		36,735,695	**44,156,766**	**33,399,703**	**40,549,356**
Total assets		**116,841,456**	**124,977,519**	**110,694,357**	**118,455,423**
EQUITY & LIABILITIES					
Share Capital	13.16.1	20,643,215	20,643,215	20,643,215	20,643,215
Share Premium	13.16.1	70,547,001	70,547,001	70,547,001	70,547,001
Other reserves	13.16.2	222,494	312,944	230,678	323,133
Reorganisation Balance Sheet Reserves	13.16.2	(20,885)	(19,084)	0	0
Results carried forward		(64,677,586)	(60,906,423)	(67,020,460)	(63,823,042)
Equity attributed to parent company shareholders		**26,714,240**	**30,577,654**	**24,400,434**	**27,690,307**
Non-controlling interests		440,068	606,000	-	-
Total equity		**27,154,307**	**31,183,653**	**24,400,434**	**27,690,307**
Long-term liabilities					
Long-term loan liabilities	13.18	0	21,270	0	0
Deferred tax liabilities	13.13	2,745,948	4,701,493	2,662,184	4,585,413
Staff termination liabilities	13.17	1,696,524	1,481,863	1,561,237	1,385,550
Long-term provisions		0	150,000	0	150,000
Total long-term liabilities		**4,442,472**	**6,354,626**	**4,223,421**	**6,120,964**
Short-term liabilities					
Suppliers and other liabilities	13.20	6,895,186	9,998,680	6,623,503	9,669,681
Current tax liabilities	13.21	94,709	134,788	0	0
Short-term bank liabilities	13.18	57,303,198	57,641,461	56,060,018	56,401,407
Other short-term liabilities	13.22	20,355,461	19,266,473	18,795,144	18,175,228
Short-term provisions	13.19	596,123	397,837	591,837	397,837
Total short-term liabilities		**85,244,676**	**87,439,239**	**82,070,502**	**84,644,152**
Total Liabilities		**89,687,148**	**93,793,865**	**86,293,923**	**90,765,116**
Total equity and liabilities		**116,841,456**	**124,977,519**	**110,694,357**	**118,455,423**

The accompanying notes form an integral part of the financial statements.

4 Consolidated Statement of Changes in Equity

(amounts in €)	Note	Share Capital	Premium on capital stock	Other reserves	Cash flow hedge reserves	FX difference from subsidiary's balance sheet conversion	Results carried forward	Total	Non-controlling interests	Total equity
		Equity attributed to parent company shareholders								
Balance of Equity on 31.12.2012 (restated)	13.16	**20,643,215**	**70,547,001**	**303,604**	**0**	**(15,238)**	**(53,907,518)**	**37,571,064**	**476,312**	**38,047,376**
Profit distribution		0	0	9,340	0	0	(9,340)	0	(49,793)	**(49,793)**
Increase/ (Decrease) in share of non-controlling interests in subsidiaries		0	0	0	0	0	(50,286)	(50,286)	14,297	**(35,988)**
Transactions with owners		**0**	**0**	**9,340**	**0**	**0**	**(59,625)**	**(50,286)**	**(35,495)**	**(85,782)**
Net results for the period 01.01 – 31.12.2013							(7,053,476)	(7,053,476)	165,183	**(6,888,293)**
Net results for the period (a)		-	-	-	-	-	***(7,053,476)***	**(7,053,476)**	***165,183***	**(6,888,293)**
Reassessment of liability for employee benefits							300,542	300,542		**300,542**
Deferred tax on reassessment of liability for employee benefits							(78,141)	(78,141)		**(78,141)**
Deferred taxes on actuarial gains/(losses) due to change in tax rate							(108,204)	(108,204)		**(108,204)**
Foreign exchange differences						(3,846)		(3,846)		**(3,846)**
Other comprehensive income for the period (b)		***0***	***0***	***0***	***0***	***(3,846)***	***114,197***	**110,352**	***0***	**110,352**
Consolidated comprehensive income for the period (a) + (b)		**0**	**0**	**0**	**0**	**(3,846)**	**(6,939,278)**	**(6,943,124)**	**165,183**	**(6,777,942)**
Balance of Equity on 31.12.2013		**20,643,215**	**70,547,001**	**312,944**	**0**	**(19,084)**	**(60,906,423)**	**30,577,654**	**606,000**	**31,183,653**

		Share Capital	Premium on capital stock	Other reserves	Cash flow hedge reserves	FX difference from subsidiary's balance sheet conversion	Results carried forward	Total	Non-controlling interests	Total equity
Balance of Equity on 31.12.2013	13.16	**20,643,215**	**70,547,001**	**312,944**	**0**	**(19,084)**	**(60,906,423)**	**30,577,654**	**606,000**	**31,183,653**
Transfers between reserves and results carried forward		0	0	(90,450)	0	0	90,450	0	0	**0**
Distributions		0	0	0	0	0	0	0	(237,600)	**(237,600)**
Transactions with owners		**0**	**0**	**(90,450)**	**0**	**0**	**90,450**	**0**	**(237,600)**	**(237,600)**
Net results for the period 01.01 – 31.12.2014							(3,800,192)	(3,800,192)	71,668	**(3,728,524)**
Net results for the period (a)		***0***	***0***	***0***	***0***	***0***	***(3,800,192)***	**(3,800,192)**	***71,668***	**(3,728,524)**
Reassessment of liability for employee benefits							(83,001)	(83,001)		**(83,001)**
Deferred tax on reassessment of liability for employee benefits							21,580	21,580		**21,580**
Foreign exchange differences						(1,801)		(1,801)		**(1,801)**
Other comprehensive income for the period (b)		***0***	***0***	***0***	***0***	***(1,801)***	***(61,421)***	**(63,222)**	***0***	**(63,222)**
Consolidated comprehensive income for the period (a) + (b)		**0**	**0**	**0**	**0**	**(1,801)**	**(3,861,613)**	**(3,863,414)**	**71,668**	**(3,791,746)**
Balance of Equity on 31.12.2014		**20,643,215**	**70,547,001**	**222,494**	**0**	**(20,885)**	**(64,677,586)**	**26,714,240**	**440,068**	**27,154,307**

The accompanying notes form an integral part of the financial statements.

5 Statement of Changes in Equity of Parent Company

(amounts in €)	Note	Share Capital	Premium on capital stock	Other reserves	Cash flow hedge reserves	Results carried forward	Total equity
Balance of Equity on 31.12.2012 (restated)	13.16	**20,643,215**	**70,547,001**	**323,133**	**0**	**(56,235,040)**	**35,278,309**
Share capital increase due to subsidiary's absorption		0	0	0	0	0	0
Amounts from subsidiaries' absorption		0	0	0	0	0	0
Transactions with owners		**0**	**0**	**0**	**0**	**0**	**0**
Net results for the period 01.01 – 31.12.2013						(7,696,829)	(7,696,829)
Net results for the period (a)		-	-	-	-	***(7,696,829)***	***(7,696,829)***
Reassessment of liability for employee benefits						285,593	285,593
Deferred tax on reassessment of liability for employee benefits						(74,254)	(74,254)
Deferred taxes on actuarial gains/(losses) due to change in tax rate						(102,512)	(102,512)
Other comprehensive income for the period (b)		***0***	***0***	***0***	***0***	***108,827***	***108,827***
Consolidated comprehensive income for the period (a+b)		**0**	**0**	**0**	**0**	**(7,588,002)**	**(7,588,002)**
Balance of Equity on 31.12.2013		**20,643,215**	**70,547,001**	**323,133**	**0**	**(63,823,042)**	**27,690,307**

	Note	Share Capital	Premium on capital stock	Other reserves	Cash flow hedge reserves	Results carried forward	Total equity
Balance of Equity on 31.12.2013	13.16	**20,643,215**	**70,547,001**	**323,133**	**0**	**(63,823,042)**	**27,690,307**
Transfers between reserves and results carried forward		0	0	(92,455)	0	92,455	0
Amounts from subsidiaries' absorption		0	0	0	0	0	0
Transactions with owners		**0**	**0**	**(92,455)**	**0**	**92,455**	**0**
Net results for the period 01.01 – 31.12.2014						(3,248,643)	(3,248,643)
Net results for the period (a)		***0***	***0***	***0***	***0***	***(3,248,643)***	***(3,248,643)***
Reassessment of liability for employee benefits						(55,717)	(55,717)
Deferred tax on reassessment of liability for employee benefits						14,486	14,486
Other comprehensive income for the period (b)		***0***	***0***	***0***	***0***	***(41,230)***	***(41,230)***
Consolidated comprehensive income for the period (a+b)		**0**	**0**	**0**	**0**	**(3,289,873)**	**(3,289,873)**
Balance of Equity on 31.12.2014		**20,643,215**	**70,547,001**	**230,678**	**0**	**(67,020,460)**	**24,400,434**

The accompanying notes form an integral part of the financial statements.

6 Cash Flow Statement

(amounts in €)	Note	THE GROUP 31.12.2014	THE GROUP 31.12.2013	THE COMPANY 31.12.2014	THE COMPANY 31.12.2013
Cash flow from operating activities	**13.28**	**4,516,608**	**(563,712)**	**3,885,831**	**(762,808)**
Interest paid		(2,817,388)	(2,753,149)	(2,758,985)	(2,696,812)
Income tax paid		(164,845)	(7,808)	0	(2,315)
Net cash flow from operating activities		**1,534,375**	**(3,324,669)**	**1,126,845**	**(3,461,934)**
Cash flow from investing activities					
Purchases of tangible assets	13.1	(307,726)	(58,627)	(277,769)	(49,226)
Purchases of intangible assets	13.2	(4,687,095)	(2,887,673)	(4,635,099)	(2,875,401)
Proceeds from sale of tangible assets		374	38,370	0	25,760
Proceeds from sale of intangible assets		50,153	19,281	50,153	19,281
Purchases of financial assets		0	(46,784)	0	(46,784)
Derivatives settlement		0	0	0	0
Sale of associates		0	0	0	0
Sale of subsidiaries (less subsidiary's cash assets)		0	(9,638)	0	5,811
Sales of financial assets		0	9,953	0	9,953
Sales of assets presented at fair value through P&L		13,496	2,289,109	13,496	2,289,109
Interest collected		101,436	119,209	78,622	69,274
Dividends received		0	42,785	242,400	80,660
Grants received		1,938,199	1,893,800	1,938,199	1,893,800
Net cash flow from investing activities		**(2,891,164)**	**1,409,784**	**(2,589,998)**	**1,422,236**
Cash flow from financing activities					
Inflow/ (outflow) from changes in holdings in existing subsidiaries	13.4	0	(46,102)	0	(46,102)
Dividends paid to non-controlling interests		(237,469)	(36,750)	0	0
Loans raised		0	2,000,000	0	2,000,000
Loans assumed from affiliated parties		300,000	0	300,000	0
Loan repayments		(659,533)	(2,041,722)	(641,389)	(2,000,000)
Net cash flow from financing activities		**(597,002)**	**(124,574)**	**(341,389)**	**(46,102)**
Net (decrease) / increase in cash and cash equivalents		**(1,953,790)**	**(2,039,460)**	**(1,804,542)**	**(2,085,800)**
Cash and cash equivalents at start of period		**5,498,113**	**7,537,573**	**3,680,695**	**5,766,495**
Cash and cash equivalents of absorbed subsidiaries		0	0	0	0
Cash and cash equivalents at end of period		**3,544,323**	**5,498,113**	**1,876,153**	**3,680,695**

The accompanying notes form an integral part of the financial statements.

7 General Information

7.1 General Information on the Company

On 24.07.2009, “TOWER TECHNOLOGY HOLDINGS S.A.” was set up in accordance with Decision No. EM-21014/24.07.2009 of the Prefecture of Athens with the notice of entry in the Companies Register published in Government Gazette Issue No. 9312/29.07.2009.

Pursuant to the decision dated 30.07.2009 of the General Meeting of shareholders, the Company was renamed into “MIG TECHNOLOGY HOLDINGS S.A.”, which was validated on 4.8.2009 by decision No. EM-21523/09 of the Prefecture of Athens.

Based on the decision dated 11.05.2010 of the General Meeting of the Company’s shareholders, the merger of the Company with the Company with corporate name "SINGULAR LOGIC S.A. - IT SYSTEMS AND APPLICATIONS" and trade name “SINGULARLOGIC S.A.” was approved, through absorption of the latter according to the provisions of Article 78 and Articles 69-77a of Codified Law 2190/1920 and the provisions of Legislative Decree 1297/1972, as in force. Meanwhile, it was decided to change the Company's corporate name and trade name into "SINGULARLOGIC S.A. – IT SYSTEMS AND APPLICATIONS" and trade name “SINGULARLOGIC S.A.”, hereinafter referred to as the Company. The absorption that took place on 16.06.2010 was validated by Decision No. EM-9195/10 of the Prefecture of Athens on 16.06.2010.

7.2 General information on the financial statements

The Group’s financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board. SingularLogic S.A. is the parent company of SingularLogic Group. The address of SingularLogic Group, where the Company keeps its registered office, is Al. Panagouli St. & Siniosoglou St., Nea Ionia and its URL address is www.singularlogic.eu.

The financial statements as at 31 December 2014 were approved to be published by the Board of Directors on 24.03.2015.

8 Business Activities

SingularLogic operates in the following sectors:

- Study, design, development, processing, manufacture, trade and marketing of IT systems and high-tech products
- Software production, development and support
- Services on the operation of customer IT systems, integrated solutions, and all types of applications in IT sector
- Trade of software, hardware and systems software.

The primary objective of SingularLogic is to meet in due time the needs of enterprises and organisations, providing them with top quality and competitive integrated solutions.

As part of this strategy, SingularLogic provides a wide range of integrated IT solutions to public and private sector enterprises and organisations, which are based on the portfolio of software products designed and developed by SingularLogic as well as on software applications obtained through strategic partnerships with internationally reputed software firms such as SAP HELLAS S.A., MICROSOFT HELLAS S.A. and ORACLE HELLAS S.A.

SingularLogic has a strong distribution network covering the entire Greek territory and numbering more than 400 partners, thus ensuring the distribution and support of SingularLogic products even in the remotest regions of Greece. The distribution network aims at marketing and also at providing direct, continuous and quality support to the products provided by SingularLogic.

Currently, the Company provides advanced and integrated solutions for all modern enterprises, irrespective of their size and business. Its clientele consists of more than 40,000 small and medium-sized enterprises and more than 700 large and multinational corporations.

9 Basis of preparation of the financial statements

The consolidated financial statements of SINGULARLOGIC S.A. dated 31 December 2014 have been prepared on the basis of the historical cost principle modified by adjusting specific assets and liabilities to current values, the going concern principle and are in line with the International Financial Reporting Standards (IFRS), as they have been issued by the IASB, and their interpretations issued by the IASB's IFRIC and approved by the European Union.

The accounting policies used in the preparation of 2013 Financial Statements applied to these Financial Statements, following adaptation to the new Standards and the revisions required by IFRS for the accounting periods beginning on 1 January 2014 (see paragraphs 9.1.1 - 9.1.2).

9.1. Changes to accounting policies

9.1.1 New standards, interpretations, revisions and amendments to the existing standards which are in effect and have been adopted by the EU

The following amendments and interpretations of the IFRS were published by the International Accounting Standards Board (IASB), have been adopted by the European Union and their application is mandatory as of 01.01.2014 or thereafter.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosures of Interests in other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 01.01.2014)**

In May 2011, the IASB issued three new Standards: IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a consolidation model which identifies the concept of control as the basis for the consolidation of all manner of entities. IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special purpose entities". IFRS 11 "Joint Arrangements" outlines the principles with regard to the financial reporting for entities that jointly control an arrangement. IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities - Non-monetary Contributions by Venturers". IFRS 12 "Disclosures of Interests in other Entities" combines, enhances and replaces disclosure requirements for subsidiaries, jointly controlled entities, associates and unconsolidated structured entities. As a consequence of these new standards, the IASB also issued the amended IAS 27, entitled IAS 27 "Separate Financial Statements", and the amended IAS 28, entitled IAS 28 "Investments in Associates and Joint Ventures". The standards do not affect the consolidated and separate financial statements save the additional disclosure requirements of IFRS 12.

