ANNUAL FINANCIAL REPORT

for the period from

1 January to 31 December 2016

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

N. Kifisia, 25/042017

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SingularLogic

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 2016, 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, as these have been integrated to the Greek Legislation (Government Gazette/B'/2848/23.10.2012). 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 2016, 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, where it is stated that the Group is negotiating with credit institutions to reorganize its existing loan liabilities. Moreover, explanatory note 14.5 to the financial statements makes reference to the fact that the Group's and Company's total short-term liabilities are in excess of the total current assets by € 50.4 million and € 49.3 million respectively.

The aforementioned circumstances imply the existence of substantial uncertainty about the uninterrupted continuation of activities of the Group and the Company. The successful refinancing of the loan liabilities constitutes a key condition for working capital adequacy. If not completed, it might affect the continuation of activities of the Group and the Company in the near future.

As noted in the same explanatory note 14.5, the Group's Management has planned the actions needed to improve the financial position both of the Group and the Company and to improve their uninterrupted operation, a condition that

has been taken into account during the preparation of the attached financial statements according to the going concern principle.
Our opinion is not qualified in relation to this matter.

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

Taking into consideration that the management is responsible for the preparation of the Board's Management Report, according to the provisions of paragraph 5, article 2 (part B) of L. 4336/2015, we note that:
a) In our opinion, the Board's Management Report has been prepared according to the current legal requirements of articles 43a and 107a of Codified Law 2190/1920 and its content matches that of the attached separate and consolidated financial statements for the year ended on 31.12.2016.
b) Based on the knowledge we obtained from our audit for the Company SINGULARLOGIC S.A. and its environment, we have not identified any material misstatement to the Board's Management Report.

Athens, 25 April 2017

The Certified Public Accountant

Marios Lasanianos

ICPA (GR). Reg No 25101

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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 2016 to 31 December 2016.

1. Economic Review

During the fiscal year 2016 the conditions concerning the financing of the real economy remained adverse, despite the de-escalation of the pressures on the banking system compared to 2015. The accumulated balance of non-performing exposures remained high, thus obstructing the restoration of the banks' fiduciary operation.

2016 was also characterized by the implementation of a series of financial measures, mainly concerning taxation and social security. The increase of existing taxes, as well as the implementation of new ones, led to excessive tax returns thus assisting significantly in over-achieving the targets for primary surplus; on the other hand, they caused additional pressures on the economic activity.

These factors had a suspensive effect on the conditions of the information technology market, as well as on the investing activity of Private Sector; in addition, they caused serious delays in auctioning Public Works. Once more, the small and medium enterprises' sector experienced the greater losses.

During 2016 SingularLogic Group archived sales amounting to €39.2 million compared to €49.4 million in 2015 a decrease of 21%, since revenue of previous year was increased due to the Parliamentary Elections held in January and September 2015 and the Referendum held in July 2015. Operating profits (EBITDA) were decreased by 23% and amounted €4.6 million compared to €6 million in 2015. With the exception of the burden of €0.8 million due to the extraordinary impairment of Receivables' balances by Marinopoulos Group, operating profits (EBITDA) amounted to €5.4 million while the operating profitability margin increased to 14% from 12% in 2015, thus reflecting the constant improvement of the Group's cost base, as well as the improvement of the product and services mix with ones of higher profitability.

On 26.02.16 the company participated in the share capital increase of the public limited company "SENSE ONE TECHNOLOGIES SA – IT, TELECOM AND ENERGY SOLUTIONS, trade name SENSE ONE TECHNOLOGIES S.A, paying a total amount of five hundred and one thousand, two hundred seventy euros (€ 501,270), a 50.99% shareholding.

SenseOne Technologies is an innovative software producing company that specialises in integrated solutions Internet of Things for buildings. The company's main product is a software platform for corporations and organisations named buildingSense that assists in managing and saving energy, water and natural gas in conjunction with the optimisation of operation of buildings and systems (computer networks, elevators, CCTV systems, access control, heating/cooling systems, lighting etc).

SenseOne Technologies has been recognised as one of the "Top 50 Most Promising IoT Solution Providers 2015"' in the global market of Internet of Things from the respected US tech market analysis platform CIOReview (Fremont, California), while buildingSense software has received several considerable distinctions such as "Business IT Excellence 2014 - Best Energy Efficiency Software Award", "Environmental Silver Award 2015" and "Energy Mastering Silver Award 2015" for the results in cost reduction and environmental footprint improvement that already offers in several large corporations in Greece.

In addition, on 01.11.16 the Company, through its 100% subsidiary G.I.T. CYPRUS, founded SINGULARLOGIC MARITIME SERVICES LIMITED with registered offices in Cyprus and an initial share capital of € 1,000. The main business of the Company will be the production and trading of specialized software and IT solutions related to maritime industry and transport.

Short-term loan liabilities include loans amounting to €52,565 thousand both for the Group and the Company for which, on 31.12.2016, not all covenants that govern the respective bank liabilities are met. The Company has already sent for approval by the creditor banks a request not to observe the indicators temporarily. In conjunction with the forthcoming maturing of its corporate bond loans (contractual termination of the total of loans on 31.01.2018), the Company's Management is in discussions with the creditor banks in order to achieve the reconstructing and refinancing of the said loans.

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)	1/1/2016-31/12/2016	%	1/1/2015-31/12/2015	%
Large corporations	27,001,619	68.85%	28,663,579	57.98
Small and medium-sized enterprises	8,176,385	20.85%	9,814,194	19.85
Public Sector	4,037,938	10.30%	10,958,858	22.17
Total	**39,215,942**	**100.00**	**49,436,631**	**100.00**

The table below sets out the breakdown of Group sales per revenue category for the period 01.01.2016-31.12.2016:

SALES BREAKDOWN PER CATEGORY

(Amounts in euro)	1/1/2016-31/12/2016	%	1/1/2015-31/12/2015	%
Sales of software user licenses	3,446,990	8.79	3,485,830	7.05
Software maintenance sales	14,851,208	37.87	15,201,999	30.75
Sales of services	16,480,043	42.02	25,164,796	50.90
Sales of Merchandises	4,437,700	11.32	5,584,007	11.30
Total	**39,215,942**	**100.00**	**49,436,631**	**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 clientèle;
- 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 recognizing 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 2016 is broken down as follows:

31.12.2016

	Short-term		Long-term	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Over 5 years**
Amounts in €				
Bonds payable next year	500,000	52,064,796	130,000	-
Finance lease obligations	-	2,493	10,531	-
Trade liabilities	3,291,081	3,636,947	-	-
Other short-term liabilities	8,726,106	5,706,049	-	-
Short-term borrowing	3,663,995	-	-	-
	16,181,183	**61,410,285**	**140,531**	**0**

31.12.2015

	Short-term		Long-term	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Over 5 years**
Amounts in €				
Bonds payable next year	321,106	317,775	52,327,323	-
Finance lease obligations	-	2,493	12,733	-
Trade liabilities	2,167,795	2,754,457	-	-
Other short-term liabilities	11,916,944	8,609,361	-	-
Short-term borrowing	2,654,502	-	-	-
	17,060,347	**11,684,086**	**52,340,056**	**0**

Bond loans have been recognized at depreciated cost according to the provisions of IAS 39 and the balance on 31/12/2016 of €52,564,796 concerns short term liabilities maturing on 31/01/2018.

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

No major events occurred after the end of the fiscal year

4. Outlook for 2017

According to the estimated of IDC and EITO for 2017, the standardized software market will remain in the 2016 levels. Furthermore, it is predicted that IT services will continue to grow with an annual rate of 2.5% for the next three years.

Within a continuously hard business environment, SingularLogic invests dynamically in global megatrends to the Information Technology sector (Mobility, Cloud, Social Media), offering integrated technological solutions for the Digital Transformation of the enterprises, enters in new fields and vertical markets (Maritime and Internet of Things) and develops systematically its presence in the international markets, both autonomously and through partnerships. Moreover, further strengthening of the customer-oriented approach to large corporations, the expansion of the profit margin and the effective cash flow management of the Group are constant priorities for the Management of SingularLogic.

N. Kifisia 25/04/2017

The Chairman	The Managing Director
Michail Kariotoglou	Stavros Krasadakis

C. Financial Statements

1 Income Statement

		THE GROUP		THE COMPANY	
(amounts in €)	Note	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Sales	12	**39,215,942**	**49,436,631**	**35,400,961**	**45,286,517**
Cost of Goods Sold	13.23	(26,451,723)	(34,181,345)	(24,216,336)	(31,705,914)
Gross Profit		**12,764,219**	**15,255,286**	**11,184,625**	**13,580,604**
Other operating income	13.24	3,431,516	4,011,551	2,986,528	3,888,263
Distribution expenses	13.23	(7,519,330)	(10,145,920)	(6,234,000)	(9,052,106)
Administrative expenses	13.23	(5,768,429)	(4,620,978)	(4,613,351)	(3,681,004)
Other operating expenses	13.24	(1,933,212)	(1,869,008)	(1,664,245)	(1,466,791)
Operating results		**974.764**	**2,630,931**	**1.659.557**	**3,268,966**
Financial income	13.25	26,160	2,896,412	32,835	2,893,373
Financial expenses	13.25	(3,618,038)	(3,233,256)	(3,550,516)	(3,151,959)
Other financial results	13.26	(31,295)	7,104	(29,655)	181,606
Profits /(Losses) from Associates	13.5	(162,965)	(8,850)	-	-
Earnings / (losses) before tax		**(2,811,374)**	**2,292,341**	**(1,887,778)**	**3,191,986**
Income Tax	13.27	(1,283,689)	(690,399)	(1,182,834)	(711,146)
Profits / (losses) net of tax		**(4,095,063)**	**1,601,942**	**(3,070,612)**	**2,480,840**
Period profit attributable to:					
Parent company owners		(3,986,851)	1,705,143	(3,070,612)	2,480,840
Non-controlling interests		(108,212)	(103,200)	-	-
		(4,095,063)	**1,601,942**	**(3,070,612)**	**2,480,840**

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

2 Statement of Comprehensive Income

(amounts in €)	THE GROUP 31.12.2016	THE GROUP 31.12.2015	THE COMPANY 31.12.2016	THE COMPANY 31.12.2015
Profit after taxes	**(4,095,063)**	**1,601,942**	**(3,070,612)**	**2,480,840**
Other comprehensive income				
Amounts not reclassified to the Income Statement during subsequent periods:				
Reassessment of liability for employee benefits	3,064	15,401	(4,416)	(1,386)
Deferred tax on reassessment of liability for employee benefits	(889)	(4,466)	1,281	402
Deferred taxes on actuarial gains/(losses) due to change in tax rate	0	(61,149)	0	(58,152)
Amounts reclassified to the Income Statement during subsequent periods:				
FX differences of foreign operations conversion	373	(1,675)	0	0
Other comprehensive income for the period net of tax	***2,549***	***(51,889)***	***(3,135)***	***(59,137)***
Consolidated comprehensive income for the period	**(4,092,514)**	**1,550,054**	**(3,073,747)**	**2,421,703**
Consolidated comprehensive income for the period attributable to:				
Parent company owners	(3,988,371)	1,650,995	(3,073,747)	2,421,703
Non-controlling interests	(104,143)	(100,941)	-	-

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

SingularLogic

3 Statement of financial position

	Note	THE GROUP		THE COMPANY	
ASSETS		**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Non-current assets					
Tangible assets	13.1	1,703,272	505,865	1,615,068	437,014
Goodwill	13.3	54,362,987	54,293,293	51,636,150	51,636,150
Intangible assets	13.2	21,354,869	21,611,173	20,514,380	21,287,583
Investments in Subsidiaries	13.4	-	-	1,301,366	794,595
Investments in affiliates (consolidated using the equity method)	13.5	235,857	398,823	0	0
Deferred tax assets	13.13	1,909,615	3,093,044	1,842,465	3,055,022
Available-for-sale financial assets	13.7	59,932	59,932	59,932	59,932
Other long term receivables	13.6	229,413	488,870	351,613	483,205
		79,855,945	**80,451,000**	**77,320,974**	**77,753,501**
Current Assets					
Inventories	13.8	469,647	303,328	407,942	223,906
Customers and other trade receivables	13.9	18,837,509	21,762,620	19,223,687	21,482,216
Other receivables	13.10	2,010,840	3,153,720	1,936,400	3,195,880
Assets presented at fair value through P&L	13.12	1,987,928	3,192,379	1,987,928	3,192,379
Other current assets	13.11	1,594,332	3,233,622	1,469,877	3,197,541
Cash and cash equivalents	13.15	3,078,568	2,587,960	1,067,986	611,630
		27,978,823	**34,233,630**	**26.093.820**	**31,903,552**
Total assets		**107,834,769**	**114,684,630**	**103,414,794**	**109,657,053**
SHAREHOLDERS' EQUITY AND 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	104,326	104,326	73,296	73,296
Reorganization Balance Sheet Reserves	13.16.2	(22,187)	(22,560)	0	0
Results carried forward		(66,895,493)	(62,906,748)	(67,515,122)	(64,441,375)
Equity attributed to parent company shareholders		**24,376,863**	**28,365,234**	**23,748,390**	**26,822,137**
Non-controlling interests		451,801	141,127	-	-
Total equity		**24,828,664**	**28,506,361**	**23,748,390**	**26,822,137**
Long-term liabilities					
Long term loan liabilities	13.18	140,531	52,340,056	0	52,327,322
Deferred tax liabilities	13.13	2,581,226	2,710,045	2,551,877	2,659,003
Post-employment benefit obligations	13.17	1,867,258	1,787,612	1,715,214	1,656,505
Total long-term liabilities		**4,589,015**	**56,837,713**	**4.267.091**	**56,642,831**
Short term liabilities					
Trade and other payables	13.20	6,928,028	4,922,252	6,475,470	4,522,311
Current tax liabilities	13.21	99,194	1,550,305	0	1,542,462
Short-term bank liabilities	13.18	56,231,284	3,295,877	54,996,814	2,070,899
Other short-term liabilities	13.22	14,332,961	18,976,000	13,105,692	17,464,577
Short term Provisions	13.19	825,623	596,123	821,337	591,837
Total short-term liabilities		**78.417.090**	**29,340,556**	**75.399.313**	**26,192,085**
Total liabilities		**83,006,105**	**86,178,269**	**79,666,404**	**82,834,915**
Total equity and liabilities		**107,834,769**	**114,684,630**	**103,414,794**	**109,657,053**

