



ANNUAL FINANCIAL REPORT
For the year from January 1st to December 31st 2016

According to article 4, Law 3556/2007

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A) STATEMENTS BY THE REPRESENTATIVES OF THE BOARD OF DIRECTORS ACCORDING TO ARTICLE 4, PAR. 2, LAW 3556/2007

The members of the Board of Directors:

- 1) Panagiotis Lykos, Chairman of the Board of Directors
- 2) Panagiotis Spyropoulos, Vice Chairman & Group CEO
- 3) Elias Karantzas, Member of the Board of Directors

In the above capacity, especially assigned by the Board of Directors of the Société Anonyme under the title «INFORM P. LYKOS S.A.», declare and certify that to the best of our knowledge:

(a) the annual, separate and consolidated, financial statements for the year 1/1/2016 - 31/12/2016, which were prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of «INFORM P. LYKOS S.A.», as well as of the consolidated companies as a total.

(b) the annual management report of the Board of Directors presents in a true and fair view the development, the performance and the financial position of «INFORM P. LYKOS S.A.», as well as the companies consolidated as a total, including the description of the main risks and uncertainties they face.

Koropi Attica, 10 April 2017

The designees

Chairman of the Board of Directors

Vice Chairman & Group CEO

Member of the Board of Directors

Panagiotis Lykos
I.D. No AB 607588

Panagiotis Spyropoulos
I.D. No AI 579288

Ilias Karantzas
I.D. No K 358862

B) ANNUAL REPORT OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS MANAGEMENT REPORT TO THE GENERAL MEETING OF SHAREHOLDERS AND CORPORATE GOVERNANCE STATEMENT

Dear Shareholders,

The Board of Directors of INFORM P. LYKOS S.A. hereby presents its Report on the Annual Consolidated Financial Statements for the year ended as of December 31st, 2016.

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards.

1. GROUP PROFILE

INFORM LYKOS was founded in 1897, has been listed on the Athens Stock Exchange since 1994 and today is an international Group with leading presence in the Central and Eastern Europe in the area of Information Management, under the brand INFORM, with production facilities in Greece, Romania and Albania. The Group is activated internationally and is leader in the area of printing management, production of secured documents, and Business Process Outsourcing, offering services of printing and posting statements, electronic presentation of statements and printing management for Banks, Telecommunication companies, Public sector and Industrial/Trade companies.

It is a member of the Group AUSTRIACARD AG (former LYKOS AG) headquartered in Austria, which is an international group active in the business areas of "Digital Security" under the brand AUSTRIACARD and "Information Management" under the brand INFORM, having two additional production facilities for producing smart cards, identities, etc. in Austria and Romania, highest data security, certified by international organizations such as Visa, MasterCard, Diners etc. It has five personalization centers for smart cards in Greece, Austria, Poland, Romania and Turkey, also the highest data security and certified by international organizations.

The principles of the Group are based on the commitment to personal care and support of customers. The passion for innovation and the satisfaction derived from well-served customers have been driven by the Lykos family over four generations. The company has been tried and tested through turbulent and significant times in recent Greek history and the history of Europe. It has been trusted continuously for 120 years for its high quality products, impeccable services and ethos of integrity. From printing services to modern digital documentation, trust, reliability and security have been the core values by which our customers have known us.

Our history demonstrates a commitment to progress and innovation, accompanied by a strong sense of responsibility towards, not only our customers, but also our employees and associates.

2. GROUP BUSINESS ACTIVITY

The entities and operations in the Information Management segment report to the parent company, Inform P. Lykos S.A., headquartered in Greece. Inform markets its products and solutions in the Information Management segment under the brand INFORM. It has three production plants in Athens (Greece), Bucharest (Romania) and Tirana (Albania). Inform P. Lykos S.A. is listed on the Athens Stock Exchange since 1994 and is a market leader in South Eastern Europe in the area of information management and document processing.

INFORM leads the market of printing products, such as business forms, paper rolls, security and commercial printing (from standard ink on paper to complex data structures, where the document is conceived as a strategic unit of information) and supports the companies and the governments across the whole document life cycle. This includes data collection and classification, verification, coding, storing as well as the physical or digital export of formatted data to any carrier required.

INFORM also operates in the market for business process outsourcing, offering physical and digital statement and bill printing, fulfilment, electronic bill presentment, card personalization, loyalty software applications and printing management services. INFORM successfully delivers products, services and integrated solutions customized to highly sensitive and demanding requirements for major international financial institutions, companies in the telecommunications, transport and infrastructure sectors, large retail and leisure companies as well as major public sector bodies.

3. GROUP BUSINESS PERFORMANCE

3.1 Economic, market environment

In accordance with the Global Economic Prospects report issued by World Bank in January 2017, the stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world economy. The growth in the euro area decelerated in 2016 and is estimated at 1.6% compared to 2.0% in 2015, as both domestic demand and exports lost momentum.

In Information Management, the security printing market is growing as well. The boundary between physical and online delivery is disappearing due to increasing environmental awareness but also due to the growing online penetration and easier handling and thus creating new opportunities. Also a conversion from printing to online data management is taking place. The competition in the transactional printing is more local with few international players. Market opportunities arise especially when financial institutions or utility companies outsource their formerly internal printing services. As these companies have become cost conscious in recent years, the prices are under pressure.

3.2 Significant events of the financial year

In 2016, the Competition Council of Romania imposed a fine of approximately € 0.8 million on the subsidiary of the Group, Inform Lykos, S.A., (ILR), in Romania. As management is convinced that the Group has complied with the competition law and that the verdict is unjustified

and disproportional, it has appealed against this verdict. At the date of issuance of this report, the lawsuit was still ongoing. Within the scope of the principle of prudence, Group management has formed a provision of € 0.3 million for this lawsuit, which is included in the consolidated financial statements.

With the objective of streamlining the organization and improving internal efficiency, efficiency improvement programs were launched at the end of 2015 and continued in 2016 which have already reduced production and overhead costs significantly and will further reduce operating cost. Continuing its path of technology leadership, INFORM has invested in 2016 in two new digital presses which have increased production capacity, strengthened quality and reduced costs at the same time.

3.3. FINANCIAL RESULTS OF GROUP AND PARENT COMPANY

The basic financial figures of the Group are as follows:

	31/12/2016	31/12/2015	D 16-15	D%
Revenues	62.473.941	64.864.407	(2.390.465)	-3,7%
Cost of material & mailing	(41.455.816)	(41.947.764)	491.948	-1,2%
Gross profit I	21.018.126	22.916.643	(1.898.517)	-8,3%
<i>Gross margin I</i>	<i>33,6%</i>	<i>35,3%</i>	<i>-1,7%</i>	
Production cost	(12.773.708)	(13.608.968)	835.260	-6,1%
Gross profit II	8.244.418	9.307.675	(1.063.257)	-11,4%
<i>Gross margin II</i>	<i>13,2%</i>	<i>14,3%</i>	<i>-1,2%</i>	
Other income	1.455.303	966.906	488.397	50,5%
Selling and distribution expenses	(4.259.609)	(4.850.330)	590.721	-12,2%
Administrative expenses	(3.400.869)	(3.666.755)	265.887	-7,3%
Research and development expenses	(390.382)	(330.181)	(60.201)	18,2%
Other expenses	(615.306)	(869.389)	254.083	-29,2%
Non-recurring expenses	(304.317)	(1.689.415)	1.385.098	-82,0%
+ Depreciation & amortization	3.808.516	3.601.643	206.873	5,7%
EBITDA	4.537.754	2.470.153	2.067.601	83,7%
- Depreciation & amortization	(3.808.516)	(3.601.643)	(206.873)	5,7%
EBIT	729.238	(1.131.489)	1.860.727	-164,4%
Net finance costs	(1.264.382)	(1.168.350)	(96.032)	8,2%
EBT	(535.144)	(2.299.839)	1.764.696	-76,7%
Income tax	(305.549)	664.164	(969.713)	-146,0%
EAT	(840.693)	(1.635.676)	794.983	-48,6%

In 2016, the Group's sales decreased by 3.7% and amounted to € 62.5 million compared to € 64.9 million in the last year. The decrease of € 2.4 million is mainly related to the lower demand for payment cards in the Greek market after the increased demand for cards due to the capital controls in June 2015. The decrease was partially offset by higher sales due to new projects in Greece and Romania in the Public Sector and Telecommunications. Despite the lower sales, the results of the Group have improved as a) the operating expenses were reduced by € 1.8 million or 9.8% from € 18.8 million in 2015 to € 17 million in 2016, due to the improvement in internal efficiency and b) the results of 2015 were burdened by non-recurring expenses of € 1.7 million related to reduced cost because of the restructuring measures for improving the efficiency and adjusting capacity to the current market conditions.

Operating expenses excl. D&A	31/12/2016	31/12/2015	D 16-15	D%
Production expenses	(12.773.708)	(13.608.968)	835.260	-6,1%
Selling and distribution expenses	(4.259.609)	(4.850.330)	590.721	-12,2%
Administrative expenses	(3.400.869)	(3.666.755)	265.887	-7,3%
Research and development expenses	(390.382)	(330.181)	(60.201)	18,2%
+ Depreciation & amortization	3.808.516	3.601.643	206.873	5,7%
Total	(17.016.051)	(18.854.591)	1.838.540	-9,8%
% Operating expenses on Sales	27,2%	29,1%		

The consolidated sales of the Group reached € 62.5 million compared to € 64.9 million in 2015, decreased by 3.7%,

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group, increased by € 2 million or 83.7% and reached € 4.5 million compared to € 2.5 million in 2015,

The earnings before interest and taxes (EBIT) of the Group, improved by € 1.8 million and reached € 0.7 million compared to losses € -1.1 million in 2015,

The earnings before taxes (EBT) of the Group, reached to losses € -0.5 million compared to losses € -2.3 million in 2015, representing a decrease in losses of € 1.7 million or 76.7%,

The consolidated earnings after taxes (EAT) of the Group, reached to losses € -0.8 million compared to losses € -1.6 million in 2015, representing a decrease in losses of € 0.8 million or 48.6%.