- **Transition Guide: Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in other Entities (amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual accounting periods beginning on or after 01.01.2014)**

In June 2012, the IASB issued this Guidance which clarifies the transitory provisions of IFRS 10. The amendments provide additional relief at the stage of transition to IFRS 10, IFRS 11 and IFRS 12 thus limiting the requirement to provide adjusted comparative information to the immediately preceding period only. In addition, as regards the disclosures about unconsolidated entities, the amendments remove the requirement to present comparative information. The amendments do not affect the consolidated and separate financial statements save the additional disclosure requirements of IFRS 12.

- **Investment entities (amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual accounting periods beginning on or after 01.01.2014)**

In October 2012 the IASB issued amendments to IFRS 10, IFRS 12 and IAS 27. These amendments are applicable to investment entities. The IASB has used the term 'investment entities' to refer to all entities engaged exclusively in investing capital to generate returns from the goodwill on capital, or revenues from investments or both. Investment entities must evaluate the return on investments at fair value. This category may include private venture capital firms, investment capital managers, private pension funds, public investment funds and other investment funds. By way of exception to the consolidation-related requirements in IFRS 10, the amendments state that investment entities must measure specific subsidiaries at fair value through profit or loss and must not include them in the consolidation but provide the necessary disclosures instead. The amendments have no impact on the consolidated or separate financial statements.

- **Amendments to IAS 32 "Financial instruments: Presentation" – Offsetting financial assets and financial liabilities (effective for annual accounting periods beginning on or after 01.01.2014)**

In December 2011 the IASB issued amendments to IAS 32 "Financial Instruments: Presentation" to provide clarifications concerning the requirements of the Standard as regards the cases of offsetting of financial assets and financial liabilities in the Statement of Financial Position. The amendments have no impact on the consolidated or separate financial statements.

- **Amendment to IAS 36 "Impairment of Assets" - Recoverable amount disclosures for non-financial assets (effective for annual accounting periods beginning on or after 01.01.2014)**

In May 2013 the IASB issued a narrow-scope amendment to IAS 36 "Impairment of Assets". This amendment specifies the disclosures that need to be made about the recoverable amount for assets that have become impaired, if that amount is based on fair value less selling costs. This amendment has no effect on the consolidated or separate financial statements.

- **Amendments to IAS 39 "Financial instruments: Recognition and Measurement - Novation of Derivatives and discontinuation of Hedge Accounting (effective for annual accounting periods beginning on or after 01.01.2014)**

In June 2013 the IASB issued narrow-scope amendments to IAS 39 "Financial Instruments: Recognition and Measurement". The suggested amendments aim to introduce a narrow-scope relief regarding the discontinuation of hedge accounting according to the IAS 39 principles. Specifically, if certain conditions are met, a relief is suggested in situations where the counterparty of a derivative, which has been designated as hedging instrument, is novated to achieve clearing with a central counterparty as a consequence of changes to laws or regulations. An exception to this effect will also be included in IFRS 9 "Financial Instruments". The amendments have no impact on the consolidated or separate financial statements.

- **IFRIC 21 "Levies" (effective for annual periods beginning on or after 01.01.2014)**

In May 2013, the IASB issued IFRIC 21. The Interpretation clarifies when a company should recognise the liability to pay a levy imposed by the State in its Financial Statements. IFRIC 21 is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event, known as an obligating event. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The amendments have no impact on the consolidated or separate financial statements.

9.1.2 New standards, interpretations, revisions and amendments to existing standards which are not yet in effect or have not been approved by the EU

The following new standards and revisions to standards, as well as the following interpretations for existing standards, have been published, but either they are not yet in effect or they have not been approved by the EU. More specifically:

- **IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 01.01.2018)**

In July 2014, the IASB issued the final version of IFRS 9. The improvements made by the new standard include a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The Group will consider the effect of all the above on the consolidated and separate financial statements although none is expected. The above has not been adopted by the European Union.

- **IFRS 14 “Regulatory Deferral Accounts” (effective for annual periods beginning on or after 01.01.2016)**

In January 2014, the IASB issued a new standard, IFRS 14. The objective of this interim standard is to enhance the comparability of financial reporting by entities with rate-regulated activities. In many countries there are sectors that are subject to special rate regulation according to which government authorities regulate the supply and pricing of particular types of activity by private entities. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above has not been adopted by the European Union.

- **IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 01.01.2017)**

In January 2014, the IASB issued a new standard, IFRS 15. The said standard is fully in line with requirements concerning the recognition of revenues under the principles of both IFRS and US GAAP. The new standard will replace IAS 18 “Revenue”, IAS 11 “Construction Contracts” and some interpretations related to revenue. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above has not been adopted by the European Union.

- **Annual Improvements to IFRSs 2010-2012 Cycle (effective for annual accounting periods beginning on or after 01.07.2014)**

In December 2013, the IASB issued the “Annual Improvements to IFRSs 2010-2012 Cycle”, which incorporates a series of adjustments to 8 standards and forms part of the annual improvement project. The amendments apply to annual accounting periods beginning on or after 1 July 2014, although the entities are allowed to implement them earlier. The issues included in this cycle are the following: IFRS 2: Definition of vesting conditions, IFRS 3: Accounting for contingent consideration in business combinations, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total assets for the reportable segments with the entity's assets, IFRS 13: Short-term receivables and liabilities, IAS 7: Interest paid that is capitalised, IAS 16/IAS 38: Revaluation method – proportionate restatement of accumulated depreciation and IAS 24: Key management personnel. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above was adopted by the EU in December 2014.

- **Annual Improvements to IFRSs 2011-2013 Cycle (effective for annual accounting periods beginning on or after 01.07.2014)**

In May 2013, the IASB issued the “Annual Improvements to IFRSs 2011-2013 Cycle”, which incorporates a series of adjustments to 4 standards and forms part of the annual improvement project. The amendments apply to annual accounting periods beginning on or after 1 July 2014, although the entities are allowed to implement them earlier. The issues included in this cycle are the following: IFRS 1: The meaning of effective IFRSs, IFRS 3: Exceptions for joint ventures, IFRS 13: Scope of paragraph 52 (portfolio exception) and IAS 40: Clarifying the interrelationship of IFRS 3 “Business Combinations” and IAS 40 “Investment property” when classifying property as investment property or owner-occupied property. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above was adopted by the EU in December 2014.

- **Annual Improvements to IFRSs 2012-2014 Cycle (effective for annual accounting periods beginning on or after 01.01.16)**

In September 2014, the IASB issued the “Annual Improvements to IFRSs 2012-2014 Cycle”, which incorporates a series of adjustments to 4 standards and forms part of the annual improvement project. The amendments apply to annual accounting periods beginning on or after 1 January 2016, although the entities are allowed to implement them earlier. The issues included in this cycle are the following: IFRS 5: Change in methods of disposal, IFRS 7: Servicing contracts and implementation of the requirements of IFRS 7 to Interim Financial Statements, IAS 19: Discount rate and IAS 34: Disclosure of information in the interim financial report. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above has not been adopted by the European Union.

- **Amendment to IAS 19: Defined benefit plans: Employee contributions (effective for annual accounting periods beginning on or after 01.07.2014).**

In November 2013 the IASB issued a narrow-scope amendment to IAS 19 “Employee Benefits” entitled “Defined benefit plans: Employee Contributions (Amendments to IAS 19). This amendment is applicable to employee or third party contributions to defined benefit plans. The objective of this amendment is to simplify how contributions which are independent of the number of years of employee service are accounted for, such as employee contributions computed as a fixed percentage of salary. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above was adopted by the EU in December 2014.

- **Amendment to IAS 27: “Equity method in separate financial statements” (effective for annual periods beginning on or after 01.01.2016)**

In August 2014, the IASB issued a narrow-scope amendment to IAS 27 “Equity Method in Separate Financial Statements”. According to this amendment, an entity may use the equity method as accounting option for investments in subsidiaries, joint ventures and associates in its separate financial statements, this being an option that was not available until said amendment was issued. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above has not been adopted by the European Union.

- **Amendments to IFRS 10 and IAS 28: “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (effective for annual periods beginning on or after 01.01.2016)**

In September 2014, the IASB issued narrow-scope amendment “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (amendments to IFRS 10 and IAS 28). The amendment will be applied by entities in the future to sales or contributions of assets during the annual periods beginning on or after 01.01.2016. Earlier application is permitted with the relevant disclosure in the Financial Statements being necessary. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above has not been adopted by the European Union.

- **Amendments to IAS 16 and IAS 41: “Agriculture: Bearer Plants (effective for annual periods beginning on or after 01.01.2016)**

In June 2014 the IASB issued amendments which change the financial reporting of bearer plants. Through this amendment it was decided that bearer plants, which are used solely to grow produce, must be accounted for in the same way as property, plant and equipment (IAS 16). Therefore, these amendments bring bearer plants into the scope of IAS 16 instead of IAS 41. Produce growing on bearer plants continues to be accounted for under IAS 41. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above has not been adopted by the European Union.

- **Amendments to IAS 16 and IAS 38: “Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for annual periods beginning on or after 01.01.2016)**

In May 2014 the IASB issued amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 establish principles that clarify how amortisation is treated in the expected consumption of the future economic benefits embodied in the asset. The IASB has specified that a revenue-based method should not be used to calculate the charge for depreciation and/or amortisation because the revenue generated from an activity including the use of an asset generally reflects factors other than the consumption of the future economic benefits embodied in the asset. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above has not been adopted by the European Union.

- **Amendments to IFRS 11: “Accounting for Acquisitions of Interests in Joint Operations” (effective for annual periods beginning on or after 01.01.2016)**

In May 2014 the IASB issued amendments to IFRS 11. Said amendments add new guidance on accounting for the acquisition of an interest in a joint operation, which constitutes a business, and clarify the adequate accounting for such acquisitions. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above has not been adopted by the European Union.

- **Amendments to IAS 1: “Disclosure Initiative" (effective for annual periods beginning on or after 01.01.2016)**

In December 2014 the IASB issued amendments to IAS 1. Said amendments aim to settle issues concerning the existing presentation and disclosure requirements and ensure that entities apply judgment in determining what information to disclose in their financial statements. The Group will consider the effect of all the foregoing on the consolidated and separate Financial Statements. The above has not been adopted by the European Union.

- **Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 01.01.2016)**

In December 2014 the IASB issued narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28. Said amendments introduce explanations about accounting requirements of investment entities while also providing exceptions on specific occasions which will reduce the costs related to the application of standards. The Group will consider the effect of all the foregoing on the consolidated and separate financial statements though none is expected. The above has not been adopted by the European Union.

9.2. Important accounting judgements, estimates and assumptions

Preparing the financial statements in line with the IFRS requires that Management make judgements and estimates and use assumptions which affect the published assets and liabilities, and that it disclose contingent assets and liabilities on the date of the financial statements and the published income and expenses for the reporting period. The actual results may differ from the estimated ones.

Estimates and judgements are continuously re-evaluated based both on past experience and other factors, including expectations about future events, which are considered reasonable based on the specific circumstances.

Judgments

The basic evaluations carried out by the Group Management (save the evaluations associated with estimates, outlined below) with the most significant impact on the amounts recognised in the financial statements mainly relate to the following:

- **Investment categorisation**

Management decides when an asset is acquired whether it will be categorised as held-to-maturity, held for trading, measured at fair value through profit or loss or available-for-sale. In the case of investments characterised as held-to-maturity, Management examines whether the criteria in IAS 39 are satisfied, and in particular to what extent the Group intends and has the ability to hold the assets to maturity. The Group classifies investments as held for trading if they have been acquired mainly for the purpose of generating short-term profit. Categorising investments as measured at fair value through P&L depends on the way in which Management monitors the return on those investments. When they are not classified as held for trading but there are available and reliable fair values and the changes in fair values are included in P&L in Management accounts, they are classified as measured at fair value through P&L. All other investments are categorised as available-for-sale.

- **Estimates and assumptions**

Specific amounts included or affecting the financial statements and the relevant disclosures are estimated via assumptions on values or conditions, which cannot be known with certainty in the period of financial statements compilation. An accounting estimate is considered significant when it is important for the view of the Company's financial situation and results and requires most difficult, subjective or complex Management judgments, mainly as a result of the need to make estimates about the impact of assumptions which are uncertain. The Group evaluates such estimates on a continuous basis, based on past results and experience, meetings with experts, market trends and other methods deemed reasonable under specific conditions, and also on forecasts as to possible future changes. As a result of the foregoing, the Group makes the following estimates:

- Estimates as regards the outcome of works contracts and the total budgeted contractual cost used in establishing the percentage of completion. Whenever it is not possible to determine reliably the outcome of a works contract, at the initial stage of works contracts, the Group estimates revenues to the extent that it is likely that the assumed contractual cost will be recovered while the cost is recognised in the expenses of the period in which it was assumed.
- The expenses attributed to the development of the Group's software programs as intangible assets are recognised in the financial statements only when it is likely that the future economic benefits arising from the intangible assets will accrue to the entity. When estimating the future economic benefits, the Group takes also into account the technical capability to complete the intangible asset and make it available for sale or use, the existence of a market for the product producing the intangible asset or, in case it will be internally used, the usefulness of the intangible assets as well as the capability to measure reliably the expenses attributable to the intangible asset during its development.

- **Assessment of impairment**

The Group tests annually the existing goodwill and the intangible assets with indefinite useful life in terms of impairment and examines the events or conditions making possible such impairment, such as a considerable adverse change in the corporate climate or a decision on sale or disposal of a unit or an operating segment. To determine whether impairment applies or not requires the valuation of the respective unit which is carried out by using the cash flow discount method. When information is available, the market multiples method is applied in order to crosscheck the results that have been generated using the discounted cash flow method. When applying this methodology, the Group is based on a number of factors including actual operating results, future corporate plans and market data (statistical and non-statistical).

If such analysis shows the need for goodwill impairment, the measurement of impairment requires the estimate of fair value for every recognised tangible or intangible asset. In this case, the aforementioned cash flow approach is used and is carried out by independent assessors when deemed appropriate.

Moreover, other recognised intangible assets with definite useful life, which are subject to depreciation are tested annually in terms of impairment in case there are signs of impairment, by comparing the carrying amount with the sum of discounted cash flows that are expected to arise from the asset. Intangible assets with indefinite useful life are tested on an annual basis using a fair value method such as discounted cash flows.

- **Income tax**

Group companies are subject to income tax imposed by various tax authorities. Significant estimates are needed when making income tax provisions. There are many transactions and calculations for which the final level of tax is uncertain during normal business operations. The Group recognises liabilities for expected tax audit issues, based on estimates about the amount of any additional taxes that may be due. When the final result from the taxes of these cases is other than the amount initially recognised in the financial statements, such differences have an impact on income tax and on provisions for deferred taxes for the period in which these amounts are finalised.

- **Provisions**

Bad debt is shown as the amounts which may be recovered. Estimates about the amounts expected to be recovered are made after analysis and based on the Group's experience concerning the likelihood of customer bad debt. Once it is known that a specific account is at risk above the normal credit risk level (e.g. low credit rating for customer, disagreement over existence of receivable or level thereof, etc.) the account is analysed and a record is made of whether the conditions indicate that the receivable will not be collected.

- **Contingent events**

The Group is involved in court claims and compensations during its normal operating activities. Management believes that any settlements would not significantly influence the Group's financial status on 31 December 2014. However, determination of contingent liabilities relative to court disputes and claims is a complex procedure involving assessments concerning the probable consequences and interpretations of laws and regulations. Any changes in judgments or interpretations may eventually result in an increase or decrease in the Group's contingent liabilities in the future.

10.Summary of accounting policies

10.1. General

The significant accounting policies which have been used in the preparation of these consolidated financial statements are summed up below.

10.2. Consolidation and investments in associates

(a) Subsidiaries

Subsidiaries are all entities in which the Group is capable of controlling the financial and business policies. The Group believes it has and exercises control when it has a holding higher than half of voting rights.

When determining whether the Group controls the voting rights of another entity, the existence and any impact of potential voting rights that may be exercised or converted are considered.