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

4 Consolidated Statement of Changes in Equity

		Equity attributed to parent company shareholders								
(amounts in €)	**Note**	**Share capital**	**Difference from share premium issue**	**Other reserves**	**Cash flow hedge reserves**	**FX difference from subsidiary's balance sheet conversion**	**Balance carried forward**	**Total**	**Non-controlling interests**	**Total equity**
Balance of Equity on 31.12.2014	13.16	**20,643,215**	**70,547,001**	**222,494**	**0**	**(20,885)**	**(64,677,586)**	**26,714,240**	**440,068**	**27,154,307**
Transfers between reserves and results carried forward		0	0	(118,168)	0	0	118,168	0		**0**
Profit distribution		0	0	0	0	0	0	0	(198,000)	**(198,000)**
Transactions with owners		**0**	**0**	**(118,168)**	**0**	**0**	**118,168**	**0**	**(198,000)**	**(198,000)**
Net results for the period 01.01 – 31.12.2015							1,705,143	1,705,143	(103,200)	**1,601,942**
Net results for the period (a)		**0**	**0**	**0**	**0**	**0**	**1,705,143**	**1,705,143**	**(103,200)**	**1,601,942**
Reassessment of liability for employee benefits							10,283	10,283	5,118	**15,401**
Deferred tax on reassessment of liability for employee benefits							(3,092)	(3,092)	(1,375)	**(4,466)**
Deferred taxes on actuarial gains/(losses) due to change in tax rate							(59,664)	(59,664)	(1,484)	**(61,149)**
Foreign currency differences						(1,675)	0	(1,675)	0	**(1,675)**
Other comprehensive income for the period (b)		**0**	**0**	**0**	**0**	**(1,675)**	**(52,473)**	**(54,148)**	**2,259**	**(51,889)**
Consolidated comprehensive income for the period (a) + (b)		**0**	**0**	**0**	**0**	**(1,675)**	**1,652,670**	**1,650,995**	**(100,941)**	**1,550,054**
Balance of Equity on 31.12.2015		**20,643,215**	**70,547,001**	**104,326**	**0**	**(22,560)**	**(62,906,748)**	**28,365,234**	**141,127**	**28,506,361**

		Share capital	Difference from share premium issue	Other reserves	Cash flow hedge reserves	FX difference from subsidiary's balance sheet conversion	Balance carried forward	Total	Non-controlling interests	Total equity
Balance of Equity on 31.12.2015	13.16	**20,643,215**	**70,547,001**	**104,326**	**0**	**(22,560)**	**(62,906,748)**	**28,365,234**	**141,127**	**28,506,361**
Transfers between reserves and results carried forward		0	0	0	0	0	0	0		**0**
Non-controlling interests from initial acquisition of subsidiaries		0	0	0	0	0	0	0	414,817	**414,817**
Transactions with owners		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**414,817**	**414,817**
Net results for the period 01.01 – 31.12.2016							(3,986,851)	(3,986,851)	(108,212)	**(4,095,063)**
Net results for the period (a)		**0**	**0**	**0**	**0**	**0**	**(3,986,851)**	**(3,986,851)**	**(108,212)**	**(4,095,063)**
Reassessment of liability for employee benefits							(2,668)	(2,668)	**5,732**	**3,064**
Deferred tax on reassessment of liability for employee benefits							774	774	(1,662)	**(889)**
Deferred taxes on actuarial gains/(losses) due to change in tax rate							0	0		**0**
Foreign currency differences						373	0	373		**373**
Other comprehensive income for the period (b)		**0**	**0**	**0**	**0**	**373**	**(1,894)**	**(1,521)**	**4,069**	**2,549**
Consolidated comprehensive income for the period (a) + (b)		**0**	**0**	**0**	**0**	**373**	**(3,988,745)**	**(3,988,371)**	**(104,143)**	**(4,092,514)**
Balance of Equity on 31.12.2016		**20,643,215**	**70,547,001**	**104,326**	**0**	**(22,187)**	**(66,895,493)**	**24,376,863**	**451,801**	**24,828,664**

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	Difference from share premium issue	Other reserves	Cash flow hedge reserves	Balance carried forward	Total equity
Balance of Equity on 31.12.2014	13.16	**20,643,215**	**70,547,001**	**230,678**	**0**	**(67,020,460)**	**24,400,434**
Transfers between reserves and results carried forward		0	0	(157,381)	0	157,381	0
Amounts from subsidiaries' absorption		0	0	0	0	0	0
Transactions with owners		**0**	**0**	**(157,381)**	**0**	**157,381**	**0**
Net results for the period 01.01 – 31.12.2015						2,480,840	2,480,840
Net results for the period (a)		**0**	**0**	**0**	**0**	**2,480,840**	**2,480,840**
Reassessment of liability for employee benefits						(1,386)	(1,386)
Deferred tax on reassessment of liability for employee benefits						402	402
Deferred taxes on actuarial gains/(losses) due to change in tax rate						(58,152)	(58,152)
Other comprehensive income for the period (b)		**0**	**0**	**0**	**0**	**(59,137)**	**(59,137)**
Consolidated comprehensive income for the period (a) + (b)		**0**	**0**	**0**	**0**	**2,421,703**	**2,421,703**
Balance of Equity on 31.12.2015		**20,643,215**	**70,547,001**	**73,296**	**0**	**(64,441,375)**	**26,822,137**

	Share capital	Difference from share premium issue	Other reserves	Cash flow hedge reserves	Balance carried forward	Total equity
Balance of Equity on 31.12.2015	**20,643,215**	**70,547,001**	**73,296**	**0**	**(64,441,375)**	**26,822,137**
Transfers between reserves and results carried forward	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 – 31.12.2016					(3,070,612)	(3,070,612)
Net results for the period (a)	**0**	**0**	**0**	**0**	**(3,070,612)**	**(3,070,612)**
Reassessment of liability for employee benefits					(4,416)	(4,416)
Deferred tax on reassessment of liability for employee benefits					1,281	1,281
Other comprehensive income for the period (b)	**0**	**0**	**0**	**0**	**(3,135)**	**(3,135)**
Consolidated comprehensive income for the period (a) + (b)	**0**	**0**	**0**	**0**	**(3,073,747)**	**(3,073,747)**
Balance of Equity on 31.12.2016	**20,643,215**	**70,547,001**	**73,296**	**0**	**(67,515,122)**	**23,748,390**

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

6 Cash Flow Statement

(amounts in €)	Note	THE GROUP 31.12.2016	THE GROUP 31.12.2015	THE COMPANY 31.12.2016	THE COMPANY 31.12.2015
Cash flows from operational activities	13.28	**4,521,088**	**6,343,541**	**4,390,930**	**5,536,909**
Interest paid		(2,819,792)	(2,091,402)	(2,750,745)	(2,013,270)
Income Tax paid		(576,503)	(65,457)	(570,973)	(1,576)
Net cash flows from operational activities		**1,124,792**	**4,186,682**	**1,069,212**	**3,522,064**
Cash flows from investment activities					
Purchases of tangible assets	13.1	(1,735,267)	(533,253)	(1,676,769)	(504,538)
Purchases of intangible assets	13.2	(2,269,986)	(2,333,337)	(2,104,478)	(2,259,052)
Gains on sale of tangible assets		3,985	800	307	800
Gains on sale of intangible assets		61,552	30,527	61,552	30,527
Loans granted to affiliated parties		0	0	(170,000)	0
Purchase of financial assets at fair value through P&L		0	(6,445,250)	0	(5,295,250)
Earnings from loans granted to affiliated parties		0	0	350,000	0
Purchase of subsidiaries (less subsidiaries' cash)		(450,605)	0	(501,270)	0
Participation in subsidiary's share capital increase		0	0	(5,502)	0
Sale of financial assets at fair value through P&L		1,198,855	3,249,308	1,198,855	2,100,000
Interest received		14,170	38,966	11,275	36,316
Dividends earned		0	0	0	202,000
Grants received		2,756,931	1,902,611	2,443,815	1,902,611
Net cash flow from investing activities		**(420,365)**	**(4,089,629)**	**(392,213)**	**(3,786,587)**
Cash flows from financing activities					
Dividends paid to non-controlling interests		(466)	(47,948)	0	0
Loans assumed		3,309,492	3,798,932	3,300,000	3,800,000
Loans paid		(3,522,846)	(4,804,401)	(3,520,643)	(4,800,000)
Net cash flow from financing activities		**(213,819)**	**(1,053,417)**	**(220,643)**	**(1,000,000)**
Net (decrease) / increase in cash on hand and cash equivalents		**490,608**	**(956,363)**	**456,357**	**(1,264,523)**
Cash and cash equivalents at the beginning of the period		**2,587,960**	**3,544,323**	**611,630**	**1,876,153**
Cash and cash equivalents at the end of the period		**3,078,568**	**2,587,960**	**1,067,986**	**611,630**

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 Achaias 3 & Trizinias st. N. Kifisia and its URL address is www.singularlogic.eu.

The financial statements as at 31 December 2016 were approved to be published by the Board of Directors on 25.04.2017.

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 its 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 2016 have been prepared on the basis of the historical cost principle modified by adjusting specific assets and liabilities to fair 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.

Euro is the currency of presentation (currency of the country in which the Group's parent company has its registered office) and all amounts are presented in Euro, unless otherwise indicated.

The accounting policies used in the preparation of 2015 Financial Statements applied to these Financial Statements, following adaptation to the new Standards and the revisions required by IFRS for the accounting periods starting on 1 January 2016 (see below 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 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 01.01.2016 or thereafter.

- **Amendments to IAS 19: "Defined benefit plans: Employee contributions" (effective for annual accounting periods starting on or after 01.02.2015).**

In November 2013 the IASB issued narrow-scope amendments to IAS 19 “Employee Benefits” entitled “Defined benefit plans: Employee Contributions”. The said amendments are applicable to employee or third party contributions to defined benefit plans. The objective of these amendments 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 amendments have no impact on the consolidated or separate financial statements.

- **Annual Improvements to IFRSs 2010-2012 Cycle (effective for annual accounting periods starting on or after 01.01.15)**

In December 2013, the IASB issued the "Annual Improvements to IFRSs 2010-2012 Cycle", which incorporates a series of adjustments to seven issues and forms part of the annual IFRS improvement project. The amendments apply to annual accounting periods starting 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 16 / IAS 38: Revaluation method – proportionate restatement of accumulated depreciation and IAS 24: Key Management Personnel Services The amendments have no impact on the consolidated or separate financial statements.

- **Amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations" (effective for annual periods starting 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 amendments have no impact on the consolidated or separate financial statements.

- **Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for annual periods starting 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 different than the consumption of the future economic benefits embodied in the asset. The amendments have no impact on the consolidated or separate financial statements.

- **Amendments to IAS 16 and IAS 41: "Agriculture: Bearer Plants (effective for annual periods starting 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 must be accounted for in the same way as property, plant and equipment (IAS 16). Therefore, the said 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 amendments have no impact on the consolidated or separate financial statements.

- **Amendments to IAS 27: "Equity method in separate financial statements" (effective for annual periods starting on or after 01.01.2016)**

In June 2014 the IASB issued narrow-scope amendments to IAS 27 According to the said amendments, a financial entity may use the equity method as an option to recognise 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 amendments have no impact on the consolidated or separate financial statements.

- **Annual Improvements to IFRSs 2012-2014 Cycle (effective for annual accounting periods starting 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 four standards and forms part of the annual improvement project. The amendments apply to annual accounting periods starting 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 to Interim Financial Statements, IAS 19: Discount rate: local market issues and IAS 34Q: Disclosure of information in the interim financial report. The amendments have no impact on the consolidated or separate financial statements.

- **Amendments to IAS 1: "Disclosure Initiative" (effective for annual periods starting 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 amendments have no impact on the consolidated or separate financial statements.

- **Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment entities: Applying the Consolidation Exception (effective for annual periods starting 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 amendments have no impact on the consolidated or separate financial statements.

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

The following new Standards and Amendments to Standards have been issued by the International Accounting Standards Board (IASB), but either they are not yet in effect or they have not been approved by the EU.

- **IFRS 14 “Regulatory Deferral Accounts” (effective for annual periods starting 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 financial 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 of private entities. The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above has not been adopted by the European Union, since the final issue of the Standard is pending.

- **IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 01.01.2018)**

In May 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 main principles governing the said Standard are in line with a major part of current practice. The new Standard is expected to improve financial information, by establishing a stronger framework for solving issues that arise by enhancing the comparability between sectors and capital markets, providing additional notifications and clarifying the accounting treatment of the cost of contracts. 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 Financial Statements. The above have been adopted by the European Union and the day of entry into force is 01.01.2018.

- **IFRS 9 “Financial Instruments” (effective for annual periods starting 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 foregoing on the Financial Statements. The above have been adopted by the European Union and the day of entry into force is 01.01.2018.

- **Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (IASB postponed indefinitely the entry into force of these amendments).**

In September 2014, the IASB issued narrow-scope amendment to IFRS 10 and IAS 28. Aim of these amendments is to address a recognized inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In December 2015, IASB postponed indefinitely the entry into force of these amendments, while waiting for the results of research concerning the accounting treatment based on the equity method. The Group will consider the effect of all the foregoing on the financial statements though none is expected. The above has not been adopted by the European Union.

- **IFRS 16 "Leases" (effective for annual periods starting on or after 01.01.2019)**

In January 2016 the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties

to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will consider the effect of all the foregoing on the Financial Statements. The above has not been adopted by the European Union.

- **Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017)**

In June 2016 the IASB issued narrow-scope amendments to IAS 12 "Financial Instruments: The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above has not been adopted by the European Union.