It is noted, that the results of 2016 were burdened by non-recurring costs of € 0.3 million from the provision formed by the subsidiary in Romania for the lawsuit as regards the fine imposed by the Competition Council, while the results of 2015 were burdened by non-recurring expenses of € 1.7 million related to personnel costs due to the restructuring measures.

Specifically regarding the business by geographical segment, in Greece the parent company INFORM P. LYKOS S.A. recorded revenues of € 30.8 million compared to € 34.9 million in last year, declining by 11.7%. The decrease of € 4 million is mainly related to the lower demand for payment cards in the Greek market after the increased demand for cards due to the capital controls in June 2015. The earnings before interest, taxes, depreciation and amortization (EBITDA) of 2016, reached € 2.6 million compared to € 0.8 million in 2015, increased by € 1.8 million or 219.2%, as the results of 2015 were burdened by non-recurring expenses of € 1.7 million.

In Romania, the subsidiary INFORM LYKOS S.A. recorded revenues of € 35 million compared to € 33.1 million in last year, representing an increase of 5.6%. The increase is mainly related to the new projects in statement printing, enveloping and mailing in telecom companies. The earnings before interest, taxes, depreciation and amortization (EBITDA) of 2016 reached € 1.7 million compared to € 1.5 million in 2015, increased by 15.9%.

In Albania, the subsidiary ALBANIAN DIGITAL PRINTING SOLUTIONS Sh.p.k, recorded revenues of € 652 thousand from € 752 thousand in 2015, representing a decrease of 13.2%, while the earnings before interest, taxes, depreciation and amortization (EBITDA) of 2016 increased by € 46 thousand or 32.4%, and reached € 188 thousand from € 142 thousand in 2015.

Financial performance ratios of the Group

Accordingly, the financial performance ratios of the Group formed in 2016 compared to 2015 as follows:

- The margin of earnings before interest, taxes, depreciation and amortization amounted to 7.3% in 2016 from 3.8%, increased by 3.5 basis points,
- The margin of earnings before interest and taxes amounted to 1.2% in 2016 from -1.7%, increased by 2.9 basis points,
- The margin of earnings before taxes amounted to -0.9% in 2016 from -3.5%, improved by 2.6 basis points,
- The performance ratio of equity amounted to -1.7% in 2016 from -3.1% in 2015, improved by 1.4 basis points,
- The performance ratio of assets amounted to -1% in 2016 from -1.9% in 2015, improved by 0.9 basis points,
- The ratio of total liabilities to equity amounted to 0.62 in 2016 from 0.63 in 2015,
- The ratio of bank debt to equity amounted to 0.35 in 2016 from 0.28 in 2015, increased by 0.07 basis points,
- The ratio of liquidity amounted to 0.81 in 2016 from 0.89 in 2015, decreased by 0.08 basis points.

3.4. SOURCES AND USES OF FUNDS

In 2016, the investments of the Group, excluding acquisitions, amounted to € 5 million from € 1.4 million in 2015, of which € 4.1 million in new technology machinery, € 0.6 million in software developments and € 0.3 million in other equipment.

The net bank debt of the Group, amounted to € 16.6 million in 2016 from 10.8 million in 2015, increased by € 5.8 million, due to a) € 3.5 million investments in two digital printing equipment through finance lease and b) € 1.4 million distribution of dividend.

3.5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In thousands euro

31/12/2016

Parent company from / to subsidiaries	Sales of products / services	Purchases of products / services	Receivables	Liabilities
Inform Lykos S.A. (Romania)	658,7	3.272,7	1.089,8	805,4
Lykos Paperless Solutions A.E.	60,0	75,0	0,0	100,0
Albanian Digital Printing Solutions Sh.p.k.	72,4	0	11,4	0
Total	791,1	3.347,7	1.101,2	905,4

Regarding the above we note the following:

The sales of the parent company to: (a) «Inform Lykos S.A. (Romania)» relate mainly to printing products, as well as administrative management supporting services, (b) «Lykos Paperless Solutions S.A.» relate mainly to services, (c) «Albanian Digital Printing Solutions» relate to printing products.

The purchases of the parent company from: (a) «Inform Lykos S.A. (Romania)» relate mainly to forms and printing products, (b) «Lykos Paperless Solutions S.A.» relate mainly to services.

3.6. DIVIDENDS POLICY

The closing price of the share of INFORM P. LYKOS S.A. as at 31/12/2016 was € 0.519 compared to € 0.45 closing price as at 31/12/2015, or 15% higher. The highest price of the year for the company's share was € 0.620 (8-16/8/2016) and the lowest € 0.423 (9/9/2016). The Volume Weighted Average Price was € 0.497.

The Board of Directors of the Company intends to propose to the 35th Annual General Meeting of Shareholders, distribution of dividend of gross amount € 0.07 per share (net € 0.0595).

4. SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

There are no events after December 31, 2016, which can have a significant impact on the financial position or the operation of the Group.

5. FUTURE DEVELOPMENT AND RISK MANAGEMENT

5.1. PROSPECTS FOR 2017

The Group having extensive experience and know-how in integrated solutions-services has developed long term customer relationships, offering high level products and services at competitive prices, so as to be considered a strategic supplier of banking institutions, telecommunications and other organizations either in the private sector or in the public sector.

Group's main objective focus on creating further value added to the shareholders into the following fields:

- New markets and new customers

It will continue to focus on the development of exports, to further increase revenues and also will focus at exploring and evaluating new growth opportunities at the sector of secure documents management and information,

- New products and services

It will accelerate the development of new services with the transition of the current products to higher value-added services such as e-statements, e-invoicing, scanning and archiving, hybrid mail, cloud printing.

- Efficiency Improvement

It will further utilize low-cost facilities in order to further increase the competitiveness and profitability. It will continue to improve its efficiency and will continue to invest in new technologies that will increase production capacity and reduce costs, in order to enhance profitability.

- Potential strategic co-operation opportunities

It will continue to search potential opportunities for strategic partnerships, aiming at a further strengthening of its position in the broader region of Central and Eastern Europe.

5.2. RISK MANAGEMENT

The Group uses financial instruments for commercial, financing and investment purposes. The use of financial instruments by the Group, substantially affects the financial position, profitability and cash flows.

The main risks arising from the financial instruments of the Group are, basically, the following:

- Market risk (exchange rate risk and interest rate risk)
- Credit risk
- Liquidity risk

Market risk

Regarding this risk, arising from the general market conditions, the Group has reduced exposure to this risk due to the geographical dispersion of an equal allocation of sales between Greece, Romania and other countries with significant exposure to the markets of Central and Eastern Europe. A significant part of these sales is addressed to the financial sector especially in Banks. The current negative economic conditions make the markets, in which the Group operates more vulnerable. However, the products we offer to our customers in both private and public sector are considered essential for their daily operation and growth. Furthermore, by achieving significant reductions in its operating expenses, the Group is particularly competitive and can offer high-level products and services at competitive prices.

Regarding the risks arising from the volatility of interest rates and exchange rates:

Exchange rate risk

The main part of economic transactions of the Group companies (Greece, Romania and Albania) is denominated in the currency of the main economic environment, where each company operates in (operating currency). In Romania, part of the obligations of the company is denominated in RON and in Albania is denominated in ALL.

An exposure to exchange rate fluctuations exists regarding the value of the Group's investments in Romania, only at the time of consolidation of financial statements and their translation from the functional currency RON into the presentation currency Euro.

Interest rate risk

All bank debt of the Group is connected with fluctuating interest rates, maintaining however, the option to convert into stable interest rates, depending on the market conditions. With the Group's funds benchmark at 31.12.2016, in a hypothetical increase or decrease of Euribor by +/- 1%, the Group's results will be affected negatively or positively, respectively, by an amount of about € 175 thousand.

The company does not use financial derivatives. As in the previous year, other financial assets and other financial liabilities are not affected by interest rates.

Credit risk

The Group has established and applied procedures of credit control, aiming at minimisation of bad debts. Sales are directed mainly in big public and private organizations with evaluated historic credit abilities. In case indications of bad debts appear, the relative impairment provisions are made.

Liquidity risk

The Group manages its liquidity needs through careful follow-up of debts, long-term financing obligations and payments. Liquidity needs are monitoring on a daily basis and planning of payments on a weekly and monthly basis. Special attention is paid to management of stocks, receivables and liabilities in order to achieve the highest possible liquidity for the Group.

The central financial department of the company is responsible for the risk management, operates following certain rules approved by the Board of Directors.

The Board of Directors through its executives:

- (a) Establish and apply procedures and regulations that allow identification of risks, connected to activities, procedures and systems of operation of the Company (mainly credit risk, market risk and operational risk).
- (b) Determine the acceptable level of risk.
- (c) Ensure that the Group maintains the required capital adequacy and appropriately manages the risks arising from its operation.

6. PERSONNEL

The measures to reduce costs, improve efficiency and adjusting production capacities to current market conditions represent large challenges for INFORM Group. The successful operating growth has only been possible thanks to the strong contribution of each employee.

Our employee's knowledge, capacity for innovation and high motivation are preconditions for the success of INFORM Group. Therefore, the Group aims to promote team spirit and motivation, with emphasizing in internal education and maintain and improve the internal cooperation.

In total the Group's headcount remained stable at 423 employees as at 31/12/2016 from 425 as at 31/12/2015.

7. ENVIRONMENTAL MANAGEMENT

The Group prevents pollution caused by all segments during production as far as possible by means of an effective environmental management system. This management system is based on statutory provisions and requirements, with ISO 14001 (Environmental Management) and FSC (Forest Stewardship Council). The managers of the respective production and business premises are responsible for complying with these provisions. Furthermore, there are clear regulations governing the responsibilities for environmental protection issues.

8. EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ACCORDING TO ARTICLE 4 PAR. 7 AND 8, LAW 3556/2007

(a) Share capital structure

As at December 31st 2016, the Company's share capital amounted to € 12,758,591.88 divided by 20.578.374 common nominal shares of nominal value 0.62 euro each.