The Group's consolidated financial statements include the financial statements of the parent company and also of the subsidiaries controlled by the Group using the full consolidation method.

Subsidiary companies are consolidated using the full consolidation method from the date on which the Group acquires control over them and cease to be consolidated from the date on which this control is no longer exercised.

Moreover, the subsidiaries acquired are subject to the application of the acquisition method. This includes the adjustment to fair value of all identifiable assets and liabilities, including the subsidiary's contingent liabilities on the acquisition date, regardless of whether these have been included in the subsidiary's financial statements prior to its acquisition. Upon initial recognition, the subsidiary's assets and liabilities are included in the consolidated Statement of Financial Position at the adjusted amounts which are also used as basis for their subsequent measurement in line with the Group's accounting policies. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination, which are neither defined nor recognised separately.

If the acquisition cost is lower than the fair value of the net assets of the subsidiary acquired, the difference is directly recognised through profit or loss.

The subsidiaries' accounting principles have been amended, when necessary, to be consistent with those adopted by the Group.

Intra-company receivables and liabilities, intra-company transactions generating income and expenses as well as unrealised profits or losses among companies are crossed out.

(b) Associates

An associate is an entity over which the Group may exercise a significant influence but which does not qualify as subsidiaries or interests in joint ventures. Significant influence means the power to participate in the financial and operating policy decisions of the investee but not the control over such policies. Significant influence usually applies when the Group holds 20-50% of voting rights through shares ownership or other type of agreement.

Investments in associates are initially recognised at cost and, for consolidation purposes, the equity method is used. Goodwill is included in the investment's book value (cost) and is tested for impairment as part of the investment. When a Group entity holds transactions with a Group associate, any inter-company profits and losses are crossed out by the Group's interest in the relevant associate.

All subsequent changes in the share in the associate's equity are recognised in the book value of the Group's investment. Any changes arising from the profits or losses generated from the associate are posted to "(Losses)/Profits of Associates" in the Group's consolidated income statement. Upon consolidation, any changes directly recognised in the shareholder's equity of the associate and relating to the results, such as those arising from the accounting treatment of the associate's available-for-sale investments are recognised in the Group's consolidated shareholder's equity. Any changes directly recognised in shareholder's equity which are not related to results, such as dividend distribution or other transactions with the associate's shareholders are recorded to the carrying amount of the interest. No effect on the net results or equity is recognised in the context of these transactions. Nevertheless, when the Group's share of losses in an associate is equal to or exceeds the carrying amount of the investment, including any other unsecured receivables, the Group does not recognise further losses unless the investor has assumed commitments or has made payments on behalf of the associate.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset acquired from the joint venture.

Compilation dates of associated companies' Financial Statements coincide with those of the parent company. The subsidiaries' accounting principles have been amended, when necessary, to ensure consistency with those adopted by the Group.

10.3. Conversion of items into foreign currency

The Group's consolidated financial statements are presented in Euro (€), which is the functional currency of the parent company.

Transactions in foreign currencies are converted into Euro using the applicable exchange rates on the transaction dates. In the consolidated financial statements, all separate financial statements of subsidiaries and jointly controlled entities, which are initially presented in a currency other than the Group's functional currency (none of which has a currency of a hyperinflationary economy), have been converted into Euro. Assets and liabilities have been converted into Euro at the applicable closing rates during the reporting period. Income and expenses have been converted into the Group's presentation currency using the average exchange rates during the reporting period. Any differences arising from this procedure have been transferred to the translation reserve of Financial Statements to equity.

10.4. Reporting per segment

To identify the operating segments, the Group normally uses the nature of the customer to whom a service or product is provided. Group Management evaluates the performance of each customer separately and cumulatively at the level of customer category. Management uses three categories of operating segments: Large corporations, small and medium-sized enterprises and public sector.

10.5. Recognition of income and expenses

Income: Income is recognised when it is likely that future economic benefits will accrue to the entity and these benefits can be reliably measured.

Income is measured at the fair value of the consideration collected and is net of value added tax, refunds, all manner of discounts and once intra-Group sales are restricted.

It is believed that the amount of income can be reliably measured when all sale-related contingent liabilities are settled.

Inter-company income within the Group is completely written-off. Income is recognised as follows:

- *Sales of goods:* Income from the sale of goods is recognised when the substantive risks and rewards of ownership of the goods have been transferred to the purchaser, usually upon dispatch of the goods.

- *Services:* Income from contracts at a predetermined price is recognised in line with the stage of completion of the transaction on the date of the Statement of Financial Position. According to the percentage-of-completion method, the income is generally recognised in line with the provision of services and performance to date as a percentage of all services that must be provided.

When the outcome of the services-related transaction cannot be reliably estimated, income is recognised solely to the extent that the recognised expenses are recoverable.

The amount of selling price relating to an agreement for services to be provided at a later stage is posted to a transitory account and is recognised in the income of the period in which services are provided. This income is included in the "Other Short-term Liabilities" account.

- *Income from interest:* Interest income is recognised on a time proportion basis using the effective interest rate method. When there is an indication of impairment of the receivables, the book value is reduced to the recoverable amount which is the present value of expected future cash flows discounted using the initial effective interest rate. Following this interest is recorded using the same interest rate based on the impaired (new book) value.

- *Dividends:* Dividends are recognised as income when the right to receive payment is established.

Expenses: Expenses are recognised through profit or loss on an accrual basis. Payments made for operating leases are presented through profit or loss as expenses during the time the leased property is used. Expenses from interest are recognised on an accrual basis.

10.6. Works Contracts

Works contracts concern the construction of assets or a group of associated assets (special software development projects) specifically for customers pursuant to the terms stipulated in the respective contracts and whose execution usually takes longer than one fiscal year.

The expenses associated with a construction contract are recognised when incurred.

In case it is not possible to measure reliably the outcome of a project construction contract and mainly in case the project is at an early stage:

- income is recognised to the extent the assumed contractual cost is likely to be recovered, and
- contractual cost is recognised in the expenses of the period in which they incurred.

Therefore, the income recognised for these contracts is such that profit from the specific project be nil.

When the outcome of a works contract can be reliably measured, the income and expenses arising from the contract are recognised throughout the contract as income and expenses respectively. The Group applies the percentage-of-completion method to determine the appropriate amount of income and expense that the Group will recognise in a specific time period.

The stage of completion is determined on the basis of the contractual cost incurred until the date of the Statement of Financial Position in relation to the total estimated construction cost of each project. When it is probable that the contract's total cost will exceed the total income, the expected loss is directly recognised in the income statement as an expense.

For the cost realised until the end of the period to be calculated, any expenses pertaining to contract-related future works shall be exempted and appear as work in progress. The total cost incurred and the profit/loss recognised for each contract is compared to the progressive invoicing till the end of the year.

When the incurred expenses plus the net profits (less losses) that have been recognised exceed progressive invoicing, the difference is posted as receivable from customers of works contracts in the "Other current assets" account. When progressive invoicing exceeds the incurred expenses plus the net profits (less losses) that have been recognised, the balance is posted as liability to customers of works contracts in the "Other short-term liabilities" account.

10.7. Intangible assets

(a) Industrial property rights

Industrial property rights include the purchase of copyright for software sale and are measured at acquisition cost less depreciation and any impairment losses. Depreciation is recorded using the straight-line method over the useful life of the assets which is 5 years.

(b) Goodwill

Goodwill represents the difference between the acquisition cost and fair value of a share of the equity in a subsidiary/ affiliated company on the acquisition date. Goodwill arising from acquisitions of affiliated entities is recognised in the "Interests in affiliated entities" account. Goodwill is reviewed each year for impairment and recognised at cost less any impairment losses. Profits and losses from the sale of an enterprise include the book value of goodwill which corresponds to the enterprise sold.

(c) Software development expenses

Research expenses are recognised as expenses in the accounting period in which they arise. Any expenses relating to software development, which is likely to provide the company with future economic benefits, are recognised as intangible assets. Development expenses which had been posted as expenses in the income statement in previous accounting periods are not recorded as intangible assets in a subsequent accounting period if it is established that this particular software development will result in future economic benefits.

The development of programs acquired in a business combination is recognised at their fair value according to the cost the Group would incur to develop the product in-house.

Development expenses which have been capitalised are depreciated from the start of commercial production of the product based on the straight-line method of depreciation during the period that the product is expected to generate benefits. The useful life estimated by the Group stands at 8 years.

(d) Software

Software licences are valued at acquisition cost less depreciation. Depreciation is recorded using the straight-line method over the useful life of the assets which ranges from 5 to 8 years.

When software is sold, differences between the price received and the book value are posted as profits or losses in the income statement.

When the book value of intangible assets exceeds the recoverable value the differences (impairment) are directly posted as expenses to the results.

(f) Trade name/ trademark

Trademarks are words, names, symbols or other means used in commerce to indicate the source of a product and distinguish it from the products of other manufacturers. A service mark qualifies and distinguishes the source of a service instead of a product. General marks are used to qualify merchandise or goods of a Group's members. Certification marks are used to certify the geographical origin or other characteristics of a good or service. Trademarks, trade names, service marks, general marks and certification marks may be legally secured by being registered to government bodies, their continuing commercial use or using other means. If legally secured through registration or other means, a trademark or other mark acquired in a business combination is an intangible asset meeting the contractual-legal criterion. The trade name in the Group's financial statements arose from the acquisition of SingularLogic S.A. Group.

Below is a summary of the policies applied to the useful life of the Group's intangible assets:

Recognised intangible asset	Effective term	Useful life
Trade name	Indefinite	
Purchased software	Definite	5 years, straight-line method
Proprietary software	Definite	8 years, straight-line method

10.8. Tangible assets

Tangible assets are measured at acquisition cost less accumulated depreciation and any impairment. The cost of acquisition includes all directly payable expenses for acquiring assets.

Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is likely that the future financial benefits will accrue to the Group and the cost can be reliably measured. The cost of repair and maintenance works is recognised through profit or loss when the said works are carried out.

Depreciation of other tangible assets is calculated using the straight-line method over their useful life as follows:

Site arrangement	1 year
Machinery & equipment	10 years
Transportation equipment	10 years
Furniture and parts	5 – 10 years

Residual value and the useful life of tangible assets are subject to re-examination on each date of the Statement of Financial Position.

When the tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement.

When the book value of tangible assets exceeds the recoverable amount, the differences (impairment) are posted as expenses through profit or loss.

10.9. Leases

10.9.1. Operating Leases

Leases where the risk and rights of ownership remain in effect with the lessor are posted as operating leases. Payments made with regard to operating leases are recognised through profit or loss for the period.

10.9.2. Finance Leases

Asset leases where the Company substantially retains all risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the asset and the present value of the minimum lease payments.

10.10. Impairment test of goodwill, intangible and tangible assets

Group goodwill, intangible and tangible assets are subject to impairment tests.

Save goodwill, all assets are subsequently reassessed in case the impairment loss that had been initially recognised is no longer applicable. Impairment losses are posted as expenses through profit or loss when they incur and may be reversed in a subsequent accounting period save impairment losses relating to goodwill.

10.11. Financial Assets

The Group's financial assets include the following categories of assets:

- loans and receivables
- financial assets at fair value through profit or loss,
- financial assets available for sale, and
- held-to-maturity investments.

Financial assets are classified in different categories by Management based on the characteristics and the purpose for which the asset was acquired.

Financial assets are recognised by applying the accounting method of settlement date.

Impairment is assessed at least on each date on which financial statements are published or when there is objective evidence that a certain financial asset or group of financial assets has been impaired.

10.12. Financial Assets or Financial Liabilities at fair value through profit or loss

Financial assets or financial liabilities at fair value through profit or loss include financial assets classified as held for trading or specified by the Company as measured at fair value through profit or loss on initial recognition. Moreover, the derivative financial instruments that do not qualify for hedge accounting are classified as held for trading.

If a contract contains one or more embedded derivatives, the Group specifies the entire combined contract as a financial asset at fair value through profit or loss unless the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract or the separation of the embedded derivative(s) from the contract is prohibited. Following the initial recognition, the financial assets included in this category are measured at fair value through profit or loss. Those financial assets initially recognised as financial assets at fair value through profit or loss cannot be reclassified in another category.

10.12.1. Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets from which the Group does not expect any short-term benefit and which do not meet the criteria to be classified in any other financial asset category. All the financial assets falling into this category are measured at fair value, only when such fair value can be reliably estimated, with changes in fair value recognised directly in equity after every tax impact is calculated.

When available-for-sale assets are sold or impaired, accumulated profits or losses which had been recognised in equity are recognised in the income statement.

In cases of impairment, the amount of accumulated losses which is transferred from equity and is recognised through profit or loss derives from the difference between acquisition cost (following deduction of principal repayments and depreciation) and the fair value less any loss from impairment previously recognised.

Impairment losses pertaining to equity instruments classified as available-for-sale assets, which had been recognised in the income statement, cannot be reversed. Losses deriving from the impairment of debt instruments, which were recognised in the consolidated financial statements for preceding periods, can be reversed through the income statement if the increase (reversal of impairment) in value relates to events that occurred after the impairment recognition in the income statement.

10.12.2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, products or services directly to a debtor with no intention of trading the receivable. Each change in the value of loans and receivables is recognised in the income statement when they are eliminated or are subject to impairment as well as when they are depreciated.

Loans and receivables are included in the current assets apart from those maturing more than 12 months after the date of the Statement of Financial Position. These are classified as non-current assets. They are classified as trade and other receivables in the Statement of Financial Position and account for the largest part of the Group's financial assets.

10.13. Fair value

The fair value of quoted investments in an active market is substantiated by reference to quoted prices on the date of the Statement of Financial Position. If the market for an investment is not active, the Group specifies the fair value by using valuation techniques. The use of a valuation technique aims at determining the transaction price that would arise on the measurement date for an arm's-length transaction driven by standard business factors. The valuation techniques include the use of recent arm's-length transactions, reference to the current fair value of a substantially relevant instrument, discounted cash flow analysis and option pricing models.

10.14. Inventories

Inventories include merchandise, consumables and non-distributed software licenses.

On the date of the Statement of Financial Position, inventories are recognised at the lower value between acquisition cost and net realisable value.

The net realisable value is the estimated selling price in the normal course of business less the estimated cost required to make the sale.

The cost is designated using the average weighted cost method.

The cost includes all expenses incurred to make inventories reach the current situation, which are directly attributable to the production process, and a part of production-related overheads, which is absorbed on the basis of normal operating capacity of manufacturing plants.

Financial cost is not taken into account.

10.15. Income tax accounting

10.15.1. Current income tax

The current tax asset/ liability includes those liabilities or receivables from tax authorities which are related to the current or previous reporting periods and have not been paid till the date of the Statement of Financial Position.

It is calculated according to the tax rates and tax laws applying to the accounting period to which they refer, based on the taxable profits for the period.

10.15.2. Deferred income tax

Deferred income tax is calculated using the liability method focusing on interim differences. This includes the comparison between the book value of receivables and payables in the consolidated financial statements and the respective tax bases.

Deferred tax assets are recognised to the extent that it is likely that they will be offset against future income tax.

Deferred tax liabilities are recognised for all taxable interim adjustments.

No deferred tax is recognised for the interim adjustments related to investments in subsidiaries and interests in joint ventures if the reversal of these interim adjustments can be controlled by the Company while it is expected that the interim adjustment will not be reversed in the future. No deferred tax is recognised on initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction does not affect the book profit or the taxable profit/loss.

Deferred tax assets and liabilities are calculated using the tax rates which are expected to apply in the period in which the asset or liability is settled taking into account the tax rates which have been enacted or substantively enacted by the date of the Statement of Financial Position.

Most changes to deferred tax assets or liabilities are recognised as tax expense-income through profit or loss. Only changes to deferred tax assets or liabilities which are related to a change in the value of the asset or liability which is recognised directly in equity are debited or credited directly in equity.

The Group recognises a deferred tax asset that had not been recognised in the past to the extent it is probable that a future taxable profit will enable the recovery of the deferred tax asset.

The deferred tax asset is re-examined on each date of the Statement of Financial Position and is reduced to the extent that it is no longer likely that an adequate taxable profit will be available to permit use of the beneficial part or all of the deferred tax asset.