- **Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01.01.2016)**

In June 2016 the IASB issued narrow-scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group will consider the effect of all the foregoing on the Financial Statements. The above has not been adopted by the European Union.

- **Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will consider the effect of all the foregoing on the Financial Statements. The above has not been adopted by the European Union.

- **Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)**

In June 2016 the IASB issued narrow-scope amendments to IFRS 2 The objective of this amendment is to clarify the accounting treatment of certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above has not been adopted by the European Union.

- **Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018)**

In September 2016 the IASB issued amendments to IAS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above has not been adopted by the European Union.

- **Annual Improvements to IFRSs 2014-2016 Cycle (effective for annual accounting periods starting on or after 01.01.17 and 01.01.2018)**

In December 2016, the IASB issued the "Annual Improvements to IFRSs 2014--2016 Cycle", which incorporates a series of amendments to some standards and forms part of the annual IFRS improvement project. The amendments included in this Cycly are the following: IFRS 12: Clarification of the scope of IFRS 1: Deletion of short term exceptions for those adopting IFRS, IAS 28 for the first time: Measurement of an associate or joint venture in fair value.

These amendments apply to annual periods starting on or after 1 January 2017 as regards to IFRS 12 and on or after January 2018 as regards to IFRS 1 and IAS 28. The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above has not been adopted by the European Union.

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above has not been adopted by the European Union.

- **Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. That change in use should be supported by evidence. The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above has not been adopted by the European Union.

9.2. Important accounting judgments, estimates and assumptions

Preparing the financial statements in line with the IFRS requires that Management make judgments 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 judgments 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

- **Financial instruments held for trading.** This category includes investments and derivatives which are made mainly to achieve short-term profits.

- **Financial assets and financial liabilities at fair value through profit or loss.** Classification of an investment in this category depends on the manner in which Management assesses the profitability and risk of said investment. Therefore, this category includes investments not included in the trading portfolio but which are included in the equity investments portfolio and are monitored internally, according to the Group's strategy, at fair value.
- **Held-to-maturity financial assets.** These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group's Management intends and is able to hold to maturity.

- **Available-for-sale financial assets.** These are financial assets which Management assesses they cannot be classified in any of the above categories.

- **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:

- **Works Contracts**
  - 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.

- **Software programme development**
  - 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.

- **Useful life of depreciable items**
  - Management examines the useful life of depreciable assets during each annual reporting period. On 31.12.2016 Management estimates that useful life represents the expected usefulness of assets.

- **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 2016. 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. Overview

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 which the parent has the power to control directly or indirectly through other subsidiaries. The companies also considered subsidiaries are those in which the Company, being their single major shareholder has the ability to appoint the majority of the members in the Board of Directors. The existence of potential voting rights which are exercisable during the financial statements preparation is taken into consideration in order to assess whether the Company controls the subsidiaries.

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.

The separate financial statements recognise investments in subsidiaries at acquisition cost less any accumulated impairment losses. Impairment test is carried out in accordance with the requirements of IAS 36.

Subsidiaries 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. The acquisition of a subsidiary by the Group is accounted for based on the acquisition method. On the acquisition date, the acquirer recognises the goodwill arising from the acquisition as the excess between:

• the aggregate of (i) the consideration transferred measured at fair value; (ii) the amount of any noncontrolling interest in the acquiree (measured at their fair value or the proportion of the non-controlling interests over net identifiable assets of the acquiree); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; less

• the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is tested annually for impairment and the difference between the book and the recoverable value is recognized as impairment loss through profit or loss of the period.

The costs related to the acquisition of investments in subsidiaries (e.g. advisory, legal, accounting, valuation and other professional or consulting fees) are recognised as expenses through profit or loss of the period in which the costs are incurred.

Otherwise, in case the acquirer acquires an equity interest in which the net value of the assets acquired and the liabilities assumed exceeds the consideration transferred on the acquisition date, it is a bargain purchase. Once the necessary reviews are carried out, the excess of the above difference is recognised as profit through profit or loss of the period.

Intra-company accounts of receivables and liabilities as well as any transactions generating income and expenses are crossed out. Unrealised losses are also crossed out unless the transaction shows indications of impairment of the asset transferred.

The subsidiaries' accounting principles have been amended, when necessary, to be consistent with those adopted by the Group. Note 11 provides a full list of the consolidated subsidiaries alongside the Group's shareholdings.

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.

(b) Changes in ownership interests in subsidiaries

When changes are made in the ownership interests in a subsidiary, then it is considered whether these change result in the entity losing control of the subsidiary or not.

• When changes in ownership interests do not give rise to the loss of control, they are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such cases, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

• Otherwise, i.e. when changes in ownership interests lead to loss of control, the parent accounts for the necessary sales entries and recognises the result of sale (derecognition of assets, goodwill and liabilities of the subsidiary on the date control is lost, derecognition of the carrying amounts of the non-controlling interests, measurement of result from sale). Once control of a subsidiary is lost, any investment held in the former subsidiary is recognised in accordance with the requirements of IAS 39.

(c) Non-controlling interests

A non-controlling interest is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The losses pertaining to a subsidiary's non-controlling interests may exceed the rights of the noncontrolling interests to the subsidiary's equity. The profit or loss and each component of other comprehensive income is attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(d) Associates

An associate is an entity over which the Group may exercise a significant influence but does not control. 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 exists when the Group holds 20-50% of voting rights through the ownership of share or other type of agreement.

Investments in associates are initially recognised at cost and, for consolidation purposes, the equity method is used. At the end of each reporting period, the cost is increased or decreased to recognise the Group's proportionate interest in changes in the investee's equity. The Group's share of the investee's profit or loss following acquisition is recognised through profit or loss ("(Loss)/Profit of Investees" account) while the share of changes in post-acquisition reserves is recognised through reserves.

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. If subsequently the investee records profits, the investor starts recognising anew its share of the profits provided that its share of the profits is equal to the share of the losses the investor had not recognised.

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 crossed out unless the transaction provides evidence of an impairment of the asset acquired from the associate.

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

Investments in associates in the separate financial statements are measured at fair value according to IAS 39 provisions for available-for- sale financial assets. Investments are initially recognised at fair value while any subsequent change in such value is recognised directly through equity to the extent it does not concern loss from permanent impairment of the investment.

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. 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.

Revenue recognition is 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 result of the transaction relating to service provision 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.

Whenever the initial estimates of income, expenses or the percentage of completion are likely to change, they are revised. Such revisions may lead to increases or decreases of the estimated income or expenses and are recognised through the income of the period.

- *Income from interest:* Income from interest is recognised on a time-proportion basis and the effective interest rate method which is the interest rate which precisely discounts future payments in cash or takings for the duration of the expected life of the financial instrument or when necessary for a shorter time, at the net book value of the financial asset or liability. 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.

10.5. 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.

10.6. Intangible assets

An intangible asset is initially recognised at cost. The cost of an intangible asset which was acquired in a business combination is the fair value of the asset on the business combination date.

Following initial recognition, the intangible assets are measured at acquisition cost less accumulated amortisation and any accumulated impairment loss. Amortisation is recorded based on the straight-line method during the useful life of the said assets. The period and the amortisation method are revised at least at the end of each annual reporting period.

(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 tested every year (or earlier if there are indications of eventual impairment) 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 ranges from 2 to 8 years.

(d) Software

Software licenses are valued at acquisition cost less depreciation. Depreciation is recorded using the straight- line method over the useful life of the assets which stands at 5 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.

(e) 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.

Trademarks are measured at acquisition cost less accumulated amortisation and any accumulated impairment loss.

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	5 years, straight-line method

10.7. Tangible assets

Tangible assets are measured at acquisition cost less accumulated depreciation and any impairment losses. 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	Based on a leasing agreement
Machinery & equipment	10 years
Transportation means	6 years
Furniture and parts	5-10 years

Residual value and the useful life of tangible assets are subject to review 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.

10.8. Leases

10.8.1 Operating Leases

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

10.8.2 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. Finance lease payments are allocated between the financial expenses and the decrease in financial liability in order to achieve a fixed interest rate for the remaining liability balance. The financial expenses are recognised through profit or loss. The capitalised leased assets are depreciated based on the smallest period between the expected useful life of the assets or the duration of the lease.

10.9. Non-financial assets (goodwill, intangible assets, tangible assets)

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

To estimate impairment, assets are classified at the smallest group of assets that can generate cash inflows regardless of other assets or groups of assets within the Group (cash-generating units).

Thus, certain assets are tested for impairment separately while others are tested at the level of cash-generating units. An impairment loss is recognised for the amount by which the carrying amount of an asset or a cash-generating unit is higher than its recoverable amount which is the higher of its fair value less costs to sell and the value in use. To determine the value in use, Management specifies the estimated future cash flows for each cash-generating unit by setting a suitable discount rate in order to calculate the present value of such cash flows. The elements used in impairment test derive directly from the most recent, Management-approved budgets, after being properly adjusted to exclude future reorganisations and improvements of assets. Discount rates are specified separately for each cash-generating unit and reflect the respective risks designated by Management for each one of them.

Impairment losses of cash-generating units first reduce the book value of the goodwill allocated to them. The remaining impairment losses are charged pro rata to the other assets of the specific cash-generating unit.

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

10.10. Financial Instruments

A financial instrument is defined as an agreement creating either a financial asset in a company and a financial liability, or, a shareholding in another company.

The financial assets and liabilities are recognised as of the transaction date being the date when the Group has committed to buy or sell the asset.

The financial assets and financial liabilities are initially measured at fair value adding the corresponding transaction costs except for the financial assets and liabilities measured at fair value through profit or loss.

Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position only when the Group has the legal right and intends to realise the financial asset and settle the financial liability on a net basis.

Income and expenses are offset only if such an act is permitted by the standards or when they refer to gains or losses that arose from a group of similar transactions such as trading portfolio transactions.

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

- loans and receivables
- financial assets at fair value through profit or loss,
- available-for-sale financial assets

Financial instruments are classified in different categories in line with the characteristics (substance of agreement) and the purpose for which they were acquired.

The category in which each financial instrument is classified is different from the others since different rules apply to each category separately as regards valuation and how each designated result is recognised through profit or loss in the Statement of Comprehensive Income or through other comprehensive income in the Statement of Comprehensive Income and cumulatively through equity.

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.

10.10.1.Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets classified either as held for trading (securities purchased to attain profit from short-term variations in prices) or are designated by the Company on initial recognition as assets to be measured at fair value through profit or loss (because (i) they are assets which pursuant to the group's strategy are managed, assessed and monitored at fair value or (ii) they are assets including embedded derivatives which vary considerably the flows of the host contract and the group chooses to classify the entire complex financial instrument in this category).

Financial assets of this portfolio are measured at fair value and changes in fair value are recognised through profit or loss in the Statement of Comprehensive Income as a result of financial transactions.

Financial instruments of this category are included in the account "Financial instruments at fair value through profit or loss" in the group's Statement of Financial Position.

10.10.2.Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets, which are classified as available-for-sale or 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 in other comprehensive income and cumulatively in equity.

When available-for-sale assets are sold or impaired, accumulated profits or losses which had been recognised in equity are reclassified 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 through profit or loss, 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.

The current value of the aforementioned investments traded in organised stock markets derives from the closing price on the reporting date. The fair value of investments not listed in an active market derives by using generally accepted valuation techniques These techniques are based on recent bilateral transactions involving similar investments, reference to the market value of another investment with similar characteristics with those of the assessed investment, analysis of discounted cash flows and investment valuation models.

Interest income from the available for sale portfolio is recognised through profit or loss using the effective interest rate method. Dividends from assets available for sale are recognised through profit or loss when the Group has the right to earn dividends. Foreign exchange differences from the valuation of available-for-sale debt securities are recognised through profit or loss of the period.

10.10.3. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which the Group

does not intend to sell in the near future. They are generated when the Group provides money, products or services directly to a debtor without any intention to commercially exploit them.

Loans and receivables are measured at amortised cost based on the effective rate method less any provisions for impairment. Each change in the value of loans and receivables is recognised in the income statement when they are crossed out 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.

A financial asset is derecognised when the Group loses control of the contractual interests included in the said asset. This happens when the said interests expire or are transferred and the Group has actually transferred all the risks and rewards that arise from ownership thereof.

10.11. Fair Value

The fair value of financial assets and financial liabilities traded in an active market is specified by the current bid prices without excluding the costs to sell. If a financial asset or a financial liability is not traded in an active market, the Group fixes the fair value by using generally accepted 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 analysis of recent arm's-length transactions, reference to the current fair value of a substantially relevant instrument, the analysis of discounted cash flows.

10.12. 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 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.

A provision for slow-moving or impaired inventories is formed when necessary.

10.13. Income tax accounting

10.13.1.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.

10.13.2. Deferred income tax

Deferred taxes are the taxes or the tax relieves from the financial encumbrances or benefits of the financial year in question, which have been allocated or shall be allocated to different financial years by tax authorities.

Deferred income tax is calculated using the liability method which focuses on interim differences. This includes a comparison of the book value of receivables and liabilities in the consolidated financial statement and their corresponding tax bases.

Deferred tax assets are recognised to the extent that it is likely that they will 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. Where it is not possible to clearly determine the time needed to reverse the temporary differences, the tax rate to be applied is the one in force in the financial year after the date of the Statement of Financial Position.

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.

Most changes in deferred tax assets and liabilities are recognised as a part of tax expenses in the income statement for the financial year. Only changes in the assets or liabilities affecting temporary differences are directly recognised through the Group's equity, result in the relevant change in deferred tax assets or liabilities being charged to the relevant account of equity.

10.14. 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 through profit or loss.

10.15. 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.

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.

10.16. Government Grants

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

10.17. Pension benefits and short-term employee benefits

10.17.1.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.

(a) Defined benefit plans:

The Company pays its employees severance pay or retirement compensation in accordance with Laws 2112/20 and 4093/2012. The amount of paid compensation depends on the years of past service, the amount of earnings and the way of withdrawal from the company (dismissal or retirement). Entitlement to these plans is vested based on the employee’s years of past service until retirement.

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.