According to the shareholders registry as at December 31st, 2016 the share capital structure of the company was the following:

Shareholder	Number of shares	%
AUSTRIACARD AG (former LYKOS AG)	14.568.053	70,79%
OLGA LYKOS	1.937.856	9,42%
Other shareholders (<5%)	4.072.465	19,79%
Total	20.578.374	100,00%

All (100%) shares of the Company are common, nominal and undivided and there are no special categories of shares. Rights and obligations related to the shares are those set by Law 2190/1920.

According to the shareholders registry as at April 10th, 2017, the share capital structure of the company was the following:

Shareholder	Number of shares	%
AUSTRIACARD AG (former LYKOS AG)	14.568.053	70,79%
OLGA LYKOS	1.937.856	9,42%
Other shareholders (<5%)	4.072.465	19,79%
Total	20.578.374	100,00%

Nikolaos Lykos is the major shareholder of AUSTRIACARD AG (former LYKOS AG), holding 96.14% of its shares.

Finally, the main rights and obligations arising from shares, according to the Company's Memorandum of Association and Law 2190/1920, are the followings:

1. Each share, offers a right to the distribution of the company's earnings and the result of liquidation of the company's assets, in case of termination by the rate of paid capital of the share divided by the total paid share capital.
2. In every case of share capital increase, not paid (a) by contribution of items or (b) by bonds issue bearing rights to convert in shares or (c) by Stock Option Plan for acquiring shares, according to paragraph 13 of article 13 of Law 2190/1920, a right of preference is offered to the total new capital or bond loan in favour of the existing shareholders at the time of share issue, proportional to their participation to the current share capital.
3. After an inquiry of any shareholder, the Board of Directors is obliged to offer to the General Meeting all the required information about the company's affairs to the extent necessary for the real evaluation of the issues raised.
4. After an inquiry of shareholders, representing one twentieth (1/20) of paid share capital (a) the Board of Directors is obliged to call for a special General Meeting, (b) the Board of Directors is obliged to include additional issues in the schedule of the General Meeting, (c) the Board of Directors provides the shareholders before the date of General Meeting with drafts of decisions for issues have been included in daily agenda, (d) the President of the Meeting is obliged to postpone only once the decisions of the General Meeting, regular or not, for all or certain matters, (e) the Board of Directors is obliged to announce at the General Meeting of shareholders the amounts which over the last two years have been paid for any reason by the Company to the members of the Board of Directors or the managers or other employees and also every other benefit to these individuals or every existing contract of the company with them of any kind, (f) the decision on a matter in the General Meeting is taken by nominal vote. Shareholders representing one twentieth (1/20) of paid share capital have the right to ask for audit of the company by the local court of the domicile of the company in case there are indications of illegal actions or against the company's Memorandum of Association or decisions of the General Meeting.
5. After an inquiry of shareholders, representing one fifth (1/5) of paid share capital, the Board of Directors is obliged to provide to the General Meeting information on the company course of development and its property status. Furthermore, the shareholders of the Company, representing one fifth (1/5) of the share capital may request from the First Instance Court of the area of the Company's registered office to conduct audit of the Company if in the cause of the Company development it is believed that the management of the corporate affairs was not exercised as required by sound and prudent management.
6. In the above cases 3, 4 and 5, the requiring shareholders ought to prove that they own the shares offering the above (3, 4 and 5) rights.
7. Shareholders who wish to participate and vote at the General Meeting of shareholders, ought to maintain their shares deposited.
8. Responsibility of shareholders is limited to their contribution, which is the nominal capital of their shares.

(b) Limitations on shares transfer

1. There are no limitations according to the Company's Memorandum of Association on the transfer of its shares.
2. According to article 4 of Law 3016/2002, as effective, the independent not executive members of the BoD of the Company cannot at the same time own company's shares higher than 0.5% of the share capital.

(c) Significant direct or indirect participations according to Law 3556/2007

As at April 10th, 2017, AUSTRIACARD AG (former LYKOS AG) and Mrs Olga Lykos owned a percentage of 70.79% and 9.42% respectively of the Company's share capital. Mr. Nikolaos Lykos holds a percentage 96.14% of the share capital of AUSTRIACARD AG (former LYKOS AG). The company is not aware of any other shareholders, who own directly or indirectly a percentage higher than 5% of the share capital of INFORM P. LYKOS S.A. It is noted that, as at April 10th, 2017, INFORM P. LYKOS S.A. does not participate in the share capital of any other company listed in the Athens Stock Exchange.

(d) Shareholders possessing special control rights

There are no company shares offering special control rights.

(e) Limitations on voting rights – Time schedule of exercising such rights

There are no limitations on voting rights.

1. According to the Company's Memorandum of association the ownership of a share offers one voting right.
2. The General Meeting is in quorum and meets validly over the agenda, when shareholders representing at least one fifth (1/5) of paid share capital are present or represented. If no quorum is achieved, the General Meeting gathers again in twenty (20) days from the date of the postponed Meeting, as long as it is called at least ten (10) days before and is considered in quorum deciding validly over the initial agenda, whatever part of paid share capital is represented. The decisions of General Meeting by the above regular quorum are taken by absolute majority of the votes represented. Especially, decisions concerning change of the nationality of the Company, change of the Company's objective, increase of shareholders obligations, share capital increase not referred in the Memorandum of association, according to article 5 par. 2 and 3 of it, unless imposed by Law or paid by capitalization of reserves, decrease of share capital, unless it is done according to article 16 par. 6 of Law 2190/1920, change in the procedure of earnings distribution, merger, split, transformation, revival, exceed duration or termination of the company, offer or renewal of the BoD authority for share capital increase according to article 5 par. 2 of Memorandum of association, and in any other case the Law and Memorandum of association defines that for the decision by the General Meeting extra quorum is required, the Meeting is considered in quorum and meets validly when shareholders representing two thirds (2/3) of the paid share capital are present. If no such quorum is achieved, the General Meeting gathers again, and is considered in quorum meeting validly in order to decide over the initial agenda, when at least half (1/2) of the paid share capital is represented. In case again no quorum is achieved, General Meeting gathers again by the same procedure as described above and is considered in quorum meeting validly in order to decide for the issues of the initial agenda, if at least one fifth (1/5) of paid share capital is represented. Decisions of General Meeting which require the above special quorum are taken by majority of two thirds (2/3) of votes represented in it.

3. Under the provisions of CL 2190/1920, in the General Meeting is entitled to participate a person, registered as a shareholder in the records of the organization, where are kept records of the securities (shares) of the Company (i.e. Dematerialized Securities System, operated by "Hellenic Exchanges S.A."). The proof of shareholder status is relevant to the presentation of written certification of that institution or, alternatively, by direct electronic connection with the Company's records of that institution. The status of the shareholder must exist as at the beginning of the fifth (5th) day before the day of the General Meeting (record date) and the relevant written confirmation or electronic certification of the shareholder status must reach the Company no later than as at the third (3rd) day before the meeting of the General Meeting. Participation in the repeated General Meeting is regulated under the same conditions as above, provided for in paragraph 4, article 28a, CL 2190/1920. Only those in the capacity of shareholders as at the relevant record date are regarded as those entitled to participating in the General Meeting and exercising voting right. Failure to comply with the provisions of Article 28 a of the Law 2190/1920, results in the shareholder participation in the General Meeting only following the Meeting's permission. The exercise of these rights (participation and rights) does not require commitment of shares or of any other similar process, which limits the ability to sell and transfer the shares during the interval between the record date and the date of the General Meeting. Twenty-four (24) hours prior to each General Meeting, there shall be displayed, at a conspicuous place in the Company quarters, a table registering the names of those holding the voting rights vote with any potential indication of their representatives and the number of shares and votes each of them holds, as well as the addresses of shareholders and representatives. Any objection against that registration table is announced at the beginning and before the Meeting discusses the agenda.

(f) Agreements between shareholders for limitations on transfer of shares or exercise of voting rights

The Company is not aware of any such agreements for limitations on transfer of shares or exercise of voting rights.

(g) Rules of placement / replacement of members of the BoD and adjustment of memorandum of Association when different from those under provisions of Law 2190/1920

Under provisions of Law 2190/1920 and articles 19, 21 and 22 of the Company's Memorandum of Association:

1. The Board of Directors consists of five to nine (5 to 9) members elected by the General Meeting of shareholders. The term of service of the Board of Directors is three (3) years, which can be extended automatically until the first after expiration General Meeting, but in any case no longer than four years.

The members of the Board of Directors at expiration can be elected again without any limitation and are freely recalled. In case a member dies or resigns or loses for any reason the ability to participate in the Board of Directors, then the remaining members of the Board, provided they are at least (3), elect a substitute member until the expiry of the Board. This election of new members of the Board of Directors is announced at the first regular or Extraordinary General Meeting that follows. The Director, elected in order to replace another director, sustains his/her capacity until the expiration of the Board. The remaining members of the Board of Directors, given there are at least three (3) of them, can continue managing and representing the Company without the aforementioned replacement of the missing members of the Board of Directors on condition that their number exceeds half of the number of the members of the board of Directors existing prior to the aforementioned replacement. In any case, the remaining members of the Board of Directors, notwithstanding their number, can proceed with the conduct of the General Meeting for the exclusive purpose of electing the new Board of Directors. The BoD members elect the President and Vice President of the Board of Directors. When the President is absent and cannot perform his/her duties, he/she is replaced by the Vice President, while the latter can be replaced following a decision of the Board of Directors by the Managing Director. The Managing Director can be at the same time an executive member of the Board of Directors and, especially, the President of the BoD. The Board gathers and consist a body right after election by the General Meeting. At this meeting the President, Vice President and Managing Director are elected. The President, Vice President and Managing Director can be elected again without limitations.

2. There are no rules, adjusting the company's Memorandum of Association other than those under the provisions of Law 2190/1920.