10.16. Cash and cash equivalents

Cash and cash equivalents include cash in banks and the treasury and short-term, highly-liquid investments such as securities on money markets and bank deposits with a maturity date of 3 months or less. Money market securities are financial assets which are presented at fair value in the income statement.

10.17. Equity

The share capital is calculated based on the nominal value of shares which have been issued. Ordinary shares are posted as equity.

The share capital increase through payment in cash includes all premiums on capital stock at the initial share capital issue. All transaction costs related to issuing shares and any related resultant income tax benefit are deducted from the share capital increase.

The items of a financial instrument: a) generating a financial liability of the entity and b) providing the instrument holder with an option to convert it to an equity instrument of the entity are separately recognised as financial liabilities, financial assets or equity instruments.

Employee options are credited to the additional paid-up capital till the relevant options are exercised.

The foreign exchange differences arising from the conversion of subsidiaries' financial statements in the Group's functional currency are included in the translation reserve. Retained earnings include current and prior-period results as disclosed in the income statement.

10.18. Government subsidies

The Group receives government and European subsidies for its participation in specific research projects. Government subsidies are recognised at the time the amount of the subsidy is acquired. All subsidies related to expenses incurred are offset against research expenses.

10.19. Pension benefits and short-term employee benefits

10.19.1. Pension benefits

The Group has designated both defined benefit and defined contribution plans.

A defined benefit plan is a retirement plan which is not a defined contribution plan. Typically, defined contribution plans designate an amount of benefits which the employee will receive upon retirement, usually dependent on factors such as age, length of service and compensation.

The liability recognised in the Statement of Financial Position in relation to defined benefit plans is the current value of the defined benefit obligation on the date of the Statement of Financial Position less the fair value of the assets of the plan, calculating the adjustments in non-recognised actuarial gains or losses and expenses for prior service. The defined benefit obligation is calculated annually by independent actuaries based on the projected unit credit method. The current value of defined benefit obligations is designated by discounting the expected future cash outflows using a high yield corporate bond interest rate which is presented in the currency in which the benefits will be paid whose maturity terms are similar to the terms of the relevant pension obligation.

The cost of previous service is recognised directly in the income statement unless the changes in the retirement plans are optional for employees to remain in service for a specific period of time (benefit vesting date). In this case, the cost of previous service is depreciated using the straight-line method until the benefit vesting date.

A defined contribution plan is a retirement plan in which the Group pays defined contributions to an independent management body on a mandatory, contractual or optional basis. The undertaking has no legal or presumed obligation to pay further contributions in the case where the body does not have adequate assets to pay all employee benefits for the service provided in current or prior periods. Contributions paid in advance are recognised as assets to the extent that it is possible to rebate monies or reduce future payments.

10.19.2. Staff termination benefits

Staff termination benefits are paid when employment is terminated by the Group before the normal retirement date or when an employee agrees to voluntary retirement in return for such benefits.

The Group recognises these termination benefits when it is recognised as bound to either terminate employment in line with a detailed standard scheme without the likelihood of departure or by providing termination benefits as a result of an offer in order to promote voluntary retirement. When termination benefits are payable more than 12 months after the date of the Statement of Financial Position, they should be discounted at present value.

10.20. Financial liabilities

The Group's financial liabilities include bank loans, trade and other payables and finance leases. Financial liabilities are recognised when the Group has a holding in a financial instrument and are deleted when the Group is released from that liability or it is cancelled or matures.

Interest is recognised as an expense in the "Financial Expenses" account in the Income Statement.

Finance lease liabilities are measured at initial value less the capital of financial repayments.

Trade liabilities are initially recognised at their nominal value and then valued at depreciated cost less settlement payments.

Dividends to shareholders are included in the "Other short-term financial liabilities" account when dividends are approved by the General Meeting of Shareholders.

Profits and losses are recognised in the Income Statement when liabilities are deleted and when depreciation is recorded.

When an existing financial liability is exchanged for another liability of different type with the same lender but substantially different terms, or when the terms of an existing liability are substantially modified, such as an exchange or modification, this is accounted for as an extinguishment of the original financial liability and recognition of a new liability. Every difference in the respective book values is recognised through profit or loss.

10.21. Loans

Bank loans ensure long-term financing of the Group's operations. All loans are recognised at cost which is the fair value of the consideration received less the cost of issuing with respect to borrowing.

10.22. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has present legal or imputed liabilities as a result of past events; their settlement is possible through an outflow of resources and the exact liability amount may be estimated reliably. Provisions are reviewed on the date on which the Financial Statements are drafted and are adjusted in order to reflect the current value of the expense which is expected to be required to settle the liability. Restructuring provisions are identified only if there is a thorough restructuring plan and if Management has informed the affected parties on the plan's key points. When the impact on the value of money over time is significant, the amount of the provisions is the current value of the expenses expected to be required in order to settle the liability.

If it is not probable that an outflow of resources will be required in order to settle a liability for which a provision has already been raised, then it is reversed.

In cases where the outflow of economic resources due to current commitments is considered improbable or the provision amount cannot be reliably estimated, no liability is recognised in the financial statements.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the likelihood of a resource outflow incorporating economic benefits is remote. Possible inflows from economic benefits of the Group which do not meet the criteria of an asset are considered a contingent asset and are disclosed when the inflow of economic benefits is probable.

11.Group Structure

On 31.12.2014, Company shareholders were:

1. “MARFIN INVESTMENT GROUP HOLDINGS S.A.” by 63.20%
2. “TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LTD” by 22.50%
3. “GLOBAL EQUITY INVESTMENTS S.A.” by 14.30%.

As of 07.02.2011, “MARFIN INVESTEMENT GROUP HOLDINGS S.A.” owns 100% of the share capital of “TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LTD”.

On 31.12.2014 the Group's financial statements were consolidated by applying the full consolidation method of accounting by MARFIN INVESTMENT GROUP Holdings S.A. In the financial statements the investments in subsidiaries and associates have been valued at impaired acquisition cost.

In detail, the Group's structure and company consolidation method are broken down below.

Note	Company name	County of establishment	Type of participation	% of participation 31.12.14	Consolidation Method on 31.12.14	% of participation on 31.12.13	Consolidation Method on 31.12.13
	SINGULARLOGIC S.A.	Greece	Parent company				
	PCS S.A.	Greece	Direct	50.50%	Full	50.50%	Full
	INFOSUPPORT S.A.	Greece	Direct	34.00%	Equity	34.00%	Equity
	LOGODATA S.A.	Greece	Direct	23.88%	Equity	23.88%	Equity
	METASOFT S.A.	Greece	Direct	68.80%	Full	68.80%	Full
6	METASOFT S.A.	Greece	Indirect	31.20%	Full	31.20%	Full
	SINGULAR ROMANIA SRL	Romania	Direct	100.00%	Full	100.00%	Full
	SINGULAR BULGARIA EOOD	Bulgaria	Direct	100.00%	Full	100.00%	Full

1	DPS LTD.	Greece	Direct	94.40%	Not consolidated	94.40%	Not consolidated
2	TASIS CONSULTANTS S.A.	Greece	Direct	59.60%	Not consolidated	59.60%	Not consolidated
3	VELVET JOINT VENTURE	Greece	Direct	50.00%	Not consolidated	50.00%	Not consolidated
4	MODULAR S.A.	Greece	Direct	60.00%	Not consolidated	60.00%	Not consolidated
5	BUSINESS LOGIC S.A.	Greece	Direct	97.40%	Not consolidated	97.40%	Not consolidated
5	HELP DESK S.A.	Greece	Indirect	87.00%	Not consolidated	87.00%	Not consolidated
	SYSTEM SOFT S.A.	Greece	Direct	66.00%	Full	66.00%	Full
	SYSTEM SOFT S.A.	Greece	Indirect	34.00%	Full	34.00%	Full
	SINGULARLOGIC CYPRUS LTD	Cyprus	Direct	98.80%	Full	98.80%	Full
	G.I.T. HOLDING S.A.	Greece	Direct	100.00%	Full	100.00%	Full
	G.I.T. CYPRUS	Cyprus	Indirect	100.00%	Full	100.00%	Full
	DYNACOMP S.A.	Greece	Indirect	24.99%	Equity	24.99%	Equity
	INFO S.A.	Greece	Indirect	35.00%	Equity	35.00%	Equity
6	CHERRY S.A.	Greece	Indirect	33.00%	Not consolidated	33.00%	Not consolidated

Notes:

1. DPS LTD has been inactive since 1995. SingularLogic does not exert any management influence over it. DPS Ltd. was not included in the consolidation on 31.12.14.
2. TASIS - CONSULTING S.A. was put into liquidation by decision of its General Meeting on 20.07.2005. Approval for this decision was granted by the Prefecture. SingularLogic exerts no management influence over it. The liquidation had not been completed by 31.12.2014. TASIS–CONSULTING S.A. was not included in the consolidation on 31.12.2014.
3. VELVET Joint Venture has been inactive since 1995. SingularLogic does not exert any management influence over it. VELVET joint venture was not included in the consolidation on 31.12.2014.
4. Modular S.A. was put into liquidation by decision of its General Meeting on 30.06.2005. On 15.11.2005 approval for this decision was granted by the Prefecture. The liquidation had not been completed by 31.12.2014. Modular S.A. was not included in the consolidation on 31.12.2014.
5. Business Logic S.A. and its subsidiary “Helpdesk S.A.” were put into liquidation by decision of their General Meetings on 30.06.2005. Approval for these decisions was granted by the Prefecture. SingularLogic exerts no management influence over these companies. The liquidation had not been completed by 31.12.2014. These companies were not included in the consolidation on 31.12.2014.
6. CHERRY S.A. was put into liquidation by decision of its General Meeting on 13.07.2006. On 31.07.2006 approval for this decision was granted by the Prefecture. The liquidation had not been completed by 31.12.2014. CHERRY S.A. was not included in the consolidation on 31.12.14.

Relying on IAS 27, according to which a parent company loses control over a subsidiary when the subsidiary is subject to state, judicial, managerial or supervisory control, on 31.12.2014 the Company did not include in the consolidation the companies in liquidation since control of those companies lies with their liquidators.

12.Segmental Reporting

Operating Segments:

The Group's activities are:

- Study, design, development, processing, manufacture, trade and marketing of IT systems and high-tech products.
- Software production, development and support.
- IT - computing services.
- Software, hardware and systems software

The Group sales per category are analysed as follows:

Breakdown of sales per category	**31/12/2014**	**31/12/2013**
Amounts in €		
Sales of software user licences	4,050,575	3,759,833
Software maintenance sales	16,657,775	17,607,409
Sales of services	22,579,221	23,225,419
Sales of Merchandises	6,729,725	6,718,759
Total	**50,017,295**	**51,311,420**

The Company uses a customer-focused approach in monitoring its business activities, by placing its customers in three categories, which also constitute its business sectors:

- Large enterprises
- SMEs and
- the public sector.

Sales in each sector are cited in the table below and include more than one of the aforementioned activities. Group results per operating segment are broken down as follows:

01/01-31/12/2014				
Amounts in euro	**Large corporations**	**SMEs**	**State**	**Total**
Revenue	33,480,338	10,446,024	6,090,934	**50,017,295**
Earnings before interest, taxes, depreciation and amortisation				**4,398,919**
Depreciation				**5,421,795**
Operating profit/ losses				**(1,022,876)**
Other non-allocated net income				(11,470)

Financial expenses	(4,373,240)
Earnings before tax	**(5,407,586)**
Income tax	1,679,063
Net profits/ losses	**(3,728,524)**

01/01-31/12/2013

Amounts in euro	**Large corporations**	**SMEs**	**State**	**Total**
Revenue	33,486,523	10,757,775	7,067,122	**51,311,420**
Earnings before interest, taxes, depreciation and amortisation				2,653,988
Depreciation				2,233,735
Operating profit/ losses				**420,253**
Other non-allocated net income				(2,888,959)
Financial expenses				(4,365,412)
Earnings before tax				**(6,834,117)**
Income tax				(54,176)
Net profits/ losses				**(6,888,293)**

Consolidated assets and liabilities can be allocated to these operating segments as follows:

01/01-31/12/2014

Amounts in euro	**Large corporations**	**SMEs**	**State**	**Total**
Assets per sector	75,190,292	23,459,726	13,679,047	112,329,065
Non-allocated assets				4,512,391
Consolidated Assets				**116,841,456**
Liabilities per sector	21,677,014	6,763,331	3,943,606	32,383,951
Non-allocated liabilities				57,303,198
Consolidated liabilities				**89,687,148**

01/01-31/12/2013

Amounts in euro	**Large corporations**	**SMEs**	**State**	**Total**
Assets per sector	77,072,800	24,760,165	16,265,734	118,098,699
Non-allocated assets				6,878,820
Consolidated Assets				**124,977,519**
Liabilities per sector	23,579,664	7,575,129	4,976,341	36,131,134
Non-allocated liabilities				57,662,731
Consolidated liabilities				**93,793,865**

Geographical information reporting:

The Group primarily operates in Greece where it has its registered office while also operating in European countries, the latter accounting for 8% of its consolidated turnover.

01.01 - 31.12.2014	**Greece**	**European countries**	**Other countries**	**Total**
Income from clients	45,511,342	3,928,592	577,362	**50,017,295**
Non-current assets	77,242,052	487,139	0	**77,729,191**
01.01 - 31.12.2013	**Greece**	**European countries**	**Other countries**	**Total**

Income from clients	46,951,028	4,360,391	0	**51,311,420**
Non-current assets	77,826,624	472,558	0	**78,299,182**

Non-current assets do not include Financial Assets or Deferred Tax Assets in accordance with the requirements of IFRS 8.

Customer concentration:

During the year, the amount of €5.9 million of the total income of SINGULARLOGIC Group originated from MIG Group and accounted for approximately 11.74% of sales. The income of these customers is included in the "Large Corporations" sector. Moreover, the Public Sector accounts for sales of 12.18% of the total consolidated turnover.