A defined benefit plan designates specific liabilities for payable benefits, based on various factors such age, years of past service, and salary. The provisions for the period are included in the relevant personnel cost in the attached separate and consolidated Income Statements and consist of the current and past cost of service, the relevant financial cost, actuarial gains or losses and any eventual surcharges. As regards unrecognised actuarial gains or losses, revised IAS 19 is applied, which includes a series of amendments to the accounting treatment of defined benefit plans including among others:

• the recognition of actuarial gains/losses through other comprehensive income and definite exemption from the profit or loss of the period;

• the expected returns on the plan's investments are no longer recognised through profit or loss of the year but the relevant interest involving the net liability/(receivable) of the benefit is recognised, such interest being calculated based on the discount rate used to measure the defined benefit liability;

• the cost of past service is recognised through profit or loss of the period earlier than the plan’s amendment dates or when the relevant restructuring or termination benefit is recognised;

• other changes include new disclosures, such as quantitative sensitivity analysis.

(b) Defined contribution plan

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. The payable contribution by the Group in a defined contribution plan is identified as a liability after the deduction of the paid contribution, while accrued contributions are recognised as an expense in the income statement.

10.17.2. Short term 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.

Any unpaid amount is recognised as a liability, whereas in case the amount already paid exceeds the amount of benefits, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a future payment reduction or refund.

10.18. Financial liabilities

The Group's financial liabilities include bank loans, trade and other payables and finance leases. Financial liabilities are recognised when the Group is party to a financial instrument agreement and are deleted when the Group's contractual commitment to pay cash or other financial instruments matures, is cancelled or crossed out.

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 measured 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 replaced by the same lender but with 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 (derecognition) and recognition of a new liability. Every difference in the respective book values is recognised through profit or loss.

10.19. Loans

Bank loans ensure long-term financing of the Group's operations. All loans are initially recognised at cost which is the fair value of the consideration received less the cost of issuing with respect to borrowing. After initial recognition, loans are measured at the amortised cost using the effective interest rate method. Loans are classified in short-term liabilities unless the group unconditionally reserves the right to transfer the settlement of the liability at least 12 months after the reporting date of the financial statements.

10.20. 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 provision 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 31.12.2016, 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 31.12.2016 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 measured at impaired acquisition cost.

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

Note	Company Name	Country of establishment	Type of participation	% of participation 31.12.16	Consolidation method on 31.12.16	% of participation 31.12.15	Consolidation method on 31.12.16
	SINGULARLOGIC A.E.	Greece	Parent Company				
	PCS A.E.	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
	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
7	SENSE ONE TECHNOLOGIES A.E.	Greece	Direct	50.99%	Full	-	-
8	SINGULARLOGIC MARITIME SERVICES LTD	Cyprus	Indirect	100%	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 consolida	50.00%	Not consolidated

					ted		
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 A.E.	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 is inactive. SingularLogic does not exercise any management influence over it. DPS Ltd was not included in the consolidation on 31.12.2016.
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 31.12.2016. TASIS– CONSULTING S.A. was not included in the consolidation on 31.12.2016.
3. VELVET joint venture is inactive. SingularLogic does not exercise any management influence over it. VELVET joint venture was not included in the consolidation on 31.12.2016.
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 31.12.2016. Modular S.A. was not included in the consolidation on 31.12.2016.
5. The company 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 exercises no management influence over these companies. The liquidation had not been completed by 31.12.2016. These companies were not included in the consolidation on 31.12.2016.
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 31.12.2016. CHERRY S.A. was not included in the consolidation on 31.12.2016.
7. On 26.02.16 the company participated in the share capital increase of the company "SENSE ONE TECHNOLOGIES SA –

   IT, TELECOM AND ENERGY SOLUTIONS, trade name SENSE ONE TECHNOLOGIES S.A, paying a total amount of five hundred and one thousand, two hundred seventy euros (€ 501,270), a 50.99% shareholding. From that date onwards, the company is consolidated by applying the full consolidation method.

8. On 01.11.16 the Company, through its 100% subsidiary G.I.T. CYPRUS, founded SINGULARLOGIC MARITIME SERVICES LIMITED with registered offices in Cyprus and an initial share capital of € 1,000. The main business of the Company will be the production and trading of specialized software and IT solutions related to maritime industry and transport.

Based on IAS 10, according to which a parent company loses control of a subsidiary where the subsidiary is subject to state, judicial, managerial or supervisory control, on 31.12.2016 the Company did not include in the consolidation the companies in liquidation since control of those companies lies with their liquidators.

12.Additional information on business sectors

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	**31.12.2016**	**31.12.2015**
Amounts in €		
Sales of software user licenses	3,446,990	3,485,830
Software maintenance sales	14,851,208	15,201,999
Sales of services	16,480,043	25,164,796
Sales of Merchandises	4,437,700	5,584,007
Total	**39,215,942**	**49,436,631**

The Company applies 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 business sector are broken down as follows:

01/01-31/12/2016

Amounts in euro	Large corporations	SMEs	State	Total
Revenue	27,001,619	8,176,385	4,037,938	**39,215,942**
Earnings before interest, taxes, depreciation and amortisation				**4,580,286**
Depreciation				3,605,522
Operating profit/ losses				**974,764**
Other non-allocated net income				(194,260)
Financial expenses				(3,591,878)
Profit before tax				**(2,811,374)**
Income Tax				(1,283,689)
Net profit/ losses				**(4,095,063)**

01/01-31/12/2015

Amounts in euro	Large corporations	SMEs	State	Total
Revenue	28,663,579	9,814,194	10,958,858	**49,436,631**
Earnings before interest, taxes, depreciation and amortisation				**5,967,537**
Depreciation				3,336,606
Operating profit/ losses				**2,630,931**
Other non-allocated net income				(1,746)
Financial expenses				(336,844)
Profit before tax				**2,292,341**
Income Tax				(690,399)
Net profit/ losses				**1,601,942**

Consolidated assets and liabilities are allocated to these business sectors as follows:

01/01-31/12/2016

Amounts in euro	Large corporations	SMEs	State	Total
Assets per sector	70,237,143	21,268,574	10,503,564	102,009,281
Non-allocated assets				5,825,488
Consolidated Assets				**107,834,769**
Liabilities per sector	18,338,689	5,553,155	2,742,446	26,634,290
Non-allocated liabilities				56,371,815
Consolidated liabilities				**83,006,105**

01/01-31/12/2015

Amounts in euro	Large corporations	SMEs	State	Total
Assets per sector	62,649,124	21,450,589	23,952,448	108,052,161
Non-allocated assets				6,632,469

Consolidated Assets				**114,684,630**
Liabilities per sector	17,708,583	6,063,286	6,770,468	30,542,337
Non-allocated liabilities				55,635,933
Consolidated liabilities				**86,178,269**

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 7% of its consolidated turnover.

01.01 - 31.12.2016	**Greece**	**European countries**	**Other countries**	**Total**
Income from clients	36,297,555	2,874,956	43,431	**39,215,942**
Non-current assets	77,570,470	315,928	0	**77,886,398**
01.01 - 31.12.2015	**Greece**	**European countries**	**Other countries**	**Total**
Income from clients	45,375,067	4,019,912	41,652	**49,436,631**
Non-current assets	76,785,448	512,576	0	**77,298,024**

Non-current assets do not include Financial Assets or Deferred Tax Assets.

Customer concentration:

During the year, the amount of €5.2 million of the total income of SINGULARLOGIC Group originated from MIG Group and accounted for approximately 13% of sales. The income of these customers is included in the "Large Corporations" sector. Moreover, the Public Sector accounts for sales of 10% of the total consolidated turnover.

13.Notes to the Financial Statements

13.1. Tangible assets

On 31.12.2016, the tangible assets of the Group and the Company are broken down as follows:

THE GROUP

(amounts in €)	**Buildings and facilities**	**Transportation means**	**Machinery**	**Furniture and other equipment**	**Total**
Book value on 31.12.2014	**44,893**	**35,169**	**38,934**	**295,812**	**414,808**
Gross book value	1,920,651	215,852	711,569	5,676,881	**8,524,951**
Accumulated depreciation	(1,919,938)	(182,688)	(680,219)	(5,236,241)	**(8,019,086)**
Book value on 31.12.2015	**713**	**33,164**	**31,350**	**440,640**	**505,865**
Gross book value	2,860,249	197,852	693,582	6,257,206	**10,008,887**
Accumulated depreciation	(2,026,468)	(185,763)	(665,581)	(5,427,803)	**(8,305,615)**
Book value on 31.12.2016	**833,781**	**12,088**	**28,001**	**829,403**	**1,703,272**

(amounts in €)	Buildings and facilities	Transportation means	Machinery	Furniture and other equipment	Total
Book value on 31.12.2014	**44,893**	**35,169**	**38,934**	**295,812**	**414,808**
Additions	0	19,627	3,667	510,035	**533,329**
Acquisition cost of disposals/ revoked products	0	0	0	(77,215)	**(77,215)**
Depreciation of disposals/ revoked products	0	0	0	77,215	**77,215**
Depreciation	(44,180)	(21,633)	(11,165)	(365,244)	**(442,222)**
Net foreign exchange differences	0	0	(87)	11	**(76)**
Book value on 31.12.2015	**713**	**33,164**	**31,350**	**440,640**	**505,865**
Additions	939,597	0	7,328	788,329	**1,735,254**
Additions from acquisition of subsidiaries	8,570	0	0	9,284	**17,854**
Acquisition cost of disposals/ revoked products	(8,570)	(18,000)	(25,314)	(217,287)	**(269,172)**
Depreciation of disposals/ revoked products	779	15,700	25,314	210,849	**252,642**
Depreciation	(107,309)	(18,775)	(10,691)	(402,411)	**(539,186)**
Net foreign exchange differences	0	0	15	0	**15**
Book value on 31.12.2016	**833,781**	**12,088**	**28,001**	**829,403**	**1,703,272**

Transportation means include the transportation means acquired through leasing of the subsidiaries "SingularLogic CYPRUS LTD" and "SingularLogic BULGARIA EOOD", which are broken down as follows:

(amounts in €)	Transportation means through leasing
Book value on 31.12.2014	**37,112**
Gross book value	162,321
Accumulated depreciation	(123,039)
Book value on 31.12.2015	**39,282**
Gross book value	162,321
Accumulated depreciation	(137,946)
Book value on 31.12.2016	**24,375**

(amounts in €)	Transportation means through leasing
Book value on 31.12.2014	**37,112**
Additions	19,627
Depreciation	(17,457)
Book value on 31.12.2015	**39,282**
Additions	0
Depreciation	(14,907)
Book value on 31.12.2016	**24,375**

THE COMPANY

(amounts in €)	Buildings and facilities	Transportation means	Machinery	Furniture and other equipment	Total
Book value on 31.12.2014	**44,615**	**1,291**	**7,496**	**278,347**	**331,746**
Gross book value	1,440,442	7,466	120,657	3,783,389	**5,351,954**
Accumulated depreciation	(1,440,008)	(7,090)	(114,779)	(3,353,062)	**(4,914,940)**
Book value on 31.12.2015	**435**	**376**	**5,878**	**430,328**	**437,014**
Gross book value	2,380,038	7,466	98,185	4,311,761	**6,797,451**
Accumulated depreciation	(1,546,538)	(7,450)	(91,160)	(3,537,234)	**(5,182,383)**
Book value on 31.12.2016	**833,501**	**15**	**7,025**	**774,528**	**1,615,068**

	Buildings and facilities	Transportation means	Machinery	Furniture and other equipment	Total
Book value on 31.12.2014	**44,615**	**1,291**	**7,496**	**278,347**	**331,746**
Additions	0	0	494	504,044	**504,538**
Acquisition cost of disposals/ revoked products	0	0	0	(77,215)	**(77,215)**
Depreciation of disposals/ revoked products	0	0	0	77,215	**77,215**
Depreciation	(44,180)	(915)	(2,113)	(352,062)	**(399,271)**
Book value on 31.12.2015	**435**	**376**	**5,878**	**430,328**	**437,014**
Additions	939,596	0	2,843	734,329	**1,676,769**
Acquisition cost of disposals/ revoked products	0	0	(25,314)	(205,957)	**(231,271)**
Depreciation of disposals/ revoked products	0	0	25,314	199,662	**224,976**
Depreciation	(106,530)	(360)	(1,696)	(383,834)	**(492,419)**
Book value on 31.12.2016	**833,501**	**15**	**7,025**	**774,528**	**1,615,068**

There are no mortgages or mortgage liens or other encumbrances registered in respect of the Group's tangible 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

01/01-31/12/2016	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	745,643	2,336,073	678,437	**3,760,154**
Vehicles	435,107	654,033	-	**1,089,140**

THE COMPANY

01/01-31/12/2016	Up to 1 year	From 2 to 5 years	After 5 years	Total
Buildings	642,232	2,130,713	678,437	**3,451,383**
Vehicles	385,947	614,779	-	**1,000,726**

THE GROUP

01/01-31/12/2015	Up to 1 year	From 2 to 5 years	After 5 years	Total
Buildings	589,400	1,946,537	138,263	**2,674,200**
Vehicles	453,016	576,884	-	**1,029,900**

THE COMPANY

01/01-31/12/2015	Up to 1 year	From 2 to 5 years	After 5 years	Total
Buildings	504,980	1,747,257	124,825	**2,377,063**
Vehicles	404,313	521,776	-	**926,089**

The operating lease rental fees which were recognised as expenses during the period 01.01-31.12.2016 for the Group amount to €1,259,378 (01.01-31.12.2015: €1,626,135) and for the Company to €1,121,439 (01.01-31.12.2015: €1,449,570) . The Compnay's building leases have a 9-year term and the Group's vehicle leases 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.

On 31.12.16 a pledge on the Company's trademarks exists.