(h) Authority of the BoD for issue of new shares / acquisition of own shares according to article 16 of Law 2190/1920

1. During the first five years from the establishment of the company, the Board of Directors can decide by a majority of two thirds (2/3) of total members, to increase share capital partly or totally by issuing new shares. The amount of these increases cannot exceed the initial share capital. The above decision of the Board of Directors is subject to publicity requirements of article 7b of Law 2190/1920. The above authority of the Board of Directors, can be renewed by General Meeting, for a period not exceeding five years each time and is effective after the expiration of the five years period. This decision of the General Meeting of the shareholders is subject to publicity requirements of article 7b of Law 2190/1920.

The above authority has not been assigned to the Board of Directors by the General Meeting.

As an exception, in case the Company's reserves exceed one fourth (1/4) of the paid share capital, then the increase of share capital is always subject to the approval of the General Meeting.

2. Under the same terms as those recorded in par. 1 above, the Board of Directors can decide on the issue of bond loan by issuing convertible bonds into shares. As mentioned above in par. 1 the above authority, has not been assigned to the Board of Directors by the General Meeting.

3. According to par. 13 of the article 13 of Law 2190/1920, as effective after Law 3604/2007, the Board of Directors, within the last month of the fiscal year, can increase the company's share capital, without modifying the Memorandum of Association, by issuing new shares in order to apply an approved by the General Meeting Stock Option Plan for the purchase of company shares. There is no Stock Option Plan.

4. The company is forbidden to acquire own shares, except for the cases and conditions approved by the provisions of the legislation effective. The General Meeting of the Company's shareholders, at May 28th, 2015 approved the acquisition by the Company of 28.000 own shares according to article 16 of Law 2190/1920 within a period of twelve months, at a price from 0.20 to 2 euro, for the purpose of distribution to the company personnel. This decision has not been implemented by the Company until currently.

(i) Significant agreements of the company effective / modified / terminated in case of change in the control over the company after a public offering.

There are no significant agreements effective, modified or terminated in case of change in the control over the company.

(j) Agreements for compensation of members of the B.o.D or employees in case of resignation / firing without reason or termination of service / employment because of public offering.

There are no agreements of compensation of members of the BoD or employees for any reason.

Koropi, April 10th, 2017

Panagiotis Lykos
President of the Board of Directors

CORPORATE GOVERNANCE STATEMENT

General

Corporate Governance pertains to a total of principles, on which basis there is facilitated sufficient organization, operation, management and control of an entity, at a long term objective of maximizing its value and safeguarding the legitimate interests of all those connected with it.

In Greece, the corporate governance framework has been developed mainly through adoption of binding regulations, such as Law 3016/2002, which requires the participation of non-executive and independent non-executive members of the BoD of Greek listed companies, establishment and operation of internal control department and adoption of internal regulations procedures. In addition, a variety of other acts were incorporated in the Greek legal framework of European company law directives, thus creating new corporate governance rules, such as the Law 3693/2008, which requires the establishment of audit committees, and significant disclosures obligations with regard to ownership and governance of a company, Law 3884/2010 relating to rights of shareholders and additional corporate disclosure obligations to shareholders under preparation of the General Meeting and the Law 3873/2010, which incorporated into Greek legislation EU Directive 2006/46 / EC of the European Union on annual and consolidated accounts of certain types of entities. Finally, in Greece, as in most other countries, the Law on public limited companies (Law 2190/1920, which amended several provisions of the above) contains their basic governance regulations.

Voluntary Compliance of the Company with the Corporate Governance Code

Our company fully complies with the requirements and provisions of the aforementioned legislative texts which constitute the minimum content of any Corporate Governance Code of and constitute (the aforementioned provisions) an informal code.

The Company has decided to voluntarily adopt the Corporate Governance Code of Hellenic Federation of Enterprises (SEV) for Listed Companies (hereinafter "The Code"). This Code is posted on SEV website, at the following electronic address: <http://www.sev.org.gr>. Therefore, any reference to the corporate Governance Code implies the Corporate Governance Code of Hellenic Federation of Enterprises (SEV) for Listed Companies.

Deviations from the Corporate Governance Code and explanations

The Company states that it faithfully and strictly implements the provisions of the Greek legislation (Law 2190/1920, Law 3016/2002 and Law 3693/2008) which form the minimum requirements to be met by any Corporate Governance Code applied by companies, whose shares are traded on a regulated market.

These minimum requirements are incorporated in this Corporate Governance Code (SEV) to which the Company is subject; however, this Code contains a number of additional (beyond the minimum requirements) specific practices and principles. In connection with such additional practices and principles, there are effective, at present, some deviations (including the cases of non-implementation), which are briefly analyzed and explained. Reference to non-application of certain provisions is also made in the Corporate Governance Code (SEV) concerning companies, not belonging to FTSE-20 and FTSE-40.

On case basis, the company diverges from or does not apply as a total several provisions of the Code recorded in the current document *in italics*.

- Regarding the role and authority of the Board of Directors:

a) The Board of Directors has not proceeded to establishment of a separate committee occupied with the nominations for election to the Board and preparing proposals to the Board regarding the remuneration of executive directors and key executives since the company's policy in relation to such fees is fixed and formed. *A. II (1.2)*

- Regarding the size and composition of the Board of Directors:

a) The Board of Directors does not consist of seven (7) to fifteen (15) members, but of five (5) to nine (9) members. The specific number of members covers the company needs as to proper and effective corporate governance and the size and organization of the Company do not justify a Board with such a number of members. *A. II (2.1)*

- Regarding the role and profile of the Chairman of the Board of Directors:

a) The BoD does not appoint an independent vice-chairman from among its independent board members in order to facilitate the proper operation of the Board and the achievement of the Company objectives. Reference to non-implementation regarding the companies not belonging to FTSE-20 and FTSE-40 is included in the Corporate Governance Code of SEV *A. III (3.3)*

- Regarding nomination of the Board of Directors members:

a) The Company does not consider it necessary to establish the BoD members' nomination committee *A.V (5.4, 5.5, 5.6, 5.7, 5.8)*

- Regarding the functioning of the Board of Directors:

a) there is no particular operating regulation of the BoD, since the provisions of the effective Interior Regulations of the Company are assessed as sufficient regarding the organization and functioning of the BoD *A. VI (6.1)*

b) at the beginning of every calendar year, the BoD does not adopt a calendar of meetings and a 12-month agenda to ensure that it properly, fully and timely fulfils its responsibilities, since the Company considers that the functioning of BoD is sufficiently covered by the provisions of the effective Interior Regulations. Moreover, the BoD meetings can be easily held, due to objective reasons, when imposed by the Company needs or legislation without and programmed activities *A. VI (6.1)*

c) there are no provisions for the BoD being assisted by a competent, suitably qualified and experienced company secretary, since there is

effective the required structure facilitating correct recording of the BoD meetings and the required good information flows between the board members *A.VI (6.2, 6.3)*

d) there is no obligation for ensuring that an induction programme is established for new board members and that continuing professional development programmes are available to other board members, since all the relative issues pertaining to the fees are clearly defined by the effective Interior Regulations and any potential deviation is discussed in front of all the BoD members *A.VI (6.5)*

e) there is no provision for existence of a program of regular briefings on business developments, and changes in the risk profile of the company and professional training, since there are nominated as BoD members the executives who have competence and experience in – managerial duties *A.VI (6.6)*

f) There is no special provision for sufficient resources to BoD committees to undertake their duties and employ outsource consultants. However, all the requests from any department regarding recruitment of external consultants are examined by the Management and approved on case basis in compliance with the company needs *A.VI (6.9, 6.10)*.

- Regarding BoD evaluation:

a) Apart from BoD evaluations through the Management Report, by the Annual General Meeting, the Board will monitor and review the implementation of its decisions on an annual basis. Moreover, there is already under discussion the implementation of evaluation system of the Board and its committees. *A.VII (7.1 & 7.2)*.

- Regarding Internal Control System:

In compliance with the provisions of the Law 3016/2002, in case in the Company BoD there do not anticipate in the capacity of members the representatives of shareholders minority, there is mandatory the existence of independent members, therefore there are made provisions by the Audit Committee for participation in the BoD of two (2) independent members *BI (1.4)*

The Internal Audit Department is accountable to the Audit Committee of the BoD that was re-established following the Regular General Meeting as at 03/06/2013 and re-constituted as at 08/03/2016. The basic responsibilities of the Audit Committee are those recorded in the provisions of the Law 3693/2008 and international practices without the existence of special operating regulations *B.I (1.7)*.

- Regarding the level and structure of remuneration:

The remuneration of the Chairman of the Board and CEO and members of the Board, executive and non for their participation in Board meetings and committees thereof, are approved by the General Meeting, always in compliance with the effective Interior Regulations of the Company. *C.I (1.4)*.

Executive board members' contracts do not provide that the board may demand full or partial recovery of any bonuses awarded on the basis of restated financial statements of previous years or otherwise erroneous financial data used to calculate such bonuses. *C.I (1.3)*. .

- Regarding the General Meeting of the Shareholders:

Regarding the implementation of specific practices of e-voting or voting by mail, the application is temporarily suspended, due to pending issuance of the relevant ministerial decisions, as provided in Law 3884/2010. *Y.II (1.2)*.