13. Notes to the Financial Statements

13.1. Tangible assets

On 31.12.2014, the tangible assets of the Group and the Company are broken down as follows:

	THE GROUP				
(amounts in €)	**Buildings and facilities**	**Transportation equipment**	**Machinery**	**Furniture and other equipment**	**Total**
Book value on 31.12.2012	**466,010**	**69,971**	**28,755**	**626,802**	**1,191,538**
Gross book value	1,938,499	196,224	683,758	5,167,037	**7,985,517**
Accumulated depreciation	(1,737,748)	(144,855)	(657,801)	(4,827,624)	**(7,368,029)**
Book value on 31.12.2013	**200,751**	**51,369**	**25,956**	**339,413**	**617,488**
Gross book value	1,920,651	196,224	707,988	5,244,051	**8,068,914**
Accumulated depreciation	(1,875,758)	(161,055)	(669,054)	(4,948,212)	**(7,654,080)**
Book value on 31.12.2014	**44,893**	**35,169**	**38,934**	**295,839**	**414,834**

(amounts in €)	**Buildings and facilities**	**Transportation equipment**	**Machinery**	**Furniture and other equipment**	**Total**
Book value on 31.12.2012	**466,010**	**69,971**	**28,755**	**626,802**	**1,191,538**
Additions	279	0	10,938	47,411	**58,627**
Decrease from the sale of subsidiary	0	(9,500)	0	(135,187)	**(144,687)**
Acquisition cost of disposals/ revoked products	0	(13,523)	(3,582)	(281,208)	**(298,312)**
Depreciation of disposals/ revoked products	0	13,523	3,582	270,439	**287,543**
Depreciation	(265,540)	(16,456)	(13,736)	(299,230)	**(594,960)**
Accumulated depreciation of sold subsidiary	**0**	7,354	0	110,385	**117,739**
Book value on 31.12.2013	**200,751**	**51,369**	**25,956**	**339,413**	**617,488**
Additions	0	0	24,210	283,506	**307,716**

Decrease from the sale of subsidiary	0	0	0	0	**0**
Acquisition cost of disposals/ revoked products	(17,847)	0	0	(206,482)	**(224,329)**
Depreciation of disposals/ revoked products	17,723	0	0	205,905	**223,628**
Depreciation	(155,733)	(16,200)	(11,253)	(326,493)	**(509,678)**
Net foreign exchange differences	0	0	21	(10)	**11**
Book value on 31.12.2014	**44,893**	**35,169**	**38,934**	**295,839**	**414,834**

Transportation equipment includes the transportation equipment acquired through leasing of the subsidiary "SINGULARLOGIC CYPRUS LTD", which is broken down as follows:

(amounts in €)	**Transportation equipment through leasing**
Book value on 31.12.2012	**62,212**
Gross book value	142,694
Accumulated depreciation	(93,032)
Book value on 31.12.2013	**49,662**
Gross book value	142,694
Accumulated depreciation	(105,582)
Book value on 31.12.2014	**37,112**

(amounts in €)	**Transportation equipment through leasing**
Book value on 31.12.2012	**62,212**
Depreciation	(12,550)
Book value on 31.12.2013	**49,662**
Depreciation	(12,550)
Book value on 31.12.2014	**37,112**

THE COMPANY

(amounts in €)	**Buildings and facilities**	**Transportation equipment**	**Machinery**	**Furniture and other equipment**	**Total**
Book value on 31.12.2012	**465,823**	**2,123**	**6,848**	**562,884**	**1,037,680**
Gross book value	1,440,442	7,466	115,400	3,152,435	**4,715,743**
Accumulated depreciation	(1,240,121)	(5,759)	(108,085)	(2,834,824)	**(4,188,789)**
Book value on 31.12.2013	**200,320**	**1,707**	**7,315**	**317,611**	**526,953**
Gross book value	1,440,442	7,466	120,162	3,356,561	**4,924,631**
Accumulated depreciation	(1,395,828)	(6,175)	(112,666)	(3,078,215)	**(4,592,884)**
Book value on 31.12.2014	**44,615**	**1,291**	**7,496**	**278,347**	**331,746**

	Buildings and facilities	Transportation equipment	Machinery	Furniture and other equipment	Total
Book value on 31.12.2012	**465,823**	**2,123**	**6,848**	**562,884**	**1,037,680**
Additions	0	0	8,023	41,203	**49,226**
Acquisition cost of disposals/ revoked products	0	0	(3,582)	(111,549)	**(115,131)**
Depreciation of disposals/ revoked products	0	0	3,582	102,620	**106,202**
Depreciation	(265,503)	(416)	(7,558)	(277,548)	**(551,024)**
Book value on 31.12.2013	**200,320**	**1,707**	**7,313**	**317,612**	**526,953**
Additions	0	0	4,762	273,007	**277,769**
Acquisition cost of disposals/ revoked products	0	0	0	(68,881)	**(68,881)**
Depreciation of disposals/ revoked products	0	0	0	68,881	**68,881**
Depreciation	(155,707)	(416)	(4,581)	(312,273)	**(472,976)**
Book value on 31.12.2014	**44,615**	**1,291**	**7,496**	**278,347**	**331,746**

There are no mortgages or mortgage liens or other encumbrances registered in respect of the fixed assets.

Group's operating leases as a lessee:

The future rental fees from buildings' operating leases of the Group and the Company are broken down as follows:

THE GROUP

01/01-31/12/2014	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	280,460	463,521	57,355	**801,337**
Vehicles	487,023	591,238	-	**1,078,261**

THE COMPANY

01/01-31/12/2014	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	194,540	218,641	23,035	**436,217**
Vehicles	436,338	501,301	-	**937,639**

THE GROUP

01/01-31/12/2013	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	476,577	505,589	67,472	**1,049,639**
Vehicles	424,516	367,345	-	**791,861**

THE COMPANY

01/01-31/12/2013	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	404,540	284,641	23,035	**712,217**
Vehicles	384,996	327,745	-	**712,741**

The operating lease rental fees which were recognised as expenses during the period 01.01-31.12.2014 for all fixed assets of the Group and the Company amount to €2,301,699 (01.01-31.12.2013: €2,719,533) and

€2,131,030 (01.01-31.12.2013: €2,538,266) respectively. The lease agreement of the parent company's building expires on 31.03.2015 and the Company seeks a solution to the situation and holds negotiations with the current lessee. Vehicle leases have a 4-year term.

13.2. Intangible assets

The largest part of the Group's intangible assets pertains to the recognised mark of the absorbed company "SingularLogic S.A." on software developed by Group companies and also on purchased software licenses. The book values of the above are broken down in the tables below.

THE GROUP

(amounts in €)	Note	Software	Development	Trade name	Rights	Total
Book value on 31.12.2012		**372,693**	**7,673,792**	**15,841,194**	**2,085**	**23,889,764**
Gross book value		6,738,738	19,419,320	13,206,586	375,499	**39,740,143**
Accumulated depreciation		(6,462,749)	(10,431,223)	0	(373,414)	**(17,267,386)**
Book value on 31.12.2013		**275,989**	**8,988,097**	**13,206,586**	**2,085**	**22,472,757**
Gross book value		7,083,576	23,711,425	13,206,586	375,499	**44,377,086**
Accumulated depreciation		(6,744,562)	(15,055,293)	0	(374,457)	**(22,174,312)**
Book value on 31.12.2014		**339,014**	**8,656,132**	**13,206,586**	**1,042**	**22,202,773**

(amounts in €)	Software	Development	Trade name	Rights	Total
Book value on 31.12.2012	**372,692**	**7,673,792**	**15,841,194**	**2,085**	**23,889,764**
Additions	227,195	2,660,478	0	0	**2,887,673**
Decrease from the sale of subsidiary	(83,367)	0	0	0	**(83,367)**
Acquisition cost of disposals	(19,365)	0	0	0	**(19,365)**
Impairment losses recognised in the income statement	0	0	(2,634,608)	0	**(2,634,608)**
Depreciation on goods sold	2,586	0	0	0	**2,586**
Depreciation	(292,602)	(1,346,172)	0	0	**(1,638,775)**
Accumulated depreciation of sold subsidiary	68,849	0	0	0	**68,849**
Book value on 31.12.2013	**275,989**	**8,988,097**	**13,206,586**	**2,085**	**22,472,757**
Additions	394,981	4,292,105	0	0	**4,687,085**
Acquisition cost of disposals	(50,153)	0	0	0	**(50,153)**
Depreciation on goods sold	5,191	0	0	0	**5,191**
Depreciation	(287,004)	(4,624,070)	0	(1,043)	**(4,912,117)**
Net foreign exchange differences	10	0	0	0	**10**
Book value on 31.12.2014	**339,014**	**8,656,132**	**13,206,586**	**1,042**	**22,202,773**

THE COMPANY

(amounts in €)	Note	Software	Development	Commercial trademarks	Rights	Total
Book value on 31.12.2012		**353,004**	**7,003,097**	**15,841,194**	**0**	**23,197,297**
Gross book value		4,659,431	17,788,959	13,206,586	140,062	**35,795,039**
Accumulated depreciation		(4,389,408)	(9,325,224)	0	(140,062)	**(13,854,694)**

Book value on 31.12.2013	**270,023**	**8,463,736**	**13,206,586**	**0**	**21,940,345**
Gross book value	4,952,273	22,081,064	13,206,586	140,062	**40,379,985**
Accumulated depreciation	(4,651,154)	(13,802,960)	0	(140,062)	**(18,594,176)**
Book value on 31.12.2014	**301,119**	**8,278,104**	**13,206,586**	**0**	**21,785,809**

	Software	**Development**	**Commercial trademarks**	**Rights**	**Total**
Book value on 31.12.2012	**353,004**	**7,003,097**	**15,841,194**	**0**	**23,197,297**
Additions	214,923	2,660,478	0	0	**2,875,401**
Acquisition cost of disposals	(19,364)	0	0	0	**(19,364)**
Impairment losses recognised in the income statement	0	0	(2,634,608)	0	**(2,634,608)**
Depreciation on goods sold	2,586	0	0	0	**(2,586)**
Depreciation	(281,126)	(1,199,839)	0	0	**(1,480,966)**
Book value on 31.12.2013	**270,023**	**8,463,736**	**13,206,586**	**0**	**21,940,345**
Additions	342,995	4,292,105	0	0	**4,635,099**
Acquisition cost of disposals	(50,153)	0	0	0	**(50,153)**
Depreciation on goods sold	5,191	0	0	0	**5,191**
Depreciation	(266,936)	(4,477,737)	0	0	**(4,744,673)**
Book value on 31.12.2014	**301,119**	**8,278,104**	**13,206,586**	**0**	**21,785,809**

13.3. Goodwill

The goodwill of the Company and the Group was established in the financial statements through acquisition of SingularLogic Group on 03.08.2009 and subsequent absorption of SingularLogic S.A on 15.6.2010, by finalising the assessed fair value of the net assets acquired through the group's acquisition, which was completed in the third quarter of 2010.

13.3.1. Impairment of assets

Goodwill and non-depreciated assets with indefinite useful life are subject to annual impairment test including when some events indicate that their book value may not be recoverable. Depreciated assets are subject to impairment test of their value, when there are indications that their book value shall not be recovered.

Acknowledging and evaluating the current circumstances in the Greek economy and also assessing its medium-term developments, Group Management reviewed extensively its assumptions on the capability to recover the value of non-current assets. The non-current assets for which there were indications of impairment pertain to goodwill and intangible assets which have primarily arisen from the acquisition of SingularLogic Group.

The recoverable amount of goodwill related to the separate cash generating units has been determined according to the value in use, which was calculated by using the discounted cash flow method.

The recoverable amount of non-current assets was determined on a separate basis, also according to the value in use, which was calculated by using the discounted cash flow method.

To determine the value in use, Management uses assumptions they find reasonable, which are based on the best possible information available and in effect on the reporting date of the Financial Statements.

13.3.2. Assumptions used to determine the value in use

As regards the goodwill impairment test, the perpetuity growth rate used due to the uncertainties under the current economic circumstances and market conditions stands at 2% for all cash generating units of the Group while the interest rate used in the discount of pre-tax cash flows is equal to 12.00% for the first 5 years and to 7.7% on a perpetual basis.

The discount rate used is the pre-tax rate and reflects the risks specific to the respective operating segments and the economic environment of the main country of operations which has generated the highest goodwill.

As regards the value in use of the trademark, which was determined based on the income that would arise from the royalties and accounts for the cost savings attained by the holder of the intangible asset in comparison with the provision of royalty, a percentage of 2% was used which reflects an average percentage applicable on an international scale to similar royalty agreements. The perpetuity growth rate used stands at 2% while the interest rate used in the pre-tax cash flow discount stands at 12.00% for the first 5 years and to 7.7% on a perpetual basis.

Management uses assumptions they find reasonable and are based on the best possible information available and in effect on the reporting date of the Financial Statements.

The test conducted did not result in any impairment of the company's trade mark and goodwill pursuant to the above.

13.4. Investments in subsidiaries

In the financial statements, the investments in subsidiaries have been valued at acquisition cost. The reporting date of the subsidiaries' financial statements which was used in full consolidation does not vary from the reporting date of the parent company.

The investments in subsidiaries in the financial statements of the parent company are broken down below:

(amounts in €)		**31/12/2014**	**31/12/2013**
Balance at start of period	**Note**	**794,595**	**1,532,310**
Sale of subsidiary		-	(5,811)
Increase / (Decrease) in investments			-
Impairment of investments	13.26	-	(778,007)
Increase of interest in Subsidiary		-	46,102
Balance at end of period		**794,595**	**794,595**

Disclosures pursuant to IFRS 12 are as follows:

Corporate name of subsidiary	Proportion of ownership and voting rights arising from non-controlling interests		Profits allocated to non-controlling interests		Accumulated non-controlling interests	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
PCS S.A.	49.5%	49.5%	81,261	134,052	450,061	611,650

Concise financial figures regarding the subsidiary "PCS S.A." before crossing out intra-company transactions and balances

Amounts in €	**31/12/2014**	**31/12/2013**
Non-current assets	42,368	35,657
Current assets	1,733,292	1,967,737
Total assets	**1,775,660**	**2,003,394**
Long-term liabilities	99,972	76,606
Short-term liabilities	766,473	691,131
Total Liabilities	**866,445**	**767,737**
Equity attributed to parent company owners	459,154	624,007
Non-controlling interests	450,061	611,650

Amounts in €	**31/12/2014**	**31/12/2013**
Sales	2,784,604	2,899,017
Post-tax period profit allocated to parent company owners	82,903	136,760
Post-tax period profit allocated to non-controlling interests	81,261	134,052
Period profit after taxes	**164,164**	**270,811**
Other comprehensive income for the period net of tax	(10,605)	3,209
Period comprehensive total income after taxes allocated to parent company owners	77,547	138,380
Period comprehensive total income after taxes allocated to non-controlling interests	75,959	135,640
Comprehensive total income for the period net of tax	**153,506**	**274,020**

Amounts in €	**31/12/2014**	**31/12/2013**
Net cash flow from operating activities	353,331	316,446
Net cash flow from investing activities	(2,675)	23,786
Net cash flow from financing activities	(479,869)	(74,625)
Total net cash flows	**(129,213)**	**265,607**

13.5. Investments in associates

On 31 December 2014, the investments in the Group's affiliated entities are as follows:

		THE GROUP		**THE COMPANY**	
(amounts in €)	**Note**	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Balance at start of period		**392,699**	**374,842**	**0**	**0**
Additions from absorption of subsidiaries		-	-	-	-
Decrease from sale of affiliated entity		-	-	-	-
Impairment of investments		-	-	-	-
Share of (losses)/profits		14,974	17,857	-	-
Balance at end of period		**407,672**	**392,699**	**0**	**0**

Company name	Country of establish ment	% holding	Acquisiti on cost	Accumulated Impairment	Profit / (loss) for the period	Balance
INFOSUPPORT S.A.	Greece	34.00%	200,001	(200,001)		0
LOGODATA S.A.	Greece	23.88%	49,981	(49,981)		0
DYNACOMP S.A.	Cyprus	24.99%	415,000	(22,301)	14,974	407,672
Total			**664,982**	**(272,283)**	**14,974**	**407,672**

The reporting date of DYNACOMP S.A., which was consolidated using the equity method of accounting as it is the unique affiliate, is other than the parent company's date. Specifically its closing date is set on 30.06. The interests in Infosupport and Logodata with an acquisition cost of €249,981 in the Company's financial statements have been fully impaired.

13.6. Other long-term receivables

On 31.12.2014, other long-term receivables of the Group and the Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Guarantees granted	410,645	522,945	404,961	511,495
Total other long-term receivables	**410,645**	**522,945**	**404,961**	**511,495**

13.7. Financial assets available for sale

Available-for-sale financial assets include shares of unlisted companies operating in Greece and are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Opening balance	**59,932**	**154,059**	**59,932**	**154,059**
Sales / Deletions/ Impairment	-	(94,127)	-	(94,127)
Other transactions	-	-	-	-
Closing balance	**59,932**	**59,932**	**59,932**	**59,932**

13.8. Inventories

On 31.12.2014 the inventories for the Group and the Company are presented as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Merchandise	1,590,069	1,767,278	1,471,764	1,642,012
Consumables	123,267	104,256	123,267	104,256
End products	1,326	1,326	1,326	1,326
Total	**1,714,661**	**1,872,860**	**1,596,356**	**1,747,594**
Less: Provisions for merchandise	(1,217,170)	(1,088,526)	(1,197,875)	(1,069,231)
Total net realisable value	**497,490**	**784,334**	**398,481**	**678,363**

The amount of inventories recognised as an expense during the year and included in the Company's cost of goods sold is equal to €4,337,785 and €5,282,819 for the Company and the Group respectively. The Group has not pledged any inventories.