THE GROUP

(amounts in €)	Software	Development	Trade name	Rights	Total
Book value on 31.12.2014	**339,014**	**8,656,132**	**13,206,586**	**1,042**	**22,202,773**
Gross book value	7,373,696	25,722,386	13,206,586	375,499	**46,678,166**
Accumulated depreciation	(6,983,276)	(17,708,218)	0	(375,499)	**(25,066,994)**
Book value on 31.12.2015	**390,420**	**8,014,167**	**13,206,586**	**0**	**21,611,173**
Gross book value	7,682,473	28,223,758	13,206,586	375,499	**49,488,316**
Accumulated depreciation	(7,252,190)	(20,505,757)	0	(375,499)	**(28,133,446)**
Book value on 31.12.2016	**430,283**	**7,718,001**	**13,206,586**	**0**	**21,354,869**

(amounts in €)	Software	Development	Trade name	Rights	Total
Book value on 31.12.2014	**339,014**	**8,656,132**	**13,206,586**	**1,042**	**22,202,773**
Additions	322,410	2,010,961	0	0	**2,333,371**
Acquisition cost of disposals	(32,256)	0	0	0	**(32,256)**
Depreciation of goods sold	1,730	0	0	0	**1,730**
Depreciation	(240,443)	(2,652,926)	0	(1,042)	**(2,894,411)**
Net foreign exchange differences	(34)	0	0	0	**(34)**
Book value on 31.12.2015	**390,420**	**8,014,167**	**13,206,586**	**0**	**21,611,173**
Additions	337,243	1,932,861	0	0	**2,270,103**
Additions from acquisition of subsidiaries	33,086	568,512	0	0	**601,598**
Acquisition cost of disposals	(61,552)	0	0	0	**(61,552)**
Depreciation of goods sold	0	0	0	0	**0**
Depreciation	(268,797)	(2,797,539)	0	0	**(3,066,336)**
Net foreign exchange differences	(117)	0	0	0	**(117)**
Book value on 31.12.2016	**430,283**	**7,718,001**	**13,206,586**	**0**	**21,354,869**

THE COMPANY

(amounts in €)	Software	Development	Commercial Trademarks	Rights	Total
Book value on 31.12.2014	**301,119**	**8,278,104**	**13,206,586**	**0**	**21,785,809**
Gross book value	5,168,109	24,092,025	13,206,586	140,062	**42,606,781**
Accumulated depreciation	(4,869,611)	(16,309,526)	0	(140,062)	**(21,319,199)**
Book value on 31.12.2015	**298,498**	**7,782,499**	**13,206,586**	**0**	**21,287,583**
Gross book value	5,437,168	25,865,891	13,206,586	140,062	**44,649,707**
Accumulated depreciation	(5,109,241)	(18,886,024)	0	(140,062)	**(24,135,327)**
Book value on 31.12.2016	**327,927**	**6,979,867**	**13,206,586**	**0**	**20,514,380**

	Software	Development	Commercial Trademarks	Rights	Total
Book value on 31.12.2014	**301,119**	**8,278,104**	**13,206,586**	**0**	**21,785,809**
Additions	248,091	2,010,961	0	0	**2,259,052**
Acquisition cost of disposals	(32,256)	0	0	0	**(32,256)**
Depreciation of goods sold	1,730	0	0	0	**1,730**
Depreciation / amortization	(220,187)	(2,506,566)	0	0	**(2,726,752)**
Book value on 31.12.2015	**298,498**	**7,782,499**	**13,206,586**	**0**	**21,287,583**

Additions	330,612	1,773,866	0	0	**2,104,478**
Acquisition cost of disposals	(61,552)	0	0	0	**(61,552)**
Depreciation of goods sold	0	0	0	0	**0**
Depreciation / amortization	(239,630)	(2,576,498)	0	0	**(2,816,128)**
Book value on 31.12.2016	**327,927**	**6,979,867**	**13,206,586**	**0**	**20,514,380**

13.3. Goodwill

The goodwill of the Company and the Group on 31/12/2016 amounted to €51,636,150 and €54,362,987 respectively, an increase on Group level of amount of €69,694 due to the Company's participation on 26/02/2016 in the share capital increase of the company SENSE ONE TECHNOLOGIES SA.A - IT, TELECOM AND ENERGY SOLUTIONS, trade name "SENSE ONE TECHNOLOGIES S.A.", by paying a total amount of €501,270, and acquiring a 50.99% shareholding.

From that date onwards, the subsidiary company is consolidated by applying the full consolidation method.

The fair values on acquisition, the total value of acquisition and the resulting final goodwill for the Group on the date of acquisition of control over the subsidiary SENSE ONE TECHNOLOGIES S.A. are as follows:

	Fair values on acquisition of control
Tangible assets	17,854
Intangible assets	601,598
Other long term receivables	5,520
Deferred tax assets	10,457
Total non-current assets	**635,429**
Inventories	32,261
Customers and other trade receivables	141,283
Other receivables	450,233
Other current assets	167,420
Cash and cash equivalents	50,665
Total current assets	**841,864**
Deferred tax liabilities	14,908
Post-employment benefit obligations	12,804
Total long-term liabilities	**27,712**
Trade and other payables	162,423
Other short-term liabilities	440,763
Total short-term liabilities	**603,187**
Net assets acquired on 26.2.2016	**846,394**
Goodwill	
Total value of acquisition	501,270
Plus: Fair value of net assets on the date of acquisition that pertain to non-controlling interests	414,817
Theoretical value of transferred consideration	**916,087**
Less: Fair value of the net assets (equity) of the acquired company on the acquisition date (100%)	(846,394)

Total goodwill	**69,694**

Cash outflow for the acquisition of control:	
Price paid	(501,270)
Plus: Cash and cash equivalents acquired	50,665
Total net cash outflows on acquisition date	**(450,605)**

As stated above, the fair value of assets and liabilities acquired was finally determined on the date of acquisition of control, thus resulting in a goodwill of € 69,694 that was recognised in the appropriate item of the consolidated Statement of Financial Position.

The fair value of the assets and liabilities on the acquisition date is equal to their book value on the same date.

The aforementioned company's total revenue for the period 01.03-31.12.2016 amounted to €282,914 and the loss after tax to €306,708 If the aforementioned company was fully consolidated using the above mentioned percentage from 01.01.2016, the total revenue would amount to €288,854 and an additional loss of €56,192 would have been recognized.

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 12.4% for the first 5 years and to 7.2% 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 12.4% for the first 5 years and to 7.2% 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

The investments in subsidiaries in the financial statements of the parent company amount to €1,301,366 on 31.12.16 and to €794,595 on 31.12.15 In detail:

			Amounts in € 2016				
Corporate name of subsidiary	**Value of holding**	**% of direct holding**	**% of indirect holding**	**% of total holding**	**Country of establishment**	**Type of Holding**	**Consolidation method**
P.C.S. S.A.	632,169	50.50%	0.00%	50.50%	GREECE	DIRECT	FULL
METASOFT S.A.	5,501	68.80%	31.20%	100.00%	GREECE	DIRECT	FULL
GIT HOLDINGS S.A.	0	100.00%	0.00%	100.00%	GREECE	DIRECT	FULL
SYSTEM SOFT S.A.	65,463	66.00%	34.00%	100.00%	GREECE	DIRECT	FULL
SINGULARLOGIC ROMANIA SRL	60,953	100.00%	0.00%	100.00%	ROMANIA	DIRECT	FULL
SINGULARLOGIC BULGARIA EOOD	36,010	100.00%	0.00%	100.00%	BULGARIA	DIRECT	FULL
SINGULARLOGIC CYPRUS LTD	0	98.80%	0.00%	98.80%	CYPRUS	DIRECT	FULL
SENSE ONE TECHNOLOGIES S.A.	501,270	50.99%	0.00%	50.99%	GREECE	DIRECT	FULL
Total value of holding	**1,301,366**						

				Amounts in € 2015			
Corporate name of subsidiary	**Value of holding**	**% of direct holding**	**% of indirect holding**	**% of total holding**	**Country of establishment**	**Type of Holding**	**Consolidation method**
P.C.S. S.A.	632,169	50.50%	0.00%	50.50%	GREECE	DIRECT	FULL
METASOFT S.A.	0	68.80%	31.20%	100.00%	GREECE	DIRECT	FULL
GIT HOLDINGS S.A.	0	100.00%	0.00%	100.00%	GREECE	DIRECT	FULL
SYSTEM SOFT S.A.	65,463	66.00%	34.00%	100.00%	GREECE	DIRECT	FULL
SINGULARLOGIC ROMANIA SRL	60,953	100.00%	0.00%	100.00%	ROMANIA	DIRECT	FULL

SINGULARLOGIC BULGARIA EOOD	36,010	100.00%	0.00%	100.00%	BULGARIA	DIRECT	FULL
SINGULARLOGIC CYPRUS LTD	0	98.80%	0.00%	98.80%	CYPRUS	DIRECT	FULL
Total value of holding	**794,595**						

The movement of the item is as follows:

	THE COMPANY	
(amounts in €)	**31.12.2016**	**31.12.2015**
Opening balance	**794,595**	**794,595**
Acquisition of subsidiaries	501,270	0
Share capital increase of subsidiary	5,501	0
Closing balance	**1,301,366**	**794,595**

On 26.02.16 the company participated in the share capital increase of the company "SENSE ONE TECHNOLOGIES SA – IT, TELECOM AND ENERGY SOLUTIONS, trade name SENSE ONE TECHNOLOGIES S.A, paying a total amount of five hundred and one thousand, two hundred seventy euros (€ 501,270), a 50.99% shareholding. From that date onwards, the subsidiary company is consolidated by applying the full consolidation method.

Furthermore, the company decided to participate in the share capital increase of its subsidiary METASOFT S.A., paying a total amount of € 5,501 and acquiring 12,795 new shares of nominal value of €0.43 each.

SUBSIDIARIES WITH SIGNIFICANT HOLDING

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	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
PCS S.A.	49.5%	49.5%	50,102	(102,640)	205,690	151,681
SENSE ONE TECHNOLOGIES S.A.	49.01%	-	(150,318)	-	262,030	-

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

Amounts in €	31.12.2016	31.12.2015
Non-current assets	77,491	39,068
Current assets	1,401,562	1,062,545
Total assets	**1,479,054**	**1,101,613**
Long-term liabilities	103,609	101,836
Short term liabilities	959,910	693,351
Total liabilities	**1,063,519**	**795,187**
Equity attributed to parent company owners	209,845	154,745
Non-controlling interests	205,690	151,681

Amounts in €	31.12.2016	31.12.2015
Sales	2,220,077	2,112,946
Post-tax period profit/(loss) allocated to parent company owners	51,114	(104,713)
Post-tax period profit/(loss) allocated to non-controlling interests	50,102	(102,640)
Period profit after taxes	**101,216**	**(207,353)**
Other comprehensive income for the period net of tax	7,892	4,564
Period comprehensive total income after taxes allocated to parent company owners	55,099	(102,408)
Period comprehensive total income after taxes allocated to non-controlling interests	54,009	(100,381)
Comprehensive total income for the period net of tax	**109,108**	**(202,789)**

Amounts in €	31.12.2016	31.12.2015
Net cash flows from operational activities	425,449	(188,048)
Net cash flow from investing activities	(52,186)	(7,142)
Net cash flow from financing activities	(466)	(249,948)
Total net cash flows	**372,797**	**(445,138)**

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

Amounts in €	31.12.2016
Non-current assets	709,286
Current assets	416,070
Total assets	**1,125,357**
Long-term liabilities	291,247
Short term liabilities	299,463

Total liabilities	**590,710**

Equity attributed to parent company owners	272,616
Non-controlling interests	262,030

Amounts in €	**31.12.2016**
Sales	282,914
Post-tax period profit allocated to parent company owners	(156,391)
Post-tax period profit allocated to non-controlling interests	(150,318)
Period profit after taxes	**(306,708)**
Other comprehensive income for the period net of tax	332
Period comprehensive total income after taxes allocated to parent company owners	(156,221)
Period comprehensive total income after taxes allocated to non-controlling interests	(150,155)
Comprehensive total income for the period net of tax	**(306,376)**

Amounts in €	**31.12.2016**
Net cash flows from operational activities	(8,211)
Net cash flow from investing activities	(63,106)
Net cash flow from financing activities	130,000
Total net cash flows	**58,684**

13.5. Investments in associates

On 31 December 2016, the investments in the Group's affiliated entities are as follows:

		THE GROUP		**THE COMPANY**	
(amounts in €)	**Note**	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Balance at beginning of period		**398,823**	**407,672**	**0**	**0**
Share of (losses) / profit		(162,965)	(8,850)	-	-
Balance at end of period		**235,857**	**398,823**	**0**	**0**

Company name	Country of establishment	% Holding	Acquisition 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
INFO S.A.	Greece	35.00%	350,000	(350,000)		0
DYNACOMP S.A.	Cyprus	24.99%	415,000	(16,177)	(162,965)	235,857
Total			**1,014,982**	**(616,159)**	**(162,965)**	**235,857**

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. Holdings in Infosupport and Logodata have been fully impaired in the financial statements of both Company and Group while holding in INFO SA has been fully impaired in the Group's financial statements.
On 31.12.2016 the Group recognised an impairment loss of €167,257 that concerns its participation in the affiliated company Dynacomp, after determining the recoverable amount of participation amounting to €235.857 The said impairment loss has been recognised in the income statement.

13.6. Other long term receivables

On 31.12.2016, other long-term receivables of the Group and the Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Guarantees granted	229,413	488,870	221,613	483,205
Interest bearing loans to third parties	0	0	130,000	0
Total other long-term receivables	**229,413**	**488,870**	**351,613**	**483,205**

13.7. Available-for-sale financial assets

Available-for-sale financial assets include shares of unlisted companies operating in Greece and on 31.12.2016 and 31.12.2015 amount to €59,932.

13.8. Inventories

On 31.12.2016 the inventories for the Group and the Company are presented as follows:

(amounts in €)	THE GROUP 31.12.2016	THE GROUP 31.12.2015	THE COMPANY 31.12.2016	THE COMPANY 31.12.2015
Merchandise	1,374,912	1,481,084	1,313,207	1,382,367
Consumables	96,199	116,506	96,199	116,506
Finished goods	1,326	1,326	1,326	1,326
Total	**1,472,436**	**1,598,916**	**1,410,732**	**1,500,199**
Less: Provisions for merchandise	(1,002,790)	(1,295,588)	(1,002,790)	(1,276,292)
Total net realisable value	**469,647**	**303,328**	**407,942**	**223,906**

The amount of inventories recognised as an expense during the year and included in the Company's cost of goods sold is equal to €2,826,765 and €3,947,896 for the Company and the Group respectively. The Group has not pledged any inventories.