Corporate Governance Practices in Addition to Those Defined in the Legislation or the Code

Within the framework of implementing a structured and efficient system of corporate governance, the Company has implemented certain corporate governance practices some of which are those provided by the relevant laws (Law 2190/1920, 3016/2002 and 3693/2008). Specifically, the Company applies the following additional corporate governance practices:

a) The company keeps updated and approved by the Board, Operating Regulations, which include clear references to corporate governance, the role and function of the Board, the General Meeting and other matters relating to the proper management of the Company. In summary, the areas covered by the Regulations in question are as follows:

1. INTRODUCTION

1.1. GENERAL

1.2. STRUCTURE AND CONTENT

2. GENERAL DATA AND INFORMATION ON « INFORM – P. LYKOS S.A. »

2.1. GENERAL INFORMATION

2.2. COMPANY MANAGEMENT – ADMINISTRATION

2.3. COMPANY PERSONNEL

2.4. AUDIT OF FINANCIAL STATEMENTS

3. ORGANIZATIONAL CHART – STRUCTURE OF THE COMPANY

3.1. ORGANIZATIONAL STRUCTURE OF THE COMPANY

4. CORPORATE GOVERNANCE

4.1. PRINCIPLES OF CORPORATE GOVERNANCE

4.2. FUNCTIONING OF THE BOARD OF DIRECTORS

4.3. INTERNAL CONTROL SYSTEM

4.4. CORPORATE ANNOUNCEMENTS AND SHAREHOLDERS SERVICES

5. OPERATION AND PROCEDURAL REGULATIONS OF THE COMPANY

5.1. ETHICS CODE OF THE COMPANY

5.2. ADMINISTRATIVE SERVICES

5.3. INTERNAL AUDIT SERVICES

5.4. FINANCIAL SERVICES

5.5. IT

5.6. PERSONNEL

5.7. SALES SERVICES

5.8. INVOICING & DISTRIBUTION

The spirit of the Operation Regulations promotes compliance with laws and internal company policies to avoid risks and other legal consequences for the Company and each member of the staff, including the members of the Management.

The main objectives of the Regulations are as follows:

- i. Prevention of delinquent behaviour
- ii. Compliance with the policies to reduce the risks around the reputation and public image of the Group
- iii. On-going education of staff regarding the dangers posed by acts of corruption, fraud, misuse of personal data, deterioration of economic conditions, leakage of confidential information, etc.
- iv. Identification of deviations relating to compliance issues, their investigation and making proposals and taking corrective actions or measures that are required.

b) Due to the nature and the objective of the Company, it has developed policies and procedures under ISO, obtaining the relative certifications.

Main Characteristics of Internal Control and Risk Management System regarding the Preparation of Financial Statements and Financial Reports

The Internal Control and Risk Management System of the Company regarding the preparation of financial statements and financial reports includes the control procedures and mechanisms at various levels of the Organization as described below:

a) Control systems at corporate level

Recognition, assessment, measurement and management of risks:

The size and complexity of the Group's operations requires a complex system for identifying and managing risks that apply to all subsidiaries of the Group.

Recognition and assessment of risks are primarily carried out under the stage of preparation of strategic planning and annual business plan. The examined issues vary depending on market conditions and industry and include political developments in the markets (where the Group operates or which are important sources of raw materials), changes in technology, macroeconomic indices and competitive environment.

Planning and monitoring / Budget:

The company development is monitored through a detailed budget per activity sector and specific market. Given the nature of the Group's operations, the development of the financial results depends largely on external factors clearly influenced by the overall economic slowdown and uncertainty surrounding the Greek and the global market. In this context, the Group has already taken the appropriate steps to respond to new circumstances and exploit new market conditions. For all these reasons, the budget is adjusted periodically, taking these changes into account. The management monitors the development of financial sizes of the Group through regular reports, comparisons to budget and meetings of the management team.

Sufficiency of Internal Control System:

The Management has designed and performs on-going supervisory activities, which are incorporated into the operation of the Company and which ensure that the Internal Control System maintains its effectiveness over time. The Company carries out regular individual assessments of the adequacy of Internal Control System, carried out primarily by the Internal Control Services.

The Company has an independent Internal Control Service, which among other things ensures that the identification procedures and risk management systems implemented by management are sufficient to ensure effective functioning of the Internal Control System and the quality and reliability of the information provided by the Management to the Board of Directors regarding the Internal Control System. The preparation of the Plan (or Manual) of Control Service is based on the risk assessment carried out for these purposes as well as the issues identified by the Management and the Audit Committee. The Plan (or Manual) shall be submitted for approval to the Audit Committee. The risk assessment process is conducted annually and takes into account the risk assessment carried out under the responsibility of the Board within the framework of risk management of the Company.

The sufficiency of the Internal Control System is monitored on a regular basis by the Audit Committee through quarterly reports submitted

to it by the Internal Audit Service.

Reports of the Management and Internal Audit Service provide an assessment of major risks and effectiveness of Internal Control System to manage them. Any weaknesses identified are disclosed through reports, including the impact they had or may have as well as the Management actions to correct them.

To ensure the independence of the statutory audit of financial statements of the Company, the Board follows the particular policy and procedure for formulating recommendations to the General Meeting to appoint a statutory auditor. Indicatively, this policy provides, inter alia, the choice of an auditor of a prestigious internationally recognized firm, while maintaining his/her independence.

Roles and responsibilities of the BoD:

The role, the authority and the relative responsibilities of the BoD are described in the Internal Regulations of the Company approved by the BoD.

Prevention and control of financial fraud:

In the context of risk management, the areas, considered as those of high risk for financial fraud, are monitored under appropriate monitoring systems and accordingly increased control systems. Indicatively, there is mentioned the existence of detailed organizational structure, operating regulations and detailed procedures and approval limits. Also, in addition to the control mechanisms applicable by every department, all the company's operations are subject to audits by the Internal Audit Service, whose results are presented through the Audit Committee to the Board of Directors.

Internal Operation Regulations:

The Company, as mentioned above, has established the relevant Internal Operation Regulations, which are approved by the Board of Directors. Within the framework of the Regulations, there are also defined the authorities and the responsibilities of the key working positions, thereby promoting an adequate segregation of responsibilities within the Company.

b) Control systems in IT systems

The Company has developed an adequate framework to monitor and control information systems, defined by different control mechanisms, policies and procedures, sufficiently defined by the approved Internal Operation Regulations and the Internal Audit Manual. Also, there is projected a specific procedure safeguarding against any problems in the systems through a program of the Business Continuity (including off-site storage of crucial items of the Company to recover its functionality in a direct course of time). Finally, there have been set specific (Access Rights to various information systems for all the employees depending on the position and the role they occupy, while also maintaining the entry log in the systems of the Company

c) Control systems regarding the preparation of financial statements and financial reports

As part of procedures for preparation of financial statements of the Company, there are effective specific control systems, which are associated with the use of tools and methodologies based on commonly accepted international practices. The main areas in which the control systems, relating to the preparation of financial reports and financial statements of the Company, operate are as follows:

Organization – Allocation of Duties

- Allocation of duties both in upper management of the company and in the middle and inferior officers ensures the strengthening of the effectiveness of internal control system, while maintaining the required segregation of duties.
- Proper staffing of financial services with the individuals who possess the requisite technical knowledge and experience regarding the responsibilities entrusted to them.

Accounting monitoring and preparation of financial statements procedures

- Existence of uniform policies and the way of monitoring of accounting departments disclosed to the Group's subsidiaries, including definitions, accounting principles used by the Company and its subsidiaries, instructions for the preparation of financial statements and financial reporting, consolidation etc.
- Automated audits and verifications carried out between different information systems, when there is required specific approval of accounting treatment of non-recurring transaction.

Assets safeguarding procedures

- Existence of control procedures for fixed assets, inventories, cash equivalents and other assets of the company, such as, indicatively, physical security of the cash or warehouses and inventories, and a comparison of the measured quantities with those of accounting books and records.
- Schedule of monthly physical inventories to confirm the balances of physical inventories and accounting books and records and existence of analytical manual for conduct of physical inventories.

Approval limits of transactions

- Existence of Chart of Authorities, depicting the assigned authorities to various executives of the company to carry out specific

transactions or transactions (e.g. payments, receipts, legal acts, etc.).

General Meeting and Rights of the Shareholders

The role, responsibilities, meetings, quorum at regular and extraordinary meetings, majority of the participants, the Chairmanship, the agenda and the overall functioning of the General Meeting of shareholders are described in the Articles of Association of the Company, as updated under the provisions of Law 2190/1920, as effective following the amendments (following the incorporation of the Law 3884/2010 on minority interest).

a. Functioning of the General meeting and its basic authorities

The General Meeting is the supreme body of the Company and is entitled to decide on any corporate matter and other issues submitted to it. Specifically, the General Meeting has exclusive authority to decide on:

- a) Change in national capacity of the company.
- b) Change in the company objective.
- c) Increase in shareholders' obligations.
- d) Share Capital increase apart from cases under Article 5, par. 2 and 3 hereof or imposed by legal provisions or made under capitalization of reserves.
- e) Share Capital decrease.
- f) Change in the way of distribution of profit.
- g) Mergers, division, modification, revival, extension of its term of duration or liquidation of the company.
- h) Provision or renewal of authority granted to the Board of Directors regarding Share Capital increase.
- i) Issue of bond loan, providing bond conversion option to shares or participating interest in profit.

The decisions of the General Meeting are mandatory for shareholders who are absent or disagree.

The General Meeting is always convened by the Board of Directors and is held regularly at the Company headquarters at least once every year, in the first half of the year after the end of the corporate year. The General Meeting may be held in the territory of the municipality where the headquarters of the Athens Stock Exchange are located.

The Board of Directors may convene an extraordinary meeting of the shareholders, if deemed appropriate or if requested by shareholders legally and according to the Articles of Association representing the required percentage.

The General Meeting, apart from repetitive Meetings treated as such, is convened twenty (20) days before the date projected for the meeting. It shall be clarified that non-working days are also counted. The day of publication of the invitation and the date of the meeting are not counted.

The invitation of shareholders to the General Meeting shall include the date, time and location of the general meeting, issues on the agenda, shareholders that are entitled to participate and precise instructions on how shareholders will be able to attend the meeting and to exercise their rights in person or by proxy, or possibly remotely. Invitation to convene the General Meeting is not required in cases when present or represented shareholders represent the entire share capital and none of them objects to realization and decision making.

The General Meeting is in quorum and convenes validly on the items on the agenda when there are present or represented shareholders representing at least one-fifth (1 / 5) of the paid-up capital.

If such a quorum fails to be formed, the General Meeting shall meet again within twenty (20) days from the date of the invitation for meeting cancellation at least the ten (10) days before. At the repetitive meeting on the issues of the initial Meeting agenda, there must be a quorum whatever part of the paid-up share capital is represented at it.

The decisions of the General Meeting are made by an absolute majority of votes represented therein.