The provisions for the period are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Opening balance	**(1,088,526)**	**(1,088,526)**	**(1,069,231)**	**(1,069,231)**
Additions	(172,680)	-	(172,680)	-
Reversal of provisions for devaluation	44,035		44,035	
Reductions	-	-	-	-
Closing balance	**(1,217,170)**	**(1,088,526)**	**(1,197,875)**	**(1,069,231)**

13.9. Customers and other trade receivables

On 31.12.2014, the receivables are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Customers	54,119,333	52,018,748	52,142,884	49,875,223
Bills receivable	264,202	289,341	234,135	259,157
Cheques receivable	11,099,818	11,590,879	11,255,470	11,626,527
Less: Provisions for impairment	(39,797,487)	(39,587,173)	(39,049,683)	(38,885,594)
Net trade Receivables	**25,685,866**	**24,311,794**	**24,582,806**	**22,875,312**
Down payments to suppliers	1,033,072	1,417,176	1,033,072	1,417,176
Total	**26,718,938**	**25,728,971**	**25,615,878**	**24,292,489**

The provisions for the period are broken down as follows:

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Opening balance		**39,587,173**	**40,048,027**	**38,885,594**	**39,516,596**
Additions from absorption of subsidiaries		-	-	-	-
Provision for period	13.24	1,266,806	2,038,563	1,219,544	1,702,275
Collection of bad debts	13.24	(1,052,887)	(1,188,626)	(1,051,849)	(1,188,460)
Deletions		(3,605)	(1,310,791)	(3,605)	(1,144,817)
Closing balance		**39,797,487**	**39,587,173**	**39,049,683**	**38,885,594**

During the year, Management raised provisions equal to €1,219,544 and €1,266,806 for the Company and the Group respectively. Indications of impairment have been assessed for all of the Group's receivables.

The maturity of the above receivables is presented in the table below:

Amounts in €	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Non-overdue and non-impaired	18,260,231	18,037,329	17,182,836	16,653,068
Overdue and non-impaired				
Less than 3 months	4,004,930	2,321,195	3,561,535	2,167,896
Between 3 and 6 months	1,156,378	985,592	1,092,787	771,347
Between 6 months and 1 year	868,589	1,090,357	907,965	1,172,976
More than 1 year	1,395,739	1,877,322	1,837,683	2,110,025
Total	**25,685,866**	**24,311,794**	**24,582,806**	**22,875,312**

13.10. Other receivables

On 31 December 2014, other receivables for the Group and the Company are broken down as follows:

(amounts in €)	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Sundry debtors	161,411	140,318	129,146	111,155
Receivables from the Greek State	1,142,350	1,013,561	1,013,559	937,279
Other receivables	382,588	74,977	25,655	51,844
Receivables from affiliates	98,193	98,361	187,337	133,391
Receivables assigned to a factoring company	155,566	78,177	155,566	78,177
Advances to staff	41,007	17,043	30,715	3,151
Guarantees	1,092,271	1,310,924	1,092,271	1,266,179
Less: provisions for bad debts	(201,531)	(308,860)	(183,752)	(291,080)
Net debtor receivables	**2,871,856**	**2,424,502**	**2,450,498**	**2,290,096**

The amount of guarantees refers to commitments in favour of third parties and letters of guarantee.

The provisions for the year are broken down as follows:

(amounts in €)	Note	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Opening balance		**308,860**	**166,832**	**291,080**	**149,052**
Provision for period	13.24	**-**	**224,088**	-	224,088
Deletions		**(107,328)**	**(82,060)**	(107,328)	(82,060)
Closing balance		**(201,531)**	**308,860**	**(183,752)**	**291,080**

13.11. Other current assets

On 31 December 2014, other current assets of the Group and the Company are broken down as follows:

(amounts in €)	Note	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Prepaid expenses		1,137,088	3,727,089	1,114,549	3,646,413
Receivables from works contracts	13.14	912,404	4,866,529	912,404	4,866,529
Receivables from program subsidies		1,025,831	1,023,328	1,025,831	1,023,328
Non-current receivables from currently earned income		27,765	90,404	5,908	57,948
		3,103,088	**9,707,350**	**3,058,692**	**9,594,218**

The "Other current assets" account mainly includes prepaid expenses, receivables from subsidised programs as well as receivables from works contracts. The details on works contracts are set out in paragraph 13.14 "Works Contracts".

13.12. Financial assets measured at fair value with changes recognised through profit or loss

On 31 December 2014, financial assets at fair value through profit or loss of the Group and the Company are broken down as follows:

(amounts in €)	Note	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Balance at start of period		**13,496**	**2,266,010**	**13,496**	**2,266,010**
Additions from absorption of subsidiary		-	-	-	-
Additions (+)		-	47,268	-	47,268
Sales (-)		(13,496)	(2,289,109)	(13,496)	(2,289,109)
Profits/ (losses) from measurement at fair value	13.26	-	(10,674)	-	(10,674)
End of period		**0**	**13,496**	**0**	**13,496**

Equities and Mutual Funds	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Shares listed on Athens SE	-	13,496	-	13,496
Domestic mutual funds	-	-	-	-
Total	**0**	**13,496**	**0**	**13,496**

During 2014, the securities held by the company were sold and the gain from their sale is included in "Other financial results".

13.13. Deferred tax

A deferred tax asset is recognised for tax losses carried forward to the extent that it is probable that a relevant tax benefit will be realised through future taxable profits. On 31.12.2014 the Group has not recognised any deferred asset for the deferred tax losses.

On 31.12.2014, the deferred tax on the profit and loss for the period has been calculated at a tax rate of 26%.

The deferred tax assets/liabilities which arise from the interim tax adjustments are presented below:

	THE GROUP				THE COMPANY			
	31/12/2014		31/12/2013		31/12/2014		31/12/2013	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-current assets								
Intangible assets	-	851,143	-	1,512,518	-	767,380	-	1,396,439
Tangible assets	-	-	-	-	-	-	-	-
Current assets	-	-	-	-	-	-	-	-
Other current assets	-	609,022	-	2,210,539	-	609,022	-	2,210,539

Reserves								
Subsidies to fixed assets investments	-	1,285,783	-	978,436	-	1,285,783	-	978,436
Results carried forward	-	-	-	-	-	-	-	-
Long-term liabilities	-	-	-	-	-	-	-	-
Staff termination liabilities	441,096	-	385,284	-	405,922	-	360,243	-
Short-term liabilities	-	-	-	-	-	-	-	-
Other liabilities	1,875,541	0	2,076,354	0	1,875,541	0	2,076,354	0
Total	**2,316,637**	**2,745,948**	**2,461,639**	**4,701,493**	**2,281,462**	**2,662,184**	**2,436,597**	**4,585,413**

13.14. Works Contracts

The items regarding works contracts are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Project expenses incurred	4,342,358	3,283,590	4,342,358	3,283,590
Plus/(Less): Recognised profits/ (losses)	(3,322,624)	902,875	(3,322,624)	902,875
Total income from works contracts recognised in the period	**1,019,734**	**4,186,465**	**1,019,734**	**4,186,465**
Receivable from customers for contractual work	912,404	4,866,529	912,404	4,866,529
Payable to customers for contractual work	(142,960)	(68,955)	(142,960)	(68,955)
Total non-invoiced work	**769,445**	**4,797,574**	**769,445**	**4,797,574**
Advances	104,922	1,239,958	104,922	1,239,958
Non-executed remainder	**715,949**	**3,518,924**	**715,949**	**3,518,924**

The amount pertaining to the advances received is included in “Suppliers and other liabilities” in the Statement of Financial Position. The amount of liability from works contracts is included in "Other short-term liabilities" in the Statement of Financial Position and receivables are included in "Other current assets".

Group Management assesses the profitability of works in progress on a monthly basis using detailed monitoring processes. The book values analysed above reflect the reasonable Management assessment about the result of each works contract and the percentage of completion on the date of the Statement of Financial Position.

13.15. Cash and cash equivalents

The Group’s and Company’s cash and cash equivalents are analysed as follows:

	THE GROUP		THE COMPANY	
Amounts in €	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Cash in hand	17,095	12,032	8,921	5,000
Cash in bank	1,615,247	2,274,105	685,251	1,423,718
Short-term deposits	1,910,000	3,210,000	1,180,000	2,250,000
Blocked Deposits	1,981	1,977	1,981	1,977
Total cash and cash equivalents	**3,544,323**	**5,498,113**	**1,876,153**	**3,680,695**

13.16. Equity

13.16.1. Share Capital

(amounts in €)	No. of shares	Nominal value	Ordinary Shares	Premium on capital stock	Total
31 Dec 2012	**20,643,215**	**1.00**	**20,643,215**	**70,547,001**	**91,190,216**
31 Dec 2013	**20,643,215**	**1.00**	**20,643,215**	**70,547,001**	**91,190,216**
31 Dec 2014	**20,643,215**	**1.00**	**20,643,215**	**70,547,001**	**91,190,216**

13.16.2. Reserves

Group and Company other reserves are broken down as follows:

	THE GROUP			
(amounts in €)	**Statutory Reserve**	**Financial instruments reserve**	**Other reserves**	**Total**
31 Dec 2012	**177,486**	**0**	**110,880**	**288,366**
Changes during the year				
Transfers between reserves and results carried forward	9,340			**9,340**
FX differences from conversion of foreign subsidiaries' financial statements			(3,846)	**(3,846)**
31 Dec 2013	**186,826**	**0**	**107,034**	**293,860**
31 Dec 2013	**186,826**	**0**	**107,034**	**293,860**
Changes during the year				
Transfers between reserves and results carried forward	(82,471)		(7,979)	**(90,450)**
FX differences from conversion of foreign subsidiaries' financial statements			(1,801)	**(1,801)**
31 Dec 2014	**104,355**	**0**	**97,254**	**201,609**

	THE COMPANY			
(amounts in €)	**Statutory Reserve**	**Financial instruments reserve**	**Other reserves**	**Total**
31 Dec 2012	**73,296**	**0**	**249,837**	**323,133**
31 Dec 2013	**73,296**	**0**	**249,837**	**323,133**
Transfers between reserves and results carried forward			(92,455)	**(92,455)**
31 Dec 2014	**73,296**	**0**	**157,382**	**230,678**

13.17. Employee benefit liabilities

The amounts posted in the Income Statement and those recognised in the Statement of Financial Position are broken down as follows:

Staff termination liabilities

	GROUP		COMPANY	
	Amounts in €			
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)
Defined benefit liability	1,696,524	1,481,863	1,561,237	1,385,550
Fair value of plan assets	-	-	-	
	1,696,524	**1,481,863**	**1,561,237**	**1,385,550**
Classified as:				
Long-term liability	1,696,524	1,481,863	**1,561,237**	1,385,550
Short-term liability				

The changes in present value of liability for defined benefit plans are as follows:

	GROUP 31/12/2014	GROUP 31/12/2013	COMPANY 31/12/2014	COMPANY 31/12/2013
	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)
Defined benefit liability on 1 January	**1,481,863**	**1,645,464**	**1,385,550**	**1,546,246**
Current cost of employment	112,927	166,507	103,651	155,437
Interest charges	56,311	78,792	52,651	73,977
Reassessment – actuarial losses/ (gains) from changes in demographic assumptions	-	-	-	-
Effect of liability of subsidiary sold	-	(3,965)	-	-
Reassessment – actuarial losses/ (gains) from changes in financial assumptions	83,001	(300,542)	55,717	(285,593)
Personnel transfer cost	-	-	-	(5,057)
Benefits paid	(420,898)	(683,417)	(412,147)	(640,017)
Past service cost	383,320	579,026	375,815	540,557
Defined benefit liability on 31 December	**1,696,524**	**1,481,863**	**1,561,237**	**1,385,550**

The major actuarial assumptions used in valuation are as follows:

	31/12/2014	31/12/2013
Discount rate on 31 December	2.50%	3.80%
Future salary increases	2.50%	3.00%
Inflation	1.50%	1.50%

The amounts recognised in the Income Statement are:

	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Defined benefit plans (non-funded)	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**
Cost of current employment	112,927	166,507	103,651	155,437
Past service cost	383,320	579,026	375,815	540,557
Net interest on benefit liability	56,311	78,792	52,651	73,977
Total expenses recognised in the Income Statement	**552,558**	**824,325**	**532,117**	**769,971**

The amounts recognised in other comprehensive Income in the Statement of Other Comprehensive Income are:

	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Defined benefit plans (non-funded)	**Defined-benefit plans (non-funded)**	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**
Actuarial gains/(losses) from changes in demographic assumptions	-	-	-	-
Actuarial gains/(losses) from changes in financial assumptions	(83,001)	300,542	(55,717)	285,593
Total income /(expenses) recognised in other comprehensive income	**(83,001)**	**300,542**	**(55,717)**	**285,593**

The effect of changes in significant actuarial assumptions are:

GROUP

	31/12/2014		31/12/2013	
	Discount Rate		**Discount Rate**	
	0.5%	**-0.5%**	**0.5%**	**-0.5%**
Increase/ (decrease) in defined benefit liability	(129,557)	142,387	(124,374)	138,044
	-8%	8%	-8%	9%
	Future salary increases		**Future salary increases**	
	0.5%	**-0.5%**	**0.5%**	**-0.5%**
Increase/ (decrease) in defined benefit liability	140,284	-128,964	136,762	-124,425
	8%	-8%	9%	-8%

13.18. Borrowings

On 31.12.2014, the Group's and the Company's borrowings are broken down as follows:

(amounts in €)	THE GROUP 31/12/2014	THE GROUP 31/12/2013	COMPANY 31/12/2014	COMPANY 31/12/2013
Long-term borrowing				
Corporate bonds	0	0	0	0
Liabilities under finance lease	0	21.270	0	0
Total long-term loans	**0**	**21.270**	**0**	**0**
Short-term loans				
Bank loans	3.675.198	3.982.218	2.432.018	2.773.407
Bonds payable in next year	53.628.000	53.628.000	53.628.000	53.628.000
Liabilities under finance lease	0	31.243	0	0
Total short-term loans	**57.303.198**	**57.641.461**	**56.060.018**	**56.401.407**
Total loans	**57.303.198**	**57.662.731**	**56.060.018**	**56.401.407**

The Group's borrowing mainly consists of 2 corporate bonds amounting to €27,628,000 and €26,000,000 respectively. To secure the receivables of credit institutions, a first-class pledge has been raised on 100% of the Company's registered shares. Also, especially for tranche B bonds of €17,978,000, a variable security on the Company's receivables (invoices) is raised by 108%.

Although upon expiry of the ending year said loans were classified as short-term liabilities and, due to their contractual termination, short-term liabilities appear higher than current assets (by €48,508,981 and €48,670,799 for the Group and the Company, respectively), the Company reached an agreement for the refinancing thereof with the involved banks, i.e. EFG EUROBANK ERGASIAS S.A., PIRAEUS BANK and ALPHA BANK by entering into a Memorandum of Understanding (MOU) and Termsheet on 25.02.2015. All corporate bonds will be refinanced through the issue of two ordinary corporate bonds equal to €56,892,000 and maturing on 31.01.2018. It is expected that the new loan agreements will be signed and the disbursement will be completed by the end of May 2015. This significant development bears witness to the trust and support of the banks to the strategy and prospects of SINGULARLOGIC while also restoring the liquidity ratios of both Group and Company to sound levels.

The new loans are expected to be of three-year term and the interest period will come to six months save the first period which will expire on 30.06.2015. The interest rate will be common for both loans and will correspond to the sum of six-month Euribor plus a rate spread. The new loans are not expected to vary considerably the interest rate cost of the Company or the Group.

The maturity dates of all loans are as follows:

	THE GROUP		THE COMPANY	
	31/12/2014	31/12/2013	31/12/204	31/12/2013
Up to 1 year	57,303,198	57,641,461	56,060,018	56,401,407
Between 1 and 2 years	0	21,270	-	-
	57,303,198	**57,662,731**	**56,060,018**	**56,401,407**

During 2014, the Group has no liabilities under finance leases.