The provisions for the year are broken down as follows:

(amounts in €)	THE GROUP 31.12.2016	THE GROUP 31.12.2015	THE COMPANY 31.12.2016	THE COMPANY 31.12.2015
Opening balance	**(1,295,588)**	**(1,217,170)**	**(1,276,292)**	**(1,197,875)**
Additions	(66,725)	(81,294)	(66,725)	(81,294)
Reversal of provisions for devaluation	340,228	2,877	340,228	2,877
Correction due to fair presentation of deletion of provision for subsidiary's inventory impairment	19,295	-	-	-
Closing balance	**(1,002,790)**	**(1,295,588)**	**(1,002,790)**	**(1,276,292)**

13.9. Customers and other trade receivables

On 31.12.2016, the receivables are broken down as follows:

(amounts in €)	THE GROUP 31.12.2016	THE GROUP 31.12.2015	THE COMPANY 31.12.2016	THE COMPANY 31.12.2015
Trade receivables from third parties	45,172,676	46,603,893	42,477,441	43,748,518
Trade receivables from related parties	2,531,530	3,299,909	4,490,385	4,832,086
Bills receivable	263,490	266,324	234,135	234,135
Cheques receivable	10,335,024	10,874,210	10,319,274	10,878,708
Less: Provisions for impairment	(39,927,996)	(39,744,502)	(38,760,334)	(38,674,018)
Net trade Receivables	**18,374,723**	**21,299,834**	**18,760,901**	**21,019,430**
Down payments to suppliers	462,786	462,786	462,786	462,786
Total	**18,837,509**	**21,762,620**	**19,223,687**	**21,482,216**

The provisions for the year are broken down as follows:

(amounts in €)	Note	THE GROUP 31.12.2016	THE GROUP 31.12.2015	THE COMPANY 31.12.2016	THE COMPANY 31.12.2015
Opening balance		**39,744,502**	**39,797,487**	**38,674,018**	**39,049,683**
Additions from acquisition of subsidiaries		15,262	-	-	-
Provision for period	13.24	1,404,271	1,439,593	1,167,343	1,075,772
Collection of bad debts	13.24	(1,209,771)	(1,019,605)	(1,062,644)	(978,464)
Deletions		(26,268)	(472,973)	(18,383)	(472,973)
Closing balance		**39,927,996**	**39,744,502**	**38,760,334**	**38,674,018**

During the year, Management raised new provisions equal to €1,167,343 and €1,404,271 for the Company and the Group respectively. Based on the stipulations of the new loan agreements, on 31.12.2016 trade receivables of €3,148,920 have been pledged. The aforementioned provisions of the Group's bad debts include an amount of €0.9 million that represent the receivables from Marinopoulos Group, in the context of the resolution agreement signed in September 2016.

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 31.12.2016	THE GROUP 31.12.2015	THE COMPANY 31.12.2016	THE COMPANY 31.12.2015
Non-overdue and non-impaired	11,992,672	15,067,258	11,576,161	14,924,607
Overdue and non-impaired				
Less than 3 months	2,451,888	3,940,187	2,441,534	3,642,834
Between 3 and 6 months	1,508,016	1,258,620	1,650,671	1,203,741
Between 6 months and 1 year	1,724,979	1,001,675	2,383,625	1,064,061
More than 1 year	697,168	32,095	708,910	184,187
Total	**18,374,723**	**21,299,834**	**18,760,901**	**21,019,430**

13.10. Other receivables

On 31 December 2016, other receivables for the Group and the Company are broken down as follows:

(amounts in €)	THE GROUP 31.12.2016	THE GROUP 31.12.2015	THE COMPANY 31.12.2016	THE COMPANY 31.12.2015
Sundry debtors	471,475	790,374	404,814	756,067
Receivables from the Greek State	958,108	1,453,663	841,924	1,291,684

Other receivables	229,287	357,889	6,502	39,304
Receivables from affiliates	181,049	195,291	496,595	741,497
Receivables assigned to a factoring company	93,066	0	93,066	0
Advances to staff	36,154	30,814	34,019	23,860
Guarantees	286,984	570,971	286,984	570,971
Less: provisions for bad debts	(245,283)	(245,283)	(227,503)	(227,503)
Net debtor receivables	**2.010.840**	**3,153,720**	**1.936.400**	**3.195.880**

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:

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Opening balance		**(245,283)**	**(201,531)**	**(227,503)**	**(183,752)**
Provisions for period	13.24	0	(97,100)	0	(97,100)
Deletions		0	53,349	0	53,349
Closing balance		**(245,283)**	**(245,283)**	**(227,503)**	**(227,503)**

13.11. Other current assets

On 31 December 2016, other current assets of the Group and the Company are broken down as follows:

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Prepaid expenses		831,175	826,838	771,457	797,912
Receivables from works contracts	13.14	259,144	305,427	259,144	305,427
Receivables from program subsidies		297,453	1,984,955	229,109	1,984,955
Other receivable income		206,560	116,402	210,166	109,247
		1.594.332	**3,233,622**	**1.469.877**	**3.197.541**

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" below.

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

On 31 December 2016, 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 31.12.2016	THE GROUP 31.12.2015	THE COMPANY 31.12.2016	THE COMPANY 31.12.2015
Balance at beginning of period		**3,192,379**	**0**	**3,192,379**	**0**
Additions (+)		0	6,445,250	0	5,295,250
Sales (-)		(1,199,489)	(3,250,000)	(1,199,489)	(2,100,000)
Profits/ (losses) from measurement at fair value	13.26	(4,962)	(2,871)	(4,962)	(2,871)
End of period		**1,987,928**	**3,192,379**	**1,987,928**	**3,192,379**

Equities and Mutual Funds	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Shares listed on Athens SE	-	-	-	-
International mutual funds	1,987,928	3,192,379	1,987,928	3,192,379
Total	**1,987,928**	**3,192,379**	**1,987,928**	**3,192,379**

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 31.12.2016 the Group has not recognised any deferred asset for the deferred tax losses.

On 31.12.2016, the deferred tax on the profit and loss for the period has been calculated at a tax rate of 29%.

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

	THE GROUP				THE COMPANY			
	31.12.2016		31.12.2015		31.12.2016		31.12.2015	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-current assets								
Intangible assets	-	(73,334)	-	153,683	-	(97,398)	-	102,641
Tangible assets	4,960	(2,438)	-	(3,749)	-	(2,438)	-	(3,749)
Current assets								
Other current assets	-	2,570,241	-	690,632	-	2,564,956	-	690,632
Reserves								
Subsidies to investments	-	-	-	1,677,559	-	-	-	1,677,559
Long-term liabilities								
Staff termination liabilities	541,505	-	518,408	-	497,412	-	480,387	-
Corporate Bond	.-	86,758	-	191,921	-	86,758	-	191,921
Short term liabilities								
Other liabilities	1,363,150	-	2,574,636	-	1,345,053	-	2,574,636	-
Total	**1,909,615**	**2,581,226**	**3,093,044**	**2,710,045**	**1,842,465**	**2,551,877**	**3,055,022**	**2,659,003**

13.14. Works Contracts

The items regarding works contracts are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Project expenses incurred	957,402	377,760	957,402	377,760
Plus/(less): Recognised profits/ (losses)	(359,062)	4,256	(359,062)	4,256
Total income from works contracts recognised in the period	**598,341**	**382,016**	**598,341**	**382,016**
Receivable from customers for contractual work	259,144	305,427	259,144	305,427
Payable to customers for contractual work	(74,461)	(81,866)	(74,461)	(81,866)
Total non-invoiced work	**184,683**	**223,561**	**184,683**	**223,561**
Advances	0	0	0	0
Non-executed remainder	**196,375**	**219,182**	**196,375**	**219,182**

On 31.12.2016 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" while no amounts have been collected as advances. 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 €	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Cash in hand	12,688	28,146	7,483	17,741
Cash in bank	3,065,754	2,410,884	1,060,377	590,489
Short-term deposits	0	0	0	0
Blocked Deposits	126	148,930	126	3,400
Total cash and cash equivalents	**3,078,568**	**2,587,960**	**1,067,986**	**611,630**

13.16. Equity

13.16.1.Share Capital

(amounts in €)	Number of shares	Nominal value	Ordinary shares	Premium on capital stock	Total
31 Dec 2014	**20,643,215**	**1.00**	**20,643,215**	**70,547,001**	**91,190,216**
31 Dec 2015	**20,643,215**	**1.00**	**20,643,215**	**70,547,001**	**91,190,216**
31 Dec 2016	**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	Other reserves	Total
31 Dec 2014	**104,355**	**97,254**	**201,609**
Transfers between reserves and results carried forward	(29)	(118,139)	**(118,168)**
FX differences from conversion of foreign subsidiaries' financial statements		(1,675)	**(1,675)**
31 Dec 2015	**104,326**	**(22,560)**	**81,766**
31 Dec 2015	**104,326**	**(22,560)**	**81,766**
FX differences from conversion of foreign subsidiaries' financial statements		373	**373**
31 Dec 2016	**104,326**	**(22,187)**	**82,139**

THE COMPANY

(amounts in €)	Statutory Reserve	Other reserves	Total
31 Dec 2014	**73,296**	**157,382**	**230,678**
Transfers between reserves and results carried forward		(157,382)	**(157,382)**
31 Dec 2015	**73,296**	**0**	**73,296**
31 Dec 2016	**73,296**	**0**	**73,296**

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:

Post-employment benefit obligations

	GROUP		COMPANY	
	Amounts in €			
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)
Defined benefit liability	1.867.258	1.787.612	1.715.214	1.656.505
Fair value of plan assets	-	-	-	-
	1.867.258	**1.787.612**	**1.715.214**	**1.656.505**
Classified as:				
Long-term liability	1.867.258	1.787.612	**1.715.214**	1.656.505
Short-term liability				

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

	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	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	**1.787.612**	**1.696.524**	**1.656.505**	**1.561.237**
From acquisition of subsidiaries	12.378			
Current cost of employment	153.113	151.305	136.735	135.301
Interest charges	39.600	42.413	36.518	39.031
Reassessment – actuarial losses/ (gains) from changes in demographic assumptions	-	-	-	-
Effect of liability of subsidiary sold	-	-	-	-
Actuarial losses/(gains) on liability	(3.064)	(15.401)	4.416	1.386
Personnel transfer cost	-	-	3.420	-
Benefits paid	(717.924)	(615.437)	(717.924)	(562.310)
Past service cost	595.543	528.208	595.543	481.860
Defined benefit liability on 31 December	**1.867.258**	**1.787.612**	**1.715.214**	**1.656.505**

The major actuarial assumptions used in valuation are as follows:

	31/12/2016	31/12/2015
Discount rate on 31 December	1,90%	2,20%
Future salary increases	2,20%	2,50%
Inflation	1,50%	1,50%

The amounts recognised in the Income Statement are:

	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)
Service cost	153.113	151.305	136.735	135.301
Past service cost	595.543	528.208	595.543	481.860
Net interest on benefit liability	39.600	42.413	36.518	39.031
Total expenses recognised in the Income Statement	**788.255**	**721.927**	**768.796**	**656.191**

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

	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	Defined benefit plans (non-funded)	Defined benefit plans (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	(1.094)	(79.998)	(998)	(73.523)
Reassessment – actuarial losses/ (gains) from changes in experience	4.158	95.399	(3.418)	72.137
Total income /(expenses) recognised in other comprehensive income	**3.064**	**15.401**	**(4.416)**	**(1.386)**

The effect of changes in significant actuarial assumptions are:

	31/12/2016		31/12/2015	
	Discount rate		Discount rate	
	0,5%	-0,5%	0,5%	-0,5%
Increase/ (decrease) in defined benefit liability	(122.685)	162.840	(130.950)	143.540
	-7%	9%	-7%	8%
	Future salary increases		Future salary increases	
	0,5%	-0,5%	0,5%	-0,5%
Increase/ (decrease) in defined benefit liability	160.080	(121.599)	141.028	(130.021)
	9%	-7%	8%	-7%

13.18. Borrowings

On 31.12.2016, the Group"s and the Company"s borrowings are broken down as follows:

	THE GROUP		COMPANY	
(amounts in €)	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Long-term loans				
Bond loans	130,000	52,327,322	0	52,327,322
Liabilities under finance lease	10,531	12,733	0	0
Total long-term loans	**140,531**	**52,340,056**	**0**	**52,327,322**
Short-term loans				
Bank loans	3,663,995	2,654,502	2,432,018	1,432,018
Bonds payable in next year	52,564,796	638,881	52,564,796	638,881
Liabilities under finance lease	2,493	2,493	0	0
Total short-term loans	**56.231.284**	**3,295,877**	**54.996.814**	**2,070,899**
Total loans	**56,231,284**	**55,635,933**	**54,996,814**	**54,398,221**

Short-term loan liabilities include loans amounting to €52,565 thousand both for the Group and the Company for which, on 31.12.2016, not all covenants that govern the respective bank liabilities are met. The Company has already sent for approval by the creditor banks a request not to observe the indicators temporarily. In conjunction with the forthcoming maturing of its corporate bond loans (contractual termination of the total of loans on 31.01.2018), the Company's Management is in discussions with the creditor banks in order to achieve the reconstructing and refinancing of the said loans.

The Group's Management believes that the whole process will be concluded successfully within the next few months.

To secure its corporate bonds, pledges have been raised on all shares of SingularLogic and on its trademarks and trade receivables according to criteria specified in the loan agreements. Moreover, the company has raised a pledge on all shares issued by one of its subsidiaries which will also apply to the dividends of such shares.

In light of the above and taking into consideration that the Management has no indications that the actions planned (and analysed above) will not be concluded successfully, it is estimated that both the Group and the Company will not face any financing or liquidity issues within the next 12 months.