As an exception, for decisions regarding:

- a) Change of the national capacity of the Company,
- b) Change of the Company's headquarters,
- c) Change in the Company's objective or scope of operations,
- d) Conversion of the Company's shares to nominal shares,
- e) Increase in the shareholders' obligations,
- f) Share capital increase (except those imposed by laws or provisions made by capitalization of reserves), share capital decrease, except those in accordance with paragraph 6 of Article 16 of Law 2190/20,
- g) Issue of bond loan within the provisions of Articles 3a and 3b of the Law 2190/1920 as currently effective
- h) Merger, division, conversion, revival of the Company,
- i) Extension or reduction in the Company's term of operation,
- j) The Company's liquidation,
- k) in any other case when the legislation defines that making several decision by the General Meeting requires the quorum under this paragraph, the Meeting is in quorum and convenes validly on the issues on the agenda when there are present or represented the shareholders representing two-thirds (2 / 3) of the paid up share capital.

The General Meeting is provisionally chaired by the Chairman of the Board of Directors or, if he is incapacitated, the legal deputy, and there is appointed a Secretary as one of the shareholders or their representatives present, till there ratified by the General Meeting the list of shareholders entitled to participate in the meeting and the statutory chairman is elected. The chairing body comprises the Chairman and the Secretary, the latter acting as a teller.

The discussions and decisions of the General Meeting are limited to the issues on the agenda. The agenda is prepared by the Board of Directors and includes the proposals of the Board of Directors to the Meeting and any suggestions of auditors or shareholders representing

one twentieth (1 / 20) of the issued share capital. The discussions and decisions of the General Meeting are recorded in a special book (book of minutes) and the minutes are signed by the Chairman and the Secretary of the Meeting. At the beginning of the minutes, there is recorded the list of the shareholders present or represented at the General Meeting.

At the request of a shareholder, the President of the Meeting shall record in the minutes of the opinion of the shareholder requesting it.

If at the General Meeting there is present only one (1) shareholder, there is mandatory the presence of a notary, who endorses the minutes of the meeting.

Rights of shareholders and way of their exercise

a. Participation and voting right

The shareholders exercise their rights in relation to the Company's management, only at the General Meeting and in accordance with the provisions of the law and the Articles of Association. Each share entitles the holder to one vote at the General Meeting, except for those provided for in Article 16 of law 2190/1920, as amended.

The General Meeting shall be participated by those presented as shareholders, registered in the records of DSS kept by "Greek Exchanges SA" (HELEX), which holds securities (shares) of the Company. Proof of membership is conducted under the presentation of the relevant written acknowledgment of that body or alternatively, under online Company connection with the relevant authority. The shareholder capacity must exist on the record date, i.e. in the beginning of the fifth (5th) day before the day of the General Meeting and the relevant certificate or the electronic certification of the shareholder status should reach the Company not later than on the third (3rd) day before the date of the General Meeting.

Only those in the capacity of shareholders as at the relevant record date are regarded as those entitled to participating in the General Meeting and exercising voting right. Failure to comply with the provisions of Article 28 a of the Law 2190/1920, results in the shareholder participation in the General Meeting only following the Meeting's permission.

It is noted that the exercise of those rights (participating and voting) does not require the commitment of shares of the beneficiary or keeping a similar procedure, which limits the ability to sell and transfer them in the interval between the record date and the date the General Meeting.

A shareholder participates in the General Meeting and votes either in person or through representative (proxy).

Every shareholder may appoint up to three (3) representatives. Legal entities participate in the General Meeting as representatives up to three (3) natural persons. However, if a shareholder holds shares of the Company, which appear in more than one securities account, this restriction does not prevent the shareholder from appointing different representatives for the shares held in each account in relation to the General Meeting. The representative, acting on behalf of more shareholders, may vote differently for every shareholder. The representative of a shareholder must notify the Company prior to the General Meeting, of every specific event, which may be useful to shareholders for assessment of the risk of representative serving other interests that those of the principal shareholder. Within the meaning of this paragraph, there may arise conflict of interests, particularly when the representative:

- a) Is a shareholder who has control of the Company or other legal person or entity controlled by that shareholder,
- b) Is a member of the Board of Directors or the overall management of the company or shareholder that has control of the Company, or other legal person or entity controlled by a shareholder who has control of the Company,
- c) Is an employee or statutory auditor of the company or shareholder that has control of the Company, or other legal person or entity controlled by a shareholder who has control of the Company,
- d) A spouse or first degree relative to one of the individuals mentioned in the above cases (a) to (c).

The appointment and dismissal of the shareholder representative is made in writing and is notified to the Company in the same way at least three (3) days before the date of the General Meeting.

b. Other shareholders' rights

Ten (10) days before the Regular General Meeting, every shareholder may take from the Company copies of annual financial statements and Board of Directors and Auditor's Reports. These documents must be timely submitted by the Board in Company office. At a request of shareholders representing one twentieth (1/20) of the issued share capital, the Board of Directors is obliged to convene an Extraordinary General Meeting of shareholders, announcing the date of the meeting, which should not be more than forty-five (45) days from the date of submission of the request to the Chairman of the Board of Directors. The request contains the subject on the agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the date of submission of the request, the meeting can be convened by the requesting shareholders, following a decision of the First Instance Court of the registered office of the Company area, issued in the process of injunctive measures. This decision specifies the place and time of the meeting and the agenda.

At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board of Directors is obliged to include in the agenda of the General Meeting, which has been convened, additional issues, if the request is received by the Board of Directors fifteen (15) days before the General Meeting. Additional issues shall be published or disclosed under the responsibility of the Board, within Article 26 of the Law 2190/1920, seven (7) days before the General Meeting. If these issues are not published, the applicants are entitled to ask shareholders to postpone the General Meeting in accordance with paragraph 3 of Article 39 of the Law 2190/1920 and to proceed to publication themselves, as defined in the preceding paragraph, at the expense of the Company.

At a request of shareholders representing one twentieth (1/20) of the issued share capital, the Board makes available to shareholders, as stipulated in Article 27 paragraph 3 of the Law 2190/1920, six (6) days before the date of the General Meeting, the draft resolutions on items included in the original or the revised agenda, if the request is received by the Board seven (7) days before the date of the General Meeting.

At a request of any shareholder submitted to the Company five (5) full days before the General Meeting, the Board shall provide the General Meeting with the required specific information about the affairs of the Company, provided that they are useful for appraisal of the issues on the agenda.

At a request of a shareholder or shareholders representing one twentieth (1/20) of the issued share capital, the Chairmen of the Meeting is obliged to postpone decision making by the General Meeting, Annual or Extraordinary, for all or some issues, defining the dates the meeting is to be continued, as specified in the request of shareholders, but not more than thirty (30) days from the date of postponement. The following after postponement General Meeting is a continuation of the previous one and does not require repetition of the formalities of publication of invitation to the shareholders, while new shareholders that meet the requirements of Article 27 paragraph 2 and 28 of the Law 2190/1920 can participate.

At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, which must be submitted to the Company five

(5) calendar days before the Annual General Meeting, the Board is obliged to announce at the General Meeting the amounts paid over the last two years for any reason by the Company to every member of the Board Directors or Company executives and any payment made to such persons for any reason or the effective agreement between them and the Company. In all these cases the Board of Directors may refuse to provide information, disclosing the significant reason behind the refusal, which is recorded in the minutes. Such reason may be circumstances under the representation of the requesting shareholders to the Board pursuant to paragraphs 3 or 6 of article 18 of Law 2190/1920.

At a request of shareholders representing one-fifth (1/5) of the paid up share capital, submitted to the Bank within the period mentioned in the previous paragraph, the Board of Directors shall provide to the General Meeting the information on the course of corporate affairs and the property position of the Company. The Board of Directors may refuse to provide information, disclosing the significant reason behind the refusal, which is recorded in the minutes. Such reason may be circumstances under the representation of the requesting shareholders to the Board pursuant to paragraphs 3 or 6 of article 18 of Law 2190/1920, provided these Board members have received the relevant information in a sufficient manner.

At a request of shareholders representing one twentieth (1/20) of the issued share capital, decision on any matter on the agenda the General Meeting can be made by roll call.

Shareholders of the Company, representing one twentieth (1/20) of the issued share capital have the right to require conduct of audit of the Company from the First Instance Court of the area where the Company is established, under the procedure of voluntary jurisdiction. An audit is imposed on suspicion of actions which violate provisions of the laws or the Articles of Association or the decisions of the General Meeting Shareholders of the Company, representing one fifth (1/5) of the share capital may request from the First Instance Court of the area of the Company's registered office to conduct audit of the Company if in the cause of the Company development it is believed that the management requesting audit, is represented in the Board of Directors of the Company.

Composition and Functioning of the Board of Directors, Supervisory Bodies and Committees of the Company

Board of Directors (BoD)

General

The elected Board of Directors on June 24, 2016 by the Regular General Meeting consists of seven (7) members, one of which (1) is executive member, four (4) members are non-executive, and the rest two (2) members are non-executive and independent. Their term of office is three years (3 years), expiring on 24/06/2019. In particular, after the reconstitution of the board of directors at 24/06/2016, the Board members and their respective properties at the end of 2016 were as follows:

Num.	Name - surname	Capacity	Date of undertaking duties (most recent)	End of term of office
1	Panagiotis Lykos, father's name – Nikolaos	Chairman of the BoD – Non-Executive member	24/06/2016	24/06/2019
2	Panagiotis Spyropoulos, father's name – Ioannis	Vice Chairman of the BoD & Managing Director – Executive member	24/06/2016	24/06/2019
3	Georgios Triantafyllidis, father's name – Ioannis	Member of the BoD – Non-executive member	24/06/2016	24/06/2019
4	Konstantinos Lagios, father's name – Charalampos	Member of the BoD – Non-Executive member	24/06/2016	24/06/2019
5	Elias Karantzalis, father's name - Georgios	Member of the BoD – Non-executive member	24/06/2016	24/06/2019
6	Spyridon Manias, father's name – Panos	Member of the BoD – Independent Non-executive member	24/06/2016	24/06/2019
7	Emmanouil – Evangelos Lekakis father's name - Nikolaos	Member of the BoD – Independent Non-executive member	24/06/2016	24/06/2019

BoD meetings

The Board met seventy seven (77) times in 2016 and the meetings, at the legal quorum, were attended by the members in Person or through proxy.