	31/12/2014		31/12/2013	
	Future minimum lease payments	**Future minimum lease payments**	**Present value of future minimum lease payments**	**Present value of future minimum lease payments**
Up to 1 year	0	0	31,243	31,243
Between 1 and 5 years	0	0	21,270	21,270
Over 5 years	0	0	0	0
Total minimum future payments	**0**	**0**	**52,513**	**52,513**
Less: Interest expenses	0	0	0	0
Total present value of future minimum lease payments	**0**	**0**	**52,513**	**52,513**

The effective average borrowing rates on the date of the Statement of Financial Position are as follows:

	THE GROUP		THE COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Bank loans (short-term)	6.21%	6.44%	6.22%	6.45%
Bank loans (long-term)	-	5.10%	-	-

13.19. Provisions

On 31 December 2014, the provisions and account transactions during the year are broken down as follows:

	THE GROUP			
(amounts in €)	**Tax liabilities**	**Other provisions**	**Provision of affairs sub judice**	**Total**
31 Dec 2012	**379,151**	**441,685**	**0**	**820,837**
Utilised provisions	**-**	**-**	**(273,000)**	**(273,000)**
Reclassification	**-**	**(441,685)**	**441,685**	**0**
31 Dec 2013	**379,151**	**0**	**168,685**	**547,837**
Additional provisions	**4,286**	**-**	**44,000**	**48,286**
31 Dec 2014	**383,437**	**0**	**212,685**	**596,123**

	THE COMPANY			
(amounts in €)	**Tax liabilities**	**Other provisions**	**Provision of affairs sub judice**	**Total**
31 Dec 2012	**379,151**	**441,685**	**0**	**820,837**
Utilised provisions	**-**	**-**	**(273,000)**	**(273,000)**
Reclassification	**-**	**(441,685)**	**441,685**	**0**
31 Dec 2013	**379,151**	**0**	**168,685**	**547,837**
Additional provisions	**-**	**-**	**44,000**	**44,000**
31 Dec 2014	**379,151**	**0**	**212,685**	**591,837**

	Long-term provisions	Short-term provisions	Total
31 Dec 2013	**150,000**	**397,837**	**547,837**
Reclassification	(150,000)	150,000	0
Additional provisions	0	44,000	44,000
31 Dec 2014	**0**	**591,837**	**591,837**

During 2014, the amount of €150,000 was transferred from long-term to short-term liabilities.

13.20. Suppliers and other liabilities

The Group's and the Company's supplier and other liability balances are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Suppliers	6,626,737	8,166,616	6,368,377	7,911,196
Bills payable	0	71,750	0	0
Cheques payable	78,587	520,357	65,263	518,527
Customer down payments	189,862	1,239,958	189,862	1,239,958
Total	**6,895,186**	**9,998,680**	**6,623,503**	**9,669,681**

The above trade and other liabilities are considered short-term. Management believes that the book values recognised in the Statement of Financial Position are a reasonable approach to fair values.

13.21. Current tax liabilities

On 31.12.2014, the Group's and the Company's liabilities for income tax are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Income tax	94,709	134,788	0	0
Total	**94,709**	**134,788**	**0**	**0**

13.22. Other short-term liabilities

On 31.12.2014, the Group's and the Company's other short-term liabilities are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Interest accrued	3,159,307	2,063,937	3,149,860	2,054,256
Insurance and pension fund dues	1,045,681	1,215,129	942,093	1,112,003
Dividends payable	85,522	91,151	0	0
Salaries and wages payable	104,765	345,849	103,489	334,035
Unearned and deferred income	6,080,832	5,316,188	5,374,401	5,043,287
Accrued expenses	5,763,210	5,274,135	5,550,252	5,166,926
Other liabilities	1,992,003	2,671,511	1,687,373	2,411,560
Other tax liabilities	2,124,142	2,288,573	1,987,678	2,053,160
Total	**20,355,461**	**19,266,473**	**18,795,144**	**18,175,228**

Other short-term liabilities refer, by the largest part, to subcontractors costs and other accrued expenses for the Group's projects and also to income carried forward to other years from maintenance services the Group allocates according to their progress in time and the period concerned by the said contracts.

13.23. Cost of goods sold – Administrative expenses – Selling expenses

The cost of goods sold, the administrative and selling expenses of the Group and the Company are broken down as follows:

	THE GROUP							
	1/1 - 31/12/2014				1/1 - 31/12/2013			
(amounts in €)	Cost of Goods Sold	Administrative expenses	Selling expenses	Total	Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Employee benefits	15,525,451	2,982,693	5,459,104	**23,967,248**	16,614,177	3,465,680	5,044,224	**25,124,080**
Inventory cost recognised as expense	5,282,819	0	0	**5,282,819**	4,819,602	0	0	**4,819,602**
Third party fees and expenses	6,305,550	1,227,693	2,185,490	**9,718,733**	8,588,835	1,330,222	1,667,427	**11,586,485**
Charges for outside services	715,141	163,101	153,182	**1,031,423**	747,410	175,952	152,214	**1,075,575**
Repairs & maintenance	2,755,375	34,377	14,162	**2,803,913**	2,957,106	47,215	13,495	**3,017,816**
Operating leases rents	1,619,788	294,439	387,472	**2,301,699**	2,037,082	298,124	384,327	**2,719,533**
Taxes & duties	68,261	19,958	160,189	**248,408**	84,523	22,393	58,278	**165,193**
Provisions	128,645	0	0	**128,645**	0	0	0	**0**
Advertising	13,646	44,664	51,404	**109,715**	19,737	61,643	164,922	**246,302**
Other expenses	805,423	300,649	697,548	**1,803,620**	717,587	261,469	597,680	**1,576,736**
Depreciation of fixed assets	4,792,297	596,374	33,125	**5,421,795**	1,463,101	734,010	36,624	**2,233,735**
Total	**38,012,394**	**5,663,947**	**9,141,678**	**52,818,019**	**38,049,160**	**6,396,707**	**8,119,191**	**52,565,057**

	THE COMPANY							
	1/1 - 31/12/2014				1/1 - 31/12/2013			
(amounts in €)	Cost of Goods Sold	Administrative expenses	Selling expenses	Total	Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Employee benefits	13,723,435	2,683,302	4,553,686	**20,960,422**	14,795,713	3,026,801	4,183,373	**22,005,887**
Inventory cost recognised as expense	4,337,785	0	0	**4,337,785**	4,210,571	0	0	**4,210,571**
Third party fees and expenses	6,550,902	955,028	2,185,490	**9,691,421**	8,353,336	1,054,401	1,666,083	**11,073,820**
Charges for outside services	693,570	148,307	140,728	**982,605**	727,653	161,208	140,543	**1,029,404**
Repairs & maintenance	2,755,321	31,813	13,425	**2,800,559**	2,957,106	45,585	12,481	**3,015,172**
Operating leases rents	1,548,596	221,618	360,817	**2,131,030**	1,955,889	221,953	360,424	**2,538,266**
Taxes & duties	65,286	15,579	158,448	**239,314**	80,196	16,619	55,877	**152,691**
Provisions	128,645	0	0	**128,645**	0	0	0	**0**
Advertising	13,646	42,399	7,798	**63,843**	19,737	59,247	146,220	**225,204**
Other expenses	589,931	159,013	520,620	**1,269,564**	524,404	122,137	488,830	**1,135,372**
Depreciation of fixed assets	4,637,317	550,556	29,777	**5,217,650**	1,308,163	689,685	34,142	**2,031,990**
Total	**35,044,434**	**4,807,614**	**7,970,790**	**47,822,838**	**34,932,766**	**5,397,636**	**7,087,974**	**47,418,376**

13.24. Other operating income/expenses

(amounts in €)		THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Miscellaneous operating income	**Note**				
Income from Subsidies		2,316,621	2,298,432	2,316,621	2,298,432
Income from rents		0	0	64,265	73,688
Other		304,383	511,966	381,799	570,529
Income from reversal of unused provisions		-	273,000	-	273,000
Income from used provisions for other receivables		2,283	-	2,283	-
Income from used provisions for customers	13.9	1,052,887	1,188,626	1,051,849	1,188,460
Gains on sale of fixed assets		5,969	30,621	5,595	19,851
Total		**3,682,143**	**4,302,646**	**3,822,412**	**4,423,961**

(amounts in €)		THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Miscellaneous operating costs					
Real estate and other taxes		-	-	-	-
Other fines & augmentation		(40,381)	(22,632)	(40,381)	(22,049)
Provision for affairs sub judice		(44,000)	-	(44,000)	-
Provision for bad debt	13.9 & 13.10	(1,266,806)	(2,262,651)	(1,219,544)	(1,926,363)
Loss from sale/ destruction of fixed assets/ merchandise		(1,105)	(518)	(403)	(518)
Other		(552,003)	(289,350)	(498,467)	(268,668)
Compensation		-	(53,602)	-	(53,602)
Total		**(1,904,295)**	**(2,628,754)**	**(1,802,795)**	**(2,271,201)**

In 2014, the Company raised new provisions for bad debts equal to €1,219,544 while the new provisions amounted to €1,266,806 for the Group. The provisions for bad debts were reduced by €1,052,887 and €1,051,849 for the Group and the Company respectively due to their collection.

13.25. Financial income / expenses

(amounts in €)	Note	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Interest income:					
- Banks		109,004	127,684	86,771	71,587
- Customers		6,107	423	6,107	423
- Loans granted		185	-	185	-
- Other interest related income		517	8,353	517	8,353
		115,813	**136,460**	**93,580**	**80,364**

(amounts in €)	Note	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Interest charges:					
- Discount of staff termination liabilities	13.17	(56,311)	(78,792)	(52,651)	(73,977)
- Short-term bank loans		(334,656)	(352,578)	(260,018)	(283,206)
- Bank loans (bonds)		(3,255,248)	(3,216,539)	(3,255,248)	(3,216,539)
- Guarantee letter commissions		(609,228)	(501,301)	(609,228)	(501,301)
- Factoring		(157,293)	(201,178)	(157,293)	(201,178)
- Financial leases		(5,406)	(5,897)	-	-
- Other bank expenses		(70,912)	(145,586)	(67,789)	(141,919)
		(4,489,054)	**(4,501,871)**	**(4,402,227)**	**(4,418,120)**

Financial expenses comprise, by the largest part, interest income from loans assumed while financial income mainly includes income from time deposits.

13.26. Other financial results

(amounts in €)	Note	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Impairment provisions for loans and other investments		-	(2,634,608)	-	(3,412,615)
Cash flow hedging (realised part)		-	-	-	-
Fair value profit/(losses) of other financial items through profit or loss	13.12	-	(10,674)	-	(10,674)
Profits / (losses) from the sale of financial instruments of trading portfolio		1,525	6,573	1,525	6,573
Profits / (losses) from the sale of available-for-sale financial assets		-	(84,174)	-	(84,174)
Profits /(Losses) from sales of subsidiaries		-	147,495	-	-
Profits/ (losses) from sale of interest in subsidiary		-	-	-	-
Income from dividends		-	45,802	242,400	120,409
Foreign exchange gains/(losses)		(27,476)	2,783	(43,205)	3,172
Other financial results		(492)	(380,012)	-	(380,012)
Total		**(26,443)**	**(2,906,816)**	**200,720**	**(3,757,322)**

13.27. Income tax

The amount of tax recognised in the income statement for the period is established as follows:

(amounts in €)	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Tax for the period	(104,327)	(145,770)	0	0
Self-employed and liberal professions contribution	(5,574)	(4,580)	(1,600)	(3,103)
Deferred tax	1,788,963	96,174	1,753,608	120,608
Total	**1,679,063**	**(54,176)**	**1,752,008**	**117,505**

Tax on Group's and Company's earnings before tax differs from the theoretical amount which would arise if the average weighted tax rate was used, as follows:

(amounts in €)	THE GROUP 31/12/2014	THE GROUP 31/12/2013	THE COMPANY 31/12/2014	THE COMPANY 31/12/2013
Earnings Before Tax	**(5,407,586)**	**(6,834,117)**	**(5,000,650)**	**(7,814,334)**
Tax rate (26%)	26%	26%	26%	26%
Expected tax expense at the enacted tax rate	**(1,405,972)**	**(1,776,871)**	**(1,300,169)**	**(2,031,727)**

Offsetting due to prior-period accumulated losses	(755,405)	4,068	(739,814)	0
Losses for which deferred tax asset was not recognised	110,834	870,219	0	783,745
Adjustment for tax-exempt income:				
-income from dividends	0	0	(63,024)	(13,130)
-Other	0	(245,262)	0	0
Adjustment to tax for non-deductible expenses:				
- non deductible expenses	365,750	605,781	349,399	570,757
Effect of changes in tax rate	0	560,562	0	569,747
Self-employed and liberal professions contribution				
Tax adjustments of preceding financial years	0	(77)	0	0
Tax commensurate with reserves distribution	8,470	0	0	0
Provisions for income tax				
Effect of different tax rates of foreign subsidiaries	(8,313)	31,175	0	0
-Other	5,574	4,580	1,600	3,103
Incurred tax expense (net)	**(1,679,063)**	**54,176**	**(1,752,008)**	**(117,505)**

13.28. Cash flow from operating activities

(Indirect method of presentation)

Adjustments in profit and loss in the Statement of Cash Flows are broken down as follows:

(amounts in €)	**THE GROUP**		**THE COMPANY**	
Cash flow from operating activities	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Profits for the period	**(3,728,524)**	**(6,888,293)**	**(3,248,643)**	**(7,696,829)**
Adjustments for:				
Tax	(1,679,063)	54,176	(1,752,008)	(117,506)
Depreciation on tangible assets	509,678	594,960	472,976	551,024
Depreciation on intangible assets	4,912,117	1,638,775	4,744,673	1,480,966
Provisions	1,552,378	2,429,159	1,495,840	2,081,800
Income from use of prior-period provisions	(1,055,171)	(1,461,627)	(1,054,133)	(1,461,460)
Impairment provisions for loans and other investments	0	2,634,608	0	3,412,615
(Gains)/losses from sale of tangible assets	327	(27,601)	0	(16,831)
(Gains)/losses from sale of intangible assets	(5,191)	(2,502)	(5,191)	(2,502)
(Gains)/losses from sale of financial assets at fair value through P&L	(1,033)	0	(1,525)	0
Fair value profits/(losses) of other financial items at fair value through profit or loss	0	390,687	0	390,687
(Gains)/losses from sale of available-for-sale financial assets	0	84,174	0	84,174
Results (income, expenses, profits, losses) from investing activity	0	0	0	0
Interest and related income	(115,813)	(136,460)	(93,580)	(80,364)
Interest charges and related expenses	4,489,054	4,501,871	4,402,227	4,418,120
Dividends	0	(45,802)	(242,400)	(120,409)
(Gains)/losses from sale of subsidiary	0	(147,495)	0	0
(Gains)/losses from sale of trading portfolio	0	(6,573)	0	(6,573)

Share of result from associates consolidated using the equity method	(14,974)	(17,857)	0	0
Other foreign exchange differences	27,476	(2,784)	43,205	(3,172)
	4,891,262	**3,591,418**	**4,761,442**	**2,913,741**
Change in working capital				
(Increase) / decrease in stocks	158,199	228,536	151,237	234,929
(Increase) / decrease in receivables	(3,441,681)	(2,669,715)	(3,456,216)	(2,457,089)
(Increase)/ decrease in other current assets accounts	6,600,266	(618,105)	6,535,526	(571,161)
Increase / (decrease) in liabilities	(3,691,439)	(1,095,846)	(4,106,158)	(883,228)
	(374,654)	**(4,155,130)**	**(875,611)**	**(3,676,549)**
Cash flow from operating activities	**4,516,608**	**(563,712)**	**3,885,831**	**(762,808)**

13.29. Transactions with related parties

Transactions with related parties take place on an arm's length basis. The Group companies did not take part in any transaction of unusual nature or content which was material to the Group or to the companies or persons closely connected to the Group, and have no intention of taking part in such transactions in the future.

No transaction includes special terms and conditions and no collateral was provided or received. Outstanding balances are usually settled in cash.

Transactions between the companies included in the Group's consolidated financial statements through the full consolidation method have been eliminated.