The maturity dates of all loans are as follows:

	THE GROUP		THE COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Up to 1 year	56,231,284	3,295,876	54,996,814	2,070,899
Between 1 and 2 years	2,493	1,760,513	0	1,758,020
Between 2 and 3 years	138,038	50,571,493	0	50,569,302
Between 3 and 4 years	0	2,493	0	0
Between 4 and 5 years	0	5,558	0	0
Over 5 years	0	0	0	0
	56.371,815	**55,635,933**	**54,996,814**	**54,398,221**

The Group's liability under finance leases is broken down as follows:

	31.12.2016		**31.12.2015**	
	Future minimum lease payments	**Present value of future minimum lease payments**	**Future minimum lease payments**	**Present value of future minimum lease payments**
Up to 1 year	2,809	2,493	2,809	2,493
Between 1 and 5 years	11,705	10,531	13,999	12,601
Over 5 years	0	0	0	0
Total minimum future payments	**14,514**	**13,024**	**16,808**	**15,094**
Less: Interest expenses	(1,490)	0	(1,713)	0
Total present value of future minimum lease payments	**13,024**	**13,024**	**15,094**	**15,094**

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

	THE GROUP		**THE COMPANY**	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Bank loans (short-term)	5.33%	6.03%	5.33%	6.32%
Bank loans (long-term)	5.75%	5.05%	.-	5.05%

13.19. Provisions

On 31 December 2016, the provisions and account transactions during the year are broken down as follows:

	THE GROUP			
(amounts in €)	Tax liabilities	Other Provisions	Provision for affairs sub judice	Total
31 Dec 2014	**383,437**	**0**	**212,685**	**596,123**
31 Dec 2015	**383,437**	**0**	**212,685**	**596,123**
Additional provisions	0	29,500	200,000	**229,500**
31 Dec 2016	**383,437**	**29,500**	**412,685**	**825,623**

	Long-term provisions	Short-term Provisions	Total
31 Dec 2015	**0**	**596,123**	**596,123**
31 Dec 2016	**0**	**825,623**	**825,623**

	THE COMPANY			
(amounts in €)	Tax liabilities	Other Provisions	Provision for affairs sub judice	Total
31 Dec 2014	**379,151**	**0**	**212,685**	**591,837**
31 Dec 2015	**379,151**	**0**	**212,685**	**591,837**
Additional provisions		29,500	200,000	**229,500**
31 Dec 2016	**379,151**	**29,500**	**212,685**	**821,337**

	Long-term provisions	Short-term Provisions	Total
31 Dec 2015	**0**	**591,837**	**591,837**
31 Dec 2016	**0**	**821,337**	**821,337**

13.20. Trade and other payables

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

	THE GROUP		THE COMPANY	
(amounts in €)	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Suppliers	6,773,178	4,745,696	6,458,620	4,521,727
Cheques payable	151,850	176,556	16,850	584
Customer down-payments	0	0	0	0
Other liabilities	3,000	0	0	0
Total	**6.928.028**	**4.922.252**	**6.475.470**	**4.522.311**

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 31.12.2016, the Group's and the Company's liabilities for income tax are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Income Tax	99,194	1,550,305	0	1,542,462
Total	**99,194**	**1,550,305**	**0**	**1,542,462**

13.22. Other short term liabilities

On 31.12.2016, the Group's and the Company's other short-term liabilities are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Interest accrued	1,393,294	1,408,292	1,382,521	1,397,350
Insurance organizations	1,606,843	198,960	1,486,885	102,305
Dividends payable	82,808	80,774	0	0
Salaries and wages payable	169,028	229,124	167,222	197,871
Unearned and deferred income	4,874,998	5,154,731	4,344,984	4,740,042
Accrued expenses	2,200,446	7,737,507	2,108,202	7,662,214
Other liabilities	1,956,618	2,701,393	1,751,461	2,070,372
Other tax liabilities	2,048,926	1,465,218	1,864,417	1,294,422
Total	**14.332.961**	**18.976.000**	**13.105.692**	**17.464.577**

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 - 31/12/2016				1/1 - 31/12/2015			
(amounts in €)	Cost of Goods Sold	Administrative expenses	Selling expenses	Total	Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Employee Benefits	12,319,608	3,288,784	5,010,587	**20,618,980**	15,489,210	2,513,206	6,171,709	**24,174,126**
Cost of inventories recognized as an expense	3,947,896	0	0	**3,947,896**	4,618,738	0	0	**4,618,738**
Third party fees and expenses	2,539,160	1,481,756	884,419	**4,905,335**	5,862,076	1,261,304	2,670,109	**9,793,488**
Charges for outside services and utilities	375,503	127,822	160,093	**663,417**	613,290	128,075	170,721	**912,086**
Repairs and maintenance	2,632,692	36,070	14,738	**2,683,499**	2,562,478	73,081	14,366	**2,649,926**
Operating leases and rents	626,237	217,670	415,471	**1,259,378**	1,007,769	207,969	410,397	**1,626,135**
Taxes and duties	35,379	19,270	24,311	**78,959**	85,385	23,122	46,103	**154,609**
Provisions for inventories	0	0	0	**0**	78,417	0	0	**78,417**
Advertising	10,015	81,460	238,259	**329,734**	34,937	93,391	150,614	**278,941**
Other expenses	594,128	401,162	651,472	**1,646,762**	669,858	221,689	433,624	**1,325,172**
Depreciation of fixed assets	3,371,105	114,437	119,980	**3,605,522**	3,159,187	99,141	78,278	**3,336,606**
Total	**26.451.723**	**5.768.429**	**7.519.330**	**39.739.482**	**34.181.345**	**4.620.978**	**10.145.920**	**48.948.243**

	THE COMPANY							
	1/1 - 31/12/2016				1/1 - 31/12/2015			
(amounts in €)	Cost of Goods Sold	Administrative expenses	Selling expenses	Total	Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Employee Benefits	10,707,577	2,855,880	4,174,905	**17,738,362**	13,664,422	2,125,553	5,302,132	**21,092,106**
Cost of inventories recognized as an expense	2,826,765	0	0	**2,826,765**	3,127,933	0	0	**3,127,933**
Third party fees and expenses	3,446,312	1,100,197	777,116	**5,323,625**	7,009,113	1,002,272	2,633,509	**10,644,894**
Charges for outside services and utilities	352,949	111,446	146,067	**610,462**	655,409	112,181	160,758	**928,349**
Repairs and maintenance	2,632,692	35,210	14,698	**2,682,599**	2,562,478	69,714	14,305	**2,646,497**
Operating leases and rents	590,642	147,871	382,926	**1,121,439**	939,931	127,430	382,209	**1,449,570**
Taxes and duties	31,454	8,715	20,253	**60,422**	82,326	15,898	44,223	**142,447**
Provisions for inventories	0	0	0	**0**	78,417	0	0	**78,417**
Advertising	10,015	72,861	222,181	**305,057**	34,937	91,100	116,215	**242,251**
Other expenses	494,269	208,877	383,261	**1,086,406**	554,925	79,623	325,989	**960,537**
Depreciation of fixed assets	3,123,661	72,294	112,593	**3,308,548**	2,996,023	57,235	72,765	**3,126,023**
Total	**24.216.336**	**4.613.351**	**6.234.000**	**35.063.687**	**31.705.914**	**3.681.004**	**9.052.106**	**44.439.023**

13.24. Other operating income/expenses

(amounts in €)	Note	THE GROUP 31/12/2016	THE GROUP 31/12/2015	THE COMPANY 31/12/2016	THE COMPANY 31/12/2015
Miscellaneous operating income	**Note**				
Income from subsidies		2,014,994	2,775,155	1,610,707	2,600,410
Income from rents		0	0	34,065	61,944
Other		198,142	215,991	279,017	246,645
Income from used provisions for customers	13.9	1,216,908	1,019,605	1,062,644	978,464
Gains on sale of fixed assets		1,473	800	96	800
Total		**3,431,516**	**4,011,551**	**2,986,528**	**3,888,263**

(amounts in €)	Note	THE GROUP 31/12/2016	THE GROUP 31/12/2015	THE COMPANY 31/12/2016	THE COMPANY 31/12/2015
Miscellaneous operating costs					
Other fines & surcharges		(12,138)	(6,390)	(10,222)	(3,607)
Provision for bad debt	13.9 & 13.10	(1,633,771)	(1,540,920)	(1,396,843)	(1,172,872)
Loss from sale/ destruction of fixed assets/merchandise		(6,226)	-	(6,083)	-
Other		(281,077)	(321,698)	(251,097)	(290,312)
Total		**(1,933,212)**	**(1,869,008)**	**(1,664,245)**	**(1,466,791)**

In 2016, the Company raised new provisions for bad debts and other provisions equal to €1,396,843 while the new provisions amounted to €1,633,771 for the Group. The provisions for bad debts were reduced by €1,216,908 and €1,062,644 for the Group and the Company respectively due to their collection.

13.25. Financial income / expenses

(amounts in €)	Note	THE GROUP 31/12/2016	THE GROUP 31/12/2015	THE COMPANY 31/12/2016	THE COMPANY 31/12/2015
Interest income:					
- Banks		10,837	37,918	7,782	34,880
- Customers		14,838	7,461	14,838	7,461
- Loans granted		486	695	10,215	695
- Interest on corporate bonds		0	2,850,338	0	2,850,338
- Other interest related income		0	0	0	0
		26,160	**2.896.412**	**32,835**	**2.893.373**
Interest charges:					
- Discount of staff termination liabilities	13.17	(39,600)	(42,413)	(36,518)	(39,031)
- Short-term bank loans		(222,509)	(265,127)	(162,434)	(196,908)
- Bank loans (bonds)		(3,090,081)	(2,372,592)	(3,090,081)	(2,372,592)
- Guarantee letter commissions		(208,762)	(271,961)	(208,513)	(271,961)
Factoring		(24,419)	(77,430)	(24,419)	(77,430)
- Financial leases		(525)	(6,255)	0	-
- Other bank expenses		(32,142)	(197,479)	(28,551)	(194,039)
		(3.618.038)	**(3,233,256)**	**(3,550,516)**	**(3,151,959)**

Financial expenses comprise, by the largest part, interest income from loans assumed while financial income mainly includes income from loans granted and interest income from customers.

13.26. Other financial results

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Fair value profit/(losses) of other financial items through profit or loss	13.12	(4,962)	(2,871)	(4,962)	(2,871)
Profits / (losses) from the sale of financial assets through profit or loss		(633)	(692)	(633)	-
Income from dividends		.-	-	-	202,000
Foreign exchange gains/(losses)		(20,329)	10,667	(24,059)	(17,523)
Other financial results		(5,371)	-	-	-
Total		**(31,295)**	**7,104**	**(29,655)**	**181,606**

13.27. Income Tax

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

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Tax for the period	(98,021)	(1,545,567)	-	(1,542,462)
Self-employed and liberal professions contribution	(6,600)	(11,106)	(1,600)	(3,176)
Deferred tax	(1,049,270)	877,924	(1,106,712)	834,492
Tax audit adjustments	(75,335)	(11,650)	(74,522)	-
Other taxes	(54,463)	-	-	
Total	**(1,283,689)**	**(690,399)**	**(1,182,834)**	**(711,146)**

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 €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	THE GROUP		THE COMPANY	
Earnings before tax	**(2,811,374)**	**2,292,341**	**(1,887,778)**	**3,191,986**
Tax rate	29%	29%	29%	29%
Expected tax expense at the enacted tax rate	**(815,299)**	**664,779**	**(547,456)**	**925,676**
Non-taxable income	(29)	0	0	0
Offsetting due to prior-period accumulated losses	(732)	(445,625)	0	(445,625)
Losses for which deferred tax asset was not recognised	1,590,048	147,872	1,317,345	0
Adjustment for tax-exempt income:				
-income from dividends	0	0	0	(58,580)
-Other	0	24,673	0	24,673
Adjustment to tax for non-deductible expenses:				
- non deductible expenses	377,747	283,301	336,823	276,049
Effect of changes in tax rate	0	(11,412)	0	(14,223)
Self-employed and liberal professions contribution				
Tax adjustments of preceding financial years	75,335	11,650	74,522	0
Effect of different tax rates of foreign subsidiaries	(4,444)	4,055	0	0
-Other	61,063	11,106	1,600	3,176
Incurred tax expense (net)	**1,283,689**	**690,399**	**1,182,834**	**711,146**

13.28. Cash flows from operational 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 flows from operational activities	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Profit for the period	**(4,095,063)**	**1,601,942**	**(3,070,612)**	**2,480,840**
Adjustments for:				
Taxes	1,283,689	690,399	1,182,834	711,146
Depreciation of fixed assets	539,159	442,222	492,419	399,271
Depreciation of intangible assets	3,066,364	2,894,384	2,816,128	2,726,752
Provisions	1,786,457	1,770,642	1,533,578	1,386,590
Income from use of prior-period provisions	(1,216,908)	(1,019,605)	(1,062,644)	(978,464)
(Gains)/losses from sale of tangible assets	4,753	(800)	5,988	(800)
(Gains)/losses from sale of financial assets at fair value through P&L	633	692	633	0
Fair value profits/(losses) of other financial assets at fair value through profit or loss	10,333	2,871	4,962	2,871
Non-cash expenses	7,791	0	0	0
Interest earned and related income	(26,160)	(2,896,412)	(32,835)	(2,893,373)
Interest charges and related expenses	3,618,038	3,233,256	3,550,516	3,151,959
Dividends	0	0	0	(202,000)
Share of result from associates consolidated using the equity method	162,965	8,850	0	0
Other Foreign exchange differences	20,329	(10,667)	24,059	17,523
	5,162,380	**6,717,774**	**5,445,027**	**6,802,315**
Change in working capital				
(Increase) / decrease in stocks	(134,057)	115,745	(184,036)	96,158
(Increase) / decrease in receivables	1,520,047	2,181,656	718,228	1,197,445
(Increase)/ decrease in other current assets accounts	1,806,335	(130,534)	1,727,289	(138,849)
Increase / (decrease) in liabilities	(3,833,618)	(2,541,099)	(3,315,578)	(2,420,158)
	(641,293)	**(374,233)**	**(1,054,097)**	**(1,265,405)**
Cash flow from operating activities	**4,521,088**	**6,343,541**	**4,390,930**	**5,536,909**