The Board manages the Company as a collective body, taking decisions in accordance with the principles of Corporate Governance as outlined in the Company Operation Regulations, the legislation Inc., the securities laws, S.A. regulations provisions and provisions of the supervisory authorities. Members of the Board, obtain any relevant information in relation to the operation of the Company. They are to act in good faith,

focusing on the interests of the Company and its Shareholders.

Roles and responsibilities of the Board of Directors

The Board is the supreme governing body of the Company and primarily sets the strategy and development policy, supervises and controls the management of the assets of the Company. The composition and capacities of members of the Board are established by Law and Articles of Association. The prime duty and responsibility of BoD members is the constant pursuit of enhancing long-term financial value of the Company and protection of the general corporate interests.

To achieve the corporate objectives and sound operation of the Company, the Board may delegate part of its authority, except those requiring collective action, and management, administration or management of the affairs and representation of the Company, to the Chairman of the Board, CEO, one or more members (executive and non-executive members), Directors or executives of the Company. Members of the Board and any third party entrusted with responsibilities, must promptly disclose to the other members of the Board their own interests, which may arise from transactions within the Company, and any other conflict of interests with those of the Company or its affiliated companies within the meaning of art. 42 (e), paragraph 5 of Law 2190/1920, arising in the course of their duties.

Election and electability of Board of Directors members

The Board is elected by the General Meeting (regular or extraordinary).

The Board members shall be persons fully able to perform their responsibility. Inability to perform the duties leads to inability to exercise company management and hence be a member of the Board of Directors of the company.

Board of Directors members cannot be:

- Members of Parliament
- Prosecutors, judges, assistants of judges, magistrates, secretaries of the courts
- Civil servants
- Brokers, who cannot exercise delegation of limited company whose shares are listed

Withdrawal of Board of Directors Members

Members of the Board are freely withdrawn by the General Meeting. The withdrawal, even not stated explicitly, can arise indirectly following the General Meeting appointing the new Board of Directors before the end of its term of office. The withdrawal can be made by Regular or Extraordinary General Meeting.

In case of withdrawal, a Board member is not entitled to compensation as in the capacity of the Board member.

The withdrawal of Members shall not have any consequences in respect of termination the relationship of the members with the company, which is based on separate contract or salaried service. Therefore, if the withdrawal is accompanied by contingent termination of the labour contract, the non-elected consultants may demand compensation in accordance with the provisions of labour law.

The withdrawal of the Board automatically entails the withdrawal of the member or third persons, entrusted, under the Board decision, with total or partial management or representation of the company.

Resignation of Board of Directors members

Members of the Board of Directors of the Company may freely resign. The resignation is effective as soon as it is disclosed to the company.

The disclosure to the company is made under written notification to the Chairman of the Board.

Replacement of Board of Directors members

Following establishment of a vacancy (due to resignation or death) on the Board, a successor shall be elected by the Board.

The election must be ratified by the first General Meeting of Shareholders, following the event.

If the election of a successor is not ratified by the General Meeting, then it elects another person for the vacant position, but the acts, conducted prior to the decision of the General Meeting, are regarded as valid.

Authority and responsibilities of the Board of Directors

The Board manages the company as a collective body, taking decisions in accordance with the provisions of Law 2190/20

The Board of Directors is responsible for the company legal and practical representation. All members have one vote and all responsibility for decisions taken.

The responsibilities of the Board are defined by law or in the Articles of Association.

The Board is accountable to the General Meeting of the company shareholders and has the following authorities:

- Decisions on any transaction relating to the company's management, management of the company property and general pursuit of its objective.
- Making proposals for distribution of profits and keeping balances necessary for the operation and viability of the company's reserves.
- Approval of the balance sheet and income statement.
- Approval of six month and annual financial statements of the company.
- Preparation of the BoD Report for every fiscal year.
- Keeping private and confidential information concerning the company.
- Approval of the organisational chart of the company.
- Approval of Internal Operation Regulations and potential amendments.
- Appointment of internal auditor.
- Receiving periodic reports on internal audit.
- Strategic planning of the business policy of the company.
- Ensuring the long-term growth and profitability of the company.
- Enhancing the economic value and profitability of the company and shareholders.
- Keeping the Board Meetings minutes
- Authorization of the company's representation, issue, endorsement and reimbursement of the company or third person checks.
- Approval of recruitment of senior executives and approval of any fixed term contracts.

- Comprehensive understanding of the Board of Directors members of the specific provisions adopted by the Capital Market Commission.
- Approval of important agreements relating to acquisitions and mergers.

Responsibilities - Duties of Board of Directors members

The foremost obligation and duty of members is the enhancing long-term financial value of the company and protection of general corporate interests.

Due to the increased dispersion of the share capital among the investment public, there is imposed protection of minority shareholders and making decisions that are free from any other motivation than the company interests.

The Board members must not only pursue short-term reinforcement of the market value of shares and shall not be pursuing interests contrary to those of the company.

Every Board member shall be liable to the company under managing the corporate affairs for any fault. He is also held responsible if the balance sheet contains false statements or omissions that conceal the true condition of the company.

Every Board member is obliged to strictly keep the confidential information regarding the company.

The members of the Board of Directors shall not be permitted to perform, on occasion or by profession, without the authorization of the General Meeting of shareholders of the company, either on their own behalf or on behalf of third parties, acts falling within the object of the company. When such an issue arises, an Extraordinary General Meeting shall be convened, which is authorised to provide the permission in question. In case of violation of this prohibition, the company is entitled to claim damages from the members who carried out the violation or to require the benefit be provided to it.

Members of the Board and any third party entrusted with responsibilities, must disclose to the other Board members their own interests that may arise from transactions within the company, and any other conflict of interests with those of the company or its affiliated companies (within the meaning of Article 42e, par. 5 of Law 2190/20) which arise in the course of their duties.

The Board of Directors annually prepares reports detailing the company's transactions with affiliates.

Meetings of the Board of Directors

The Board meets at regular intervals in accordance with the Articles of Association, and when required by extraordinary circumstances, at the headquarters of the company.

The Board of Directors shall meet at the headquarters of the company.

The Board is in quorum and convenes validly when there are present or represented one more than half the number of members.

A member of the Board may, following a written authorization that can be authenticated, simple or plain paper fax validly represent only one member thereof. The representative appointed may not be a person, who is not a member of the Board.

Unless otherwise provided by law, the Board of Directors shall take its decisions by absolute majority of the members present or represented.

For following procedures are effective regarding the Board meetings:

- The meeting is convened by the Chairman of the Board through notifying the members at least two days before the meeting.
- The notice shall include clearly identified items on agenda, otherwise the decision taking is permitted, only if all members of the Board of Directors are present or represented at the meeting and none of them objects to taking of decisions.
- A quorum of the Board shall be deemed to be present.
- Discussions and decisions of the Board are recorded in a special registry.
- Copies of minutes of meetings of the Board, for which there is a requirement of registration in the Companies Register such as election of new Board members, composition of the body of the Board etc., are submitted to the Ministry of Commerce within twenty (20) days after the meeting, in compliance with the provisions of the law.

Remuneration of Board of Directors members

The fees paid to the Board members, which can be supplied partially or combined, are divided into the following categories:

- Fees on profits
- Fees for attending the Board meetings
- Fees for Directors' services
- Fees based on contractual rewards.

There are strictly prohibited loans to the company's Board members or relatives up to the third degree by blood or marriage or spouses as well as provision of credit in any way or provision of guarantees for third parties.

This prohibition applies to loans or credits granted by subsidiaries in which the company has participating interest. The company is designated as dependent on another company (principal), when the shares representing more than 1/2 of the outstanding capital, are owned by it (principal).

Fees on profits

The Executive Board members, subject to decision of the General Meeting, depending on the time of their participation in the management and representation of the company and the financial outcome of the company, are entitled to receive remuneration as a percentage of annual net profits of the company.

The calculation of fees on the profits of the year requires a decision of the Board while the right of a member of the Board of Directors to the fees is based upon specific approval thereof by the General Meeting. Non-approval by the Annual General Meeting of the above fees constitutes non-approval of annual financial statements.

Any fees awarded to members of the Board on the profits will be received from the balance of net profit remaining after the deductions of statutory reserve and first dividend equal to at least 6% of the issued share capital (Article 24, Law 2190/20).

The above fees are not subject to judicial limitation.

Fees for attending the Board meetings

The **Executive and Non Executive Board members** attending meetings of the Board are entitled to receive remuneration for their participation in Board meetings, provided that they are approved (in amount and payee) by the Annual General Meeting of the company.

The payment of such fees is subject to a prior decision of the Board while the right of a member of the Board of Directors to such fees is based upon specific approval thereof by the General Meeting. Therefore if the General Meeting does not approve these fees, the

beneficiaries of these fees will return them to the company.

These fees may be reduced by the court decision and in case there is a decision of the Annual General Meeting by shareholders representing 1/10 of the corporate capital.

These fees can be provided within the years when the company has no profits.

Fees for Directors' services

Executive Members

The Executive Members of the companies subject to the relative decision of the Annual General Meeting are entitled to fees for services for management and representation of the company.

The payment of such fees is subject to a prior decision of the Board, while the right of a member of the Board of Directors to such fees is based upon specific approval thereof by the General Meeting. Therefore if the General Meeting does not approve these fees, the beneficiaries of these fees will return them to the company.

The Regular General Meeting may approve these fees, only regarding the specific purpose.

These fees may be reduced by the court decision and in case there is a decision of the Annual General Meeting by shareholders representing 1/10 of the corporate capital.

Non-Executive Members

The Non-Executive Board members entrusted with specific responsibilities, within the meaning of the Law 3016/02, subject to the decision of the Annual General Meeting, are entitled to fees for the performance of those duties.

The fees will be commensurate with the time they devote to fulfil their duties and the amount will be predetermined by the decision of the Board. The right of non-executive members of the Board of Directors to such fees is based upon specific approval thereof by the General Meeting. Therefore, if the General Meeting does not approve these fees, the beneficiaries of these fees will return them to the company.

The Regular General Meeting may approve these fees, only regarding the specific purpose.

These fees may be reduced by the court decision and in case there is a decision of the Annual General Meeting by shareholders representing 1/10 of the corporate capital.

All fees and compensations of non-executive directors are recorded in the Financial Statements of the company.

Fees based on contractual rewards

The executive members of the company may render the company additional to services apart from those rendered as directors.

The following conditions must be met regarding such fees:

- There shall be signed a special contract between the company and a member or members of the Board.
- Prior to signing the contract, there is required a consent of the General Meeting (regular or extraordinary) on the preparation of the particular contract. The essential terms of the contract (including remuneration / salary of the director) must be submitted to the approval of the General Meeting (in the usual quorum).
- The consent of the General Meeting shall not be opposed by shareholders representing at least 1/3 of the share capital represented at the General Meeting.

The remuneration of the Board Members for the year 2016 is recorded in note 32 to the annual financial report for the year 2016.

Chairman of the Board

The Chairman of the Board represents the Company in courts and every authority, leads and conducts meetings of the Board and acts as provided by law, the Articles of Association and Internal Operation regulations.

CEO

The CEO is the senior executive of the Company. The CEO presides over all the departments of the Company and directs their work. As part of operational planning, regulations and decisions of the board governing the operation of the Company, he takes all the necessary decisions, submits to the Board of Directors of the Company's proposals and recommendations needed to implement the objectives of the Company.

The brief biographies of the Board members are presented in the Attachment to this report.

Audit Committee

The Company has established the Audit Committee, appointed by the General Meeting of the shareholders. The Audit Committee consists of three (3) non-executive members who as at 31/12/2016 were as follows:

Num.	Name –Surname	Capacity	Date of undertaking duties (most recent)	End of term of office
1	Elias Karantzas father's name - Georgios	Member of the BoD – Non-executive member	24/06/2016	24/06/2019
2	Spyridon Manias, father's name – Panos	Member of the BoD – Independent Non-executive member	24/06/2016	24/06/2019
3	Emmanouil – Evangelos Lekakis father's name - Nikolaos	Member of the BoD – Non-executive member	24/06/2016	24/06/2019

The Audit Committee held four (4) meetings in 2016, attended by all its members.

The Audit Committee has the following responsibilities:

- To supervise the financial monitoring procedures and the reliability of financial statements of the Company and to examine the main elements of financial statements that involve significant judgments and estimates in terms of the management.
- To monitor the effective operation of internal control and risk management systems of the company.
- To ensure the proper functioning of the Internal Audit Department of the Company.
- To monitor the progress of the statutory audit of financial statements.
- To supervise the issues related to existence and maintenance of objectivity and independence of the statutory auditor, and in particular with regard to potential additional non-audit services rendered by him/her.

It is noted that the responsibilities of the Audit Committee are going to be reassessed in the context of the preparation of the Corporate Governance Code our Company.

Information required by Article 10, paragraph 1 of Directive 2004/25/EC on takeover bids.

Disclosure of information required under Article 10 paragraph 1 of Directive 2004/25/EC on takeover bids is as follows,

- Share Capital Structure

On December 31, 2016, the Company's share capital amounted to 12.758.591,88 euro divided into 20.578.374 ordinary shares of nominal value of 0,62 each.

Shareholder	Number of shares	%
AUSTRIACARD AG (former LYKOS AG)	14.568.053	70,79%
OLGA LYKOS	1.937.856	9,42%
Other Shareholders (<5%)	4.072.465	19,79%
Total	20.578.374	100,00%

The total (100%) of the Company's shares are common, registered and indivisible and there are no special categories of shares. The rights and obligations arising from the shares, are those provided by the Law 2190/1920.

- Restrictions on transfer of securities and agreements between shareholders

There are no restrictions on the right to transfer securities of the Company, is aware of.

- Significant agreements of the Company effective / amended / terminated in the event of a change in control of the Company after a takeover bid.

There are no such agreements, which are effective, amended or terminated in the event of a change in control of the Company after a takeover bid.

- Securities providing special control rights

There are no shares of the Company providing special control rights.

- Significant direct or indirect equity of the Company is as follows:

On April 10, 2017, AUSTRIACARD AG (former LYKOS AG) and Mrs. Olga Lykos held 70.79% and 9.42% respectively of the share capital of the Company. Mr. Nikolaos Lykos held 96.14% of AUSTRIACARD AG (former LYKOS AG).

There are no other shareholders who hold directly or indirectly more than 5% of the share capital of INFORM P. LYKOS SA and the Company is aware of.

It is noted that on April 10, 2017, the INFORM P. LYKOS SA does not participate in the share capital of any company listed on the ASE.

- Restrictions on voting rights

There are no known restrictions on voting rights (such as restrictions on voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems under which, in cooperation with the company, the financial rights attached to securities are distinguished by holding securities)

- Rules regarding appointment and replacement of Directors

There are no rules that differ from those under the provisions of the Law 2190/1920, as currently effective

- Specific authorities of the Board of Directors members

There are no special authorities of the Board of Directors members regarding issuance or repurchase of shares

The issues regarding information required under Article 10 paragraph 1 c, d, f of Directive 2004/25/EC as at 21 April 2004 on takeover bids and in particular significant direct or indirect equity, the holders of any securities with special control rights and a description of these rights and restrictions on voting rights are analytically presented in the unit "EXPLANATORY STATEMENT PURSUANT TO LAW NO 4.7-8 3556/2007" of the Report of the Board of Directors.

The current Corporate Governance Statement constitutes an integral and special part of the annual Management Report of the Board of Directors of the Company.

Attachment

Brief biographies of members of the Board of Directors and the Audit Committee

Panagiotis N. Lykos **Chairman of the BoD**

Panagiotis Lykos was born in Athens, in 1928 and is a graduate of Varvakeion School and the Merchant Marine Academy of Hydra. He started dealing in printing in 1951 and pioneered the establishment of EDP Printing in Greece. He was President and Managing Director of Inform P. Lykos SA from 1951 to 2000.

Panagiotis I. Spyropoulos **Vice Chairman of the BoD and CEO**

Panagiotis Spyropoulos is a graduate of the Athens School of Economics. He holds multiannual experience of over twenty years as Chief Financial Officer and Chief Executive Officer in large ASE listed companies. Mr. Spyropoulos has been employed with the Group since the beginning of 2002.

Georgios Triantafyllidis **Non-Executive Member**

Georgios Triantafyllidis is a graduate of Athens University of Economics and Business. He has worked since 1977 as a sales executive in well known Greek and multinational companies in Greece and abroad in different sectors in markets B2C and B2B. He has been working in the company since 1987 and has served as CEO and Board member in subsidiaries of the Group.

Konstantinos Ch. Lagios **Non-Executive Member**

Konstantinos Lagios is a graduate of Athens University of Economics and Business and holds MBA from Strathclyde Graduate Business School. He entered the company in 2001 as Investor Relations Manager, in 2003, undertook a position of Marketing & Communications Director, in 2005 - Financial Segment Sales Director and in 2008 – Commercial Director. Mr. Lagios became General Manager of the company in 2011. From 2014, undertook the position of Commercial Director of the Group.

Elias Karantzas **Non-Executive Member**

Ilias Karantzas was elected a member of the Board of Directors of Inform Lykos in 2003 and is responsible for supervision of internal audit procedures in accordance with Article 7 § 2 of law 3016/2002. He holds a degree of the Law Department of University of Athens and DEA Droit des Affaires et Droit Economique and DESS Banques et Finances of the Universite Paris I Pantheon - Sorbonne. He is a lawyer and has been a Legal Consultant since 1984.

Spyridon P. Manias **Independent Non-Executive Member**

Spyridon Manias has been an independent and non-executive member of Inform Lykos and of Audit Committee since June 2013. He was born in Athens, in 1962, and studied Mechanical Engineering at the University of Newcastle. He holds postgraduate degree in Robotics Engineering from the above university as well as postgraduate degree in Business Administration (MBA) from the University of Surrey. He was a member of the company's personnel from 1986 to 2010.

Emmanouil - Evaggelos Lekakis **Independent Non-Executive Member**

Emmanouil - Evaggelos Lekakis has been an independent and non-executive member of Inform Lykos and of Audit Committee since March 2016. He is a graduate of Athens University of Economics and Business. He holds extensive experience as Finance and General Manager in large listed on ASE companies.

C) INDEPENDENT AUDITOR'S REPORT

To the shareholders of INFORM P. LYKOS S.A.

Report on the separate and consolidated financial statements

We have audited the accompanying separate and consolidated financial statements of the Company INFORM P. LYKOS S.A. and its subsidiaries, which comprise separate and consolidated statement of financial position as at December 31, 2016, separate and consolidated income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the separate and consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing that have been adopted by the Greek Law (FEK/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company INFORM P. LYKOS S.A. and its subsidiaries as at December 31, 2016, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on other legal and regulatory requirements

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

- a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information that is required by article 43bb of Codified Law 2190/1920.
- b) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements of article 43a and 107A and paragraph 1 (c and d) of article 43bb of Codified Law 2190/1920 and the content of the Board of Directors' Report is consistent with the accompanying standalone and consolidated financial statements of the year ended 31/12/2016.
- c) Based on the knowledge we obtained from our audit of INFORM P. LYKOS S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 10 April 2017

The certified chartered accountant

Nikos Garbis

SOEL Reg. No. 25011



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56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

D) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 1/1 - 31/12/2016

Consolidated statement of financial position

The statement of financial position of the Group for the year ended at 31/12/2016 and the respective comparative figures of the previous year are the following:

		GROUP	
	Notes	31/12/2016	31/12/2015
Assets			
Property, plant and equipment	13	57.855.234	57.389.325
Intangible assets and goodwill	15	3.625.897	3.468.934
Other receivables	