On 31 December 2014, the transactions and balances of transactions between the Group's related parties are broken down as follows:

amounts in euro	**GROUP**		**COMPANY**	
Sales of goods	**31 Dec 2014**	**31 Dec 2013**	**31 Dec 2014**	**31 Dec 2013**
Parent company	-	-	-	-
Subsidiaries	-	-	33,993	28,208
Associates	27,650	32,215	27,650	32,215
Other related parties	99,036	138,321	99,036	131,321
Total	**126,686**	**170,536**	**160,678**	**191,744**
Purchases of goods	**31 Dec 2014**	**31 Dec 2013**	**31 Dec 2014**	**31 Dec 2013**
Parent company	-	-	-	-
Subsidiaries	-	-	-	35
Associates	-	-	-	-
Other related parties	-	3,001	-	3,001
Total	**-**	**3,001**	**-**	**3,036**
Sales of services	**31 Dec 2014**	**31 Dec 2013**	**31 Dec 2014**	**31 Dec 2013**
Parent company	-	-	-	-

Subsidiaries	-	-	711,886	407,875
Associates	773,419	784,179	773,419	784,179
Other related parties	5,770,977	6,737,693	5,636,408	6,574,693
Total	**6,544,396**	**7,521,872**	**7,121,713**	**7,766,747**

Purchase of Services

	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Parent company	-	-	-	-
Subsidiaries	-	-	62,226	70,586
Associates	47,461	33,675	47,461	33,675
Other related parties	79,157	63,415	79,157	59,415
Total	**126,618**	**97,090**	**188,844**	**163,677**

Other income

	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Parent company	-	-	-	-
Subsidiaries	-	-	182,105	222,002
Associates	50	227	50	227
Other related parties	2,503	30,039	2,503	30,039
Total	**2,553**	**30,266**	**184,658**	**252,268**

Other expenses

	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Parent company	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Other related parties	2,458	-	2,458	-
Total	**2,458**	**-**	**2,458**	**-**

Receivables

	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Parent company	-	-	-	-
Subsidiaries	-	-	1,393,275	1,006,446
Associates	962,349	900,361	962,349	900,361
Other related parties	1,634,350	1,222,171	1,602,049	1,198,155
Total	**2,596,699**	**2,122,532**	**3,957,672**	**3,104,962**

Payables

	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Parent company	-	-	-	-
Subsidiaries	-	-	42,310	87,078
Associates	34,554	16,289	34,554	16,321
Other related parties	609,118	36,658	80,576	36,658
Total	**643,672**	**52,947**	**157,440**	**140,057**

13.30. Transactions with Key Management Personnel

Benefits to Management at the level of both Group and Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Salaries and social security costs	860,835	1,163,728	651,693	959,608
BoD meeting fees	652,430	709,308	437,530	390,630
Staff termination compensation	200,000	-	200,000	-
Other long-term benefits	27,297	31,947	21,747	20,095
Total	**1,740,561**	**1,904,984**	**1,310,969**	**1,370,333**

Key management personnel numbers 9 persons in the current year and 10 in 2013.

On 31 December 2014, no loans had been granted to BoD members or other senior Group executives (and their families).

13.31. Number of staff employed

On 31 December 2014, the number of staff employed by the Group and the Company is as follows:

	THE GROUP		THE COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Salaried staff	609	624	520	540

13.32. Liens

There are no mortgages or mortgage liens or other encumbrances registered in respect of fixed assets to cover loans.

13.33. Contingent receivables - liabilities

The Company has contingent liabilities and receivables relating to banks, other guarantees and other issues arising in the context of its normal activities. These are shown in the following table:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Guarantees to ensure proper performance of contracts with customers	4,281,483	4,395,466	4,281,483	4,350,721
Advance payment guarantees	6,054,713	6,238,675	6,054,713	6,238,675
Guarantees for participation in various tender procedures	745,760	2,154,407	745,760	2,154,407
Security for loans with banks (cheques, factored contracts and invoices)	24,536,204	23,797,746	24,536,204	23,797,746
Total	**35,618,160**	**36,586,294**	**35,618,160**	**36,541,549**

The Group recommends participation in various tenders pertaining to the assumption of projects and activities. In case such participation is successful, the projects may lead to the recognition of assets in the Company's future Financial Statements. No further disclosures are made since the approval procedure of participation in projects is still at the stage of evaluation by the authorities and the particular projects may not be awarded.

Certain legal claims have been raised against the Group during previous years. Save the cases in which provisions are raised, Management believes that the claims of the litigants are not well-founded and that the likelihood of obligatory payment of compensation is remote.

The contingent liabilities are not analysed any further so as not to affect the Group's position in relation to these claims.

13.34. Open tax periods

The accounting periods which remain open for tax purposes for Group companies are:

CORPORATE NAME	UN-AUDITED TAX YEARS
SINGULARLOGIC S.A.	2008-2010
SINGULARLOGIC S.A. (parent)	2010-2014
PCS	2010-2014
SINGULARLOGIC BULGARIA C.A. EOOD	2002-2014
SINGULARLOGIC ROMANIA C.A. SRL	2012-2014
METASOFT	2010-2014
SINGULARLOGIC BUSINESS SERVICES S.A.(absorbed by SingularLogic on 12.03.2012)	2010-2011
SINGULARLOGIC INTEGRATOR S.A. (absorbed by SingularLogic on 03.10.2012)	2007-2012
INFOSUPPORT	2010-2014
LOGODATA	2005-2014
SYSTEM SOFT	2010-2014
SINGULARLOGIC CYPRUS LTD (DEMSTAR)	2006-2014
GIT HOLDINGS A.E.	2010-2014
GIT (CYPRUS) LTD	2009-2014
INFO S.A.	2010-2014
DYNACOMP S.A.	2009-2014

The Company has not been audited for years 2010-2014 while the absorbed Company "SINGULARLOGIC SA" has been audited in tax terms up to 2007 (included).

For years 2011 to 2013, the Company and its subsidiaries in Greece were audited on the basis of Decision No. POL. 1159/2011 and received a tax certificate ("Annual Certificate") by Grant Thornton S.A. as provided for in Article 82(5) of Law 2238/1994. For the year ended on 31.12.2014, the tax audit is already carried out by Grant Thornton S.A.

Upon completion of the tax audit, Management of Group Companies does not expect any significant tax liabilities other save those already recorded and presented in the financial statements.

In relation to the open tax periods cited in the table above, there is a possibility that tax fines and surcharges could be imposed when they are examined and finalised. The Company does not expect that its results and cash flows will be considerably affected when the pending tax cases will be finalised. However, on 31.12.2014 provisions have been raised for unaudited tax years which amount to €379,000 and €383,000 for the Company and the Group respectively.

14.Risk Management Purposes and Policies

The Group is exposed to financial risks including exchange rate, interest rate, credit and liquidity risks. The Group's risk management plan seeks to limit the negative impacts on Group financial results arising from inability to predict how financial markets will perform and from fluctuations in costs and sales variables.

The procedure followed is outlined below:

- assessment of risks relating to the Group's activities and functions;
- planning of the methodology and selection of adequate financial instruments for risk mitigation; and
- execution/application of the risk management procedure, in accordance with the procedure approved by Management.

The Group's financial instruments mainly consist of deposits with banks, corporate bonds and short-term bank loans, overdraft rights with banks, short-term, highly-liquid, exchange-traded financial instruments, trade debtors and creditors, loans to and from subsidiaries, investments in equities.

14.1. Foreign exchange risk

The Group mainly operates in the EU and, therefore, its exposure to the foreign exchange risk is not considerable.

Nevertheless, risk arises from commercial transactions in foreign currency and also from net investments in foreign entities, the net assets of which are exposed to foreign exchange risk (mainly in USD and the Romanian RON). The amount of these transactions is not significant and no exchange risk hedging is implemented.

The financial assets and the respective liabilities in foreign currency are broken down as follows:

	31/12/2014				31/12/2013			
Amounts in € and foreign currency	**EUR**	**USD**	**GBP**	**Ron**	**EUR**	**USD**	**GBP**	**Ron**
Notional amounts								
Financial assets	1,472,933	505,015	6,137	4,702,884	940,272	226,400	6,137	3,437,064
Financial liabilities	(935,837)	(523,203)	(1,676)	(2,253,708)	(705,365)	(624,635)	(1,676)	(1,119,649)
Short-term exposure	**537,096**	**(18,188)**	**4,461**	**2,449,176**	**234,908**	**(398,236)**	**4,461**	**2,317,416**
Financial assets	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-
Long-term exposure	-	-	-	-	-	-	-	-

The table below presents the changes in the operating result and equity in relation to the financial assets and financial liabilities if floating rates with US Dollar (USD), Romanian Leu (Ron) and British pound sterling (GBP) vary by 10%. Sensitivity analysis is based on the financial instruments in foreign currency held by the Group for each reporting period.

Sensitivity analysis to foreign exchange changes:

	31/12/2014					
Amounts in €	**USD**		**GBP**		**Ron**	
Profit for the period pre-tax	(1,498)	1,498	573	(573)	54,635	(54,635)
Equity	(1,498)	1,498	573	(573)	54,635	(54,635)

Amounts in €	31/12/2013					
	USD		GBP		Ron	
Profit for the period pre-tax	(28,876)	28,876	535	(535)	51,832	(51,832)
Equity	(28,876)	28,876	535	(535)	51,832	(51,832)

The Group's exposure to FX risk varies during the year depending on the volume of transactions in foreign currency. Yet, the above analysis is considered representative of the Group's FX exposure.

14.2. Interest rate risk sensitivity analysis

The Group is exposed to the variation risk of future cash flows due to change in the interest rates since it has issued corporate bonds and has obtained short-term loans at a floating rate. The Group's policy is to minimise its exposure to the interest rate cash flow risk as regards long-term financing. On 31 December 2014, the Group was exposed to variations of the interest rate market as regards bank loans, which are subject to variable interest rate (for more information, please see note 13.18 on bank loans).

The table below shows the sensitivity of operating results and equity to a reasonable change in the interest rate in the order of +/- 1% (2013: +/-1%). The interest rate changes are expected to be reasonable based on recent market conditions.

Group loans sensitivity analysis to interest rate changes:

Amounts in €	31/12/2014		31/12/2013	
Profit for the period pre-tax	(573,032)	573,032	(576,627)	576,627
Equity	(573,032)	573,032	(576,627)	576,627

14.3. Other price risk analysis

The risk from the volatility of securities prices is deemed negligible for the Group's economic results due to its limited investments in entities.

14.4. Credit risk analysis

Group exposure to credit risk is limited to the financial assets (instruments) which on 31.12.2014 are broken down as follows:

Amounts in €	31/12/2014	31/12/2013
Financial asset categories		
Cash and cash equivalents	3,544,323	5,498,113
Trade and other receivables	30,503,198	33,020,001
Total	**34,047,521**	**38,518,115**

In relation to trade and other receivables, the Group is not exposed to highly important credit risks. Group receivables derive from a large, wide customer base. The Group constantly monitors its receivables individually or per group and includes that information in credit controls. Where available, external reports or analyses on customers are used. Group policy is to collaborate with reliable customers only.

On 31.12.2014 Group Management assesses that there is no substantial credit risk which is not already covered by provisions for bad debts. The credit risk for cash and cash equivalents is deemed negligible given that the Group collaborates with recognised financial institutions of high credit rating.

14.5. Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring its debts, long-term and short-term financial liabilities and also the payments made daily. Liquidity requirements are monitored in various time zones on a daily and weekly basis and on a rolling 30-day basis. Long-term liquidity requirements for the 6 months ahead and the following year are calculated each month.

The maturity of the Group's financial liabilities on 31 December 2014 is broken down as follows:

31/12/2014

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
Amounts in €				
Bonds payable next year	53,628,000	-	-	-
Finance lease obligations	-	-	-	-
Trade liabilities	3,665,174	3,230,013	-	-
Other short-term liabilities	11,933,648	8,516,522	-	-
Short-term borrowing	3,675,198	-	-	-
	72,902,019	**11,746,535**	**0**	**0**

31/12/2013

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
Amounts in €				
Bonds payable next year	53,628,000	-	-	-
Finance lease obligations	15,621	15,622	21,270	-
Trade liabilities	6,256,807	3,741,872	-	-
Other short-term liabilities	11,047,461	8,353,800	-	-
Short-term borrowing	3,982,218	-	-	-
	74,930,108	**12,111,294**	**21,270**	**0**

On 31.12.2014, the Group's short-term loan liabilities, due to their contractual termination, include corporate bonds amounting to €53,628,000 with the result of the short-term liabilities appearing higher than current assets (by €48,508,981 and €48,670,799 for the Group and the Company respectively). On

25.02.2015, the Company reached an agreement concerning the refinancing of the above loans with the involved banks, i.e. EFG EUROBANK ERGASIAS S.A., PIRAEUS BANK and ALPHA BANK by entering into a Memorandum of Understanding (MOU) and Termsheet. All corporate bonds will be refinanced through the issue of two ordinary corporate bonds equal to €56,892,000 and maturing on 31.01.2018. It is expected that the new loan agreements will be signed and the disbursement will be completed by the end of May 2015. This significant development bears witness to the trust and support of the banks to the strategy and prospects of SINGULARLOGIC while also restoring the liquidity ratios of both Group and Company to sound levels.

14.6. Presentation of financial assets and liabilities per category

The financial assets and financial liabilities on the date of the financial statements may be categorised as follows:

	THE GROUP		THE COMPANY	
Amounts in €	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Non-current assets				
Loans and receivables	410,645	522,945	404,961	511,495
Available-for-sale financial assets	59,932	59,932	59,932	59,932
Total	**470,577**	**582,877**	**464,893**	**571,427**
Current assets				
Assets presented at fair value through P&L	0	13,496	0	13,496
Trade and other receivables	30,503,198	33,020,001	28,978,780	31,449,114
Cash and cash equivalents	3,544,323	5,498,113	1,876,153	3,680,695
Total	**34,047,521**	**38,531,610**	**30,854,933**	**35,143,305**
Long-term liabilities				
Borrowing	0	21,270	0	0
Total	**0**	**21,270**	**0**	**0**
Short-term liabilities				
Borrowing	57,303,198	57,641,461	56,060,018	56,401,407
Financial liabilities	6,895,186	9,998,680	6,623,503	9,669,681
Other financial liabilities	20,355,461	19,266,473	18,795,144	18,175,228
Total	**84,553,845**	**86,906,614**	**81,478,665**	**84,246,316**

14.7. Disclosures about IFRS 7 "Improvements to Financial Instruments: Disclosures»

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments per valuation technique:

Level 1: quoted prices on active markets for similar assets or liabilities. Level 2: valuation techniques for which all inputs having a significant effect on the recorded fair value are directly or indirectly observable. Level 3: techniques using inflows that have a significant effect on the recorded fair value and are not based on observable market data.

On 31.12.2014 there are no financial assets or financial liabilities to be measured at fair value. Specifically, on 10.01.2014 the listed shares held by the Company and amounting to €13,496 were sold.

14.8. Capital management policies and procedures

Group capital management objectives are as follows:

- to ensure the Group's ability to continue its operations as a going concern, and
- to ensure satisfactory performance for the shareholders by invoicing products and services proportionately to the risk level.

The Group monitors capital based on the amount of shareholder's equity plus subordinated debts less cash and cash equivalents as presented in the Statement of Financial Position. Capital for the period is broken down as follows:

Amounts in €	31/12/2014	31/12/2013
Loans	57,303,198	57,662,731
Less: Cash and cash equivalents	(3,544,323)	(5,498,113)
Net borrowing	**53,758,874**	**52,164,618**
Total equity	27,154,307	31,183,653
Net Borrowing to Equity	**2.0**	**1.7**

15.Events after the reporting period

On 25.02.2015, the Company entered into a Memorandum of Understanding and Termsheet with EFG EUROBANK ERGASIAS, PIRAEUS BANK and ALPHA BANK to refinance all its corporate bonds through the issue of two ordinary corporate bonds totalling €56,892,000. It is expected that the new loan agreements will be signed and the disbursement will be completed by the end of May 2015.

The new loans are expected to be of three-year term and the interest period will come to six months save the first period which will expire on 30.06.2015. The interest rate will be common for both loans and will correspond to the sum of six-month Euribor plus a rate spread. The new loans are not expected to vary considerably the interest rate cost of the Company or the Group.

Nea Ionia, 24 March 2015

THE CHAIRMAN & MANAGING DIRECTOR	BoD MEMBER	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
MICHAIL KARIOTOGLOU	CHRISTOPHE VIVIEN	NIKOLAOS KONTOPOULOS	AFRODITE PYRGIOTAKI
ID Card No. AB 287337	PASSPORT No. 14AD07810/04-02-2014	ID Card No. AB 001315	ID Card No. X046755, E.C.G Licence No 0004664 CLASS A