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 2016, the transactions and balances of transactions between the Group‟s related parties are broken down as follows:

	GROUP		COMPANY	
Amounts in Euro				
Sales of goods/fixed assets				
	31 Dec 2016	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
Parent Company	-	-	-	-
Subsidiaries	-	-	524	476,547
Associates	25,663	18,093	25,663	18,093
Other related parties	212,775	131,433	207,415	131,433
Total	**238,438**	**149,525**	**233,602**	**626,072**
Purchases of goods/fixed assets				
	31 Dec 2016	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
Parent Company	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Other related parties	-	1,605	-	1,605
Total	**-**	**1,605**	**-**	**1,605**
Sales of services				
	31 Dec 2016	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
Parent Company	-	-	-	-
Subsidiaries	-	-	1,212,603	977,060
Associates	479,061	642,141	479,061	642,141
Other related parties	5,466,774	5,745,353	5,191,584	5,561,890
Total	**5,945,834**	**6,387,494**	**6,883,247**	**7,181,091**

Purchases of services

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2012
Parent Company	-	-	-	-
Subsidiaries	-	-	142,280	115,130
Associates	18,713	29,927	18,713	29,927
Other related parties	98,975	56,828	98,975	56,828
Total	**117,688**	**86,755**	**259,968**	**201,885**

Other income

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Parent Company	-	-	-	-
Subsidiaries	-	-	119,881	110,555
Associates	169	60	169	60
Other related parties	11,058	12,731	10,830	12,056
Total	**11,227**	**12,791**	**130,880**	**122,671**

Other expenses

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Parent Company	-	-	-	-
Subsidiaries	-	-	-	6,032
Associates	-	-	-	-
Other related parties	1,608,022	1,328,811	1,555,169	1,292,055
Total	**1,608,022**	**1,328,811**	**1,555,169**	**1,298,087**

Earnings from interest from loans to affiliated parties

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Subsidiaries	-	-	9,730	-
Total	**-**	**-**	**9,730**	**-**

Loans to affiliated parties

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Subsidiaries	-	-	212,000	392,000
Total	**-**	**-**	**212,000**	**392,000**

Receivables

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Parent Company	-	-	-	-
Subsidiaries	-	-	2,246,299	1,755,233
Associates	704,052	892,076	704,052	892,076
Other related parties	2,402,948	3,242,431	2,221,013	2,762,899
Total	**3,107,000**	**4,134,507**	**5,171,364**	**5.410.208**

Liabilities

	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Parent Company	-	-	-	-
Subsidiaries	-	-	60,685	109,412
Associates	16,300	8,873	16,300	10,595
Other related parties	28,018,110	28,401,814	27,260,780	27,648,591
Total	**28,034,410**	**28,410,688**	**27,337,765**	**27,768,598**

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 €)	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Salaries and social security costs	815,846	696,448	503,938	488,574
BoD meeting fees	639,126	639,126	403,326	403,326
Staff termination compensation	0	67,500	0	67,500
Other long-term benefits	20,241	24,640	17,207	19,090
Total	**1.475.213**	**1.427.714**	**924.471**	**978.489**

Key management personnel numbers 11 persons in the current year and 8 persons in 2015.

On 31 December 2016, 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 2016, the number of staff employed by the Group and the Company is as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Salaried staff	645	578	556	496

13.32. Liens

The following pledges have been raised to secure loans:

1. On all shares of Singularlogic SA
2. On all shares owned by SingularLogic, one of its subsidiaries and the proportionate dividends.
3. On trade receivables using criteria laid down in the loan agreements
4. On trademarks

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 €)	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Guarantees to ensure proper performance of contracts with customers	3,298,100	4,049,436	3,281,513	4,049,436
Advance payment guarantees	3,362,949	3,619,054	3,362,949	3,619,054
Guarantees for participation in various tender procedures	266,652	140,800	266,652	140,800
Security for loans with banks (cheques, factored contracts and invoices)	11,488,735	15,007,415	11,448,770	14,969,381
Total	**18.416.435**	**22,816,706**	**18.359.883**	**22,778,672**

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.

On 31.12.2016 the company and its subsidiary have provided guarantees for the short-term borrowing of the Group’s companies, which amount to €1.2 million.

Furthermore, for the third party claims against the company the relevant provision is recognised only if the criteria of IAS 37 are met. Within the period 2016 an additional provision of amount €200 thousand was formed both for the Company and the Group, that concerns a third party claim against compay (s paragraph 13.19 above). The Management estimates that the said provision is adequate.

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 SA (absorbd)	2008-2010
SINGULARLOGIC S.A. (parent)	2010-2016
PCS	2010-2016
SINGULARLOGIC BULGARIA C.A. EOOD	2002-2016
SINGULARLOGIC ROMANIA C.A. SRL	2012-2016
METASOFT	2010-2016
SINGULARLOGIC BUSINESS SERVICES S.A.(absorbed by SingularLogic on 12.03.2012)	2010-2011
SINGULARLOGIC INTEGRATOR A.E. (absorbed by SingularLogic on 03.10.2013	2007-2012
INFOSUPPORT	2010-2016
LOGODATA	2005-2016
SYSTEM SOFT	2010-2016
SINGULARLOGIC CYPRUS LTD	2006-2016
SENSE ONE TECHNOLOGIES A.E.	2011-2016
GIT HOLDINGS A.E.	2010-2016
GIT (CYPRUS) LTD	2009-2016
INFO S.A.	2010-2016
DYNACOMP S.A.	2009-2016

As regards years 2011-2013, the Group companies operating in Greece and subject to tax audit by certified public accountants in accordance with Article 82(5) of Law 2238/1994 received a Tax Compliance Report without giving rise to substantial differences. Cases are selected to be audited from the entities audited by statutory auditors and audit firms to verify the application of tax provisions, in accordance with the provisions of Article 26 of Law 4174/2013, as in force. Said audit may be carried out within the period in which the right of Tax Administration to issue tax assessment decisions is in effect.

As regards years 2014 and 2015, the Group companies operating in Greece and meet the criteria to fall under the tax audit by certified public accountants in accordance with Article 82(5) of Law 2238/2013 received a Tax Compliance Report without giving rise to substantial differences.

As regards the tax audit of the year 2016, the Group companies operating in Greece have fallen under the tax audit of certified public accountants provided for in Article 65A(1) of Law 4174/2013. According to recent legislation, the audit and issue of tax certificates for the fiscal years 2016 and onwards is optional. This tax audit is underway and the relevant tax certificates are expected to be granted following publication of the financial statements for 2016.

In case that any additional tax liabilities arise until the conclusion of the tax audit it is estimated that they will not have a significant impact on 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 31.12.2016 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:

	31/12/2016					31/12/2015			
Amounts in € and foreign currency	**EUR**	**USD**	**GBP**	**RON**	**SEK**	**EUR**	**USD**	**GBP**	**RON**
Notional Amounts									
Financal assets	904,264	390,184	6,137	2,391,768	-	1,007,549	245,819	6,137	3,498,842
Financial liabilities	(661,908)	(328,438)	(8,676)	(1,544,138)	(32,639)	(759,844)	(292,646)	(1,676)	(2,211,136)
Short-term exposure	**242,356**	**61,746**	**(2,539)**	**847,629**	**(32,639)**	**247,705**	**(46,827)**	**4,461**	**1,287,705**

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), British pound sterling (GBP) and Swedish Krona 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:

	31/12/2016							
Amounts in €	**USD**		**GBP**		**RON**		**SEK**	
Profit for the year (post tax)	5,858	(5,858)	(297)	297	18,674	(18,674)	(342)	342
Equity	5,858	(5,858)	(297)	297	18,674	(18,674)	(342)	342

	31/12/2015					
Amounts in €	**USD**		**GBP**		**RON**	
Profit for the year (post tax)	(4,301)	4,301	608	(608)	28,464	(28,464)
Equity	(4,301)	4,301	608	(608)	28,464	(28,464)

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 2016, 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% (2015: +/-1%). The interest rate changes are expected to be reasonable based on recent market conditions.

Group loans sensitivity analysis to interest rate changes:

	31/12/2016		**31/12/2015**	
Amounts in €				
Profit for the year (post tax)	(563,718)	563,718	(556,359)	556,359
Equity	(563,718)	563,718	(556,359)	556,359

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 31.12.2016 are broken down as follows:

Amounts in €	**31/12/2016**	**31/12/2015**
Financial asset categories		
Cash and cash equivalents	3,078,568	2,587,960
Trade and other receivables	21,107,493	25,221,768
Total	**24.186.061**	**27.809.728**

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 31.12.2016 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 2016 is broken down as follows:

31/12/2016

	Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
Amounts in €				
Bonds payable next year	500,000	52,064,796	130,000	-
Finance lease obligations	-	2,493	10,531	-
Trade liabilities	3,291,081	3,636,947	-	-
Other short-term liabilities	8,726,106	5,706,049	-	-
Short-term borrowing	3,663,995	-	-	-
	16,181,183	**61,410,285**	**140,531**	**0**

31/12/2015

	Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
Amounts in €				
Bonds payable next year	321,106	317,775	52,327,323	-
Finance lease obligations	-	2,493	12,733	-
Trade liabilities	2,167,795	2,754,457	-	-
Other short-term liabilities	11,916,944	8,609,361	-	-
Short-term borrowing	2,654,502	-	-	-
	17,060,347	**11,684,086**	**52,340,056**	**0**

Bond loans after refinancing were recognized at depreciated cost according to the provisions of IAS 39 and the balance on 31/12/2016 amounted to €52,564,796 that concerns short term liabilities maturing on 31/01/2018.

On 31.12.2016 not all covenants that govern the respective bank liabilities are met and the Company has already sent for approval by the creditor banks a request not to observe the indicators temporarily.In conjunction with the forthcoming maturing of its corporate bond loans of amount €52.565 thousand(contractual termination of the total of loans on 31.01.2018), the Company's Management is in discussions with the creditor banks in order to achieve the reconstructing and refinancing of the said loans.

Taking the above under consideration, on 31.12.16 both the Group and the Company demonstrate a negative working capital since the short-term liabilities are in excess of the current assets by €50.438 thousand and €49,305 thousand respectively.

At the end of the reporting period the total of current assets would be in excess of the total of short-term liabilities by €2,126 thousand for the Group and €3,259 thousand for the Company, excluding loans of €52,565 thousand for which, the Company's Management is in discussions with the creditor banks in order to achieve their reconstructing and refinancing.

In light of the above and taking into consideration that the Management has no indications that the actions planned (and analysed above) will not be concluded successfully, it is estimated that both the Group and the Company will not face any financing or liquidity issues within the next 12 months.

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 €	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Non-current assets				
Loans and receivables	229,413	488,870	351,613	483,205
Available-for-sale financial assets	59,932	59,932	59,932	59,932
Total	**289,345**	**548.802**	**411,545**	**543.137**
Current assets				
Assets presented at fair value through P&L	1,987,928	3,192,379	1,987,928	3,192,379
Trade and other receivables	21,107,493	25,221,768	21,551,551	24,983,523
Cash and cash equivalents	3,078,568	2,587,960	1,067,986	611,630
Total	**26,173,990**	**31,002,107**	**24,607,466**	**28,787,532**
Long term liabilities				
Loans	140,531	52,340,056	0	52,327,322
Total	**140,531**	**52,340,056**	**0**	**52,327,322**
Short term liabilities				
Loans	56,231,284	3,295,877	54,996,814	2,070,899
Financial liabilities	6,928,028	4,922,252	6,475,470	4,522,311
Other financial liabilities	14,332,961	18,976,000	13,105,692	17,464,577
Total	**77,492,273**	**27.194.128**	**74,577,976**	**24.057.786**

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.

Analysis of financial instruments levels

2016 Financial Assets	**Measurement at fair value at the end of the reporting period using:**			
Amounts in €	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss.				
Shares	-	-	-	-
- Mutual Funds	1,987,928	-	-	1,987,928
- Bonds	-	-	-	-
Derivatives	-	-	-	-
Trading portfolio financial assets				-
-Equity instruments of unlisted companies	-	-	59,932	59,932
Total financial assets	**1,987,928**	**-**	**59,932**	**2,047,861**

Financial liabilities				
-Loans	**-**	**-**	**-**	**-**
Total financial liabilities	**-**	**-**	**-**	**-**
Net fair value	**1,987,928**	**-**	**59,932**	**2,047,861**

2015 Financial Assets	**Measurement at fair value at the end of the reporting period using:**			
Amounts in €	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss.				
Shares	-	-	-	-
- Mutual Funds	3,192,379	-	-	3,192,379
- Bonds	-	-	-	-
Derivatives	-	-	-	-
Trading portfolio financial assets				
-Equity instruments of unlisted companies	-	-	59,932	59,932
Total financial assets	**3,192,379**	**-**	**59,932**	**3,252,311**
Financial liabilities				
-Loans	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**
Net fair value	**3,192,379**	**-**	**59,932**	**3,252,311**

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:

	31/12/2016	**31/12/2015**
Amounts in €		
Loans	56,371,815	55,635,933
Less: Cash and cash equivalents	(3,078,568)	(2,587,960)
Net Borrowing	**53.293.247**	**53.047.973**
Total equity	24,828,664	28,506,361
Net Borrowing to Equity	**2.14**	**1.86**

15.Events after the reporting period

No significant events occurred after the reporting period

N. Kifisia, 25/042017

THE CHAIRMAN	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
MICHAIL KARIOTOGLOU	STAVROS KRASADAKIS	IOANNA TELEIOUDI	APHRODITE PYRGIOTAKI ID Card No. X046755
ID Card No. AB 287337	ID Card No. AE 626245	ID Card No. AB 669823	Licence No/ Greek ICPA, CLASS A 0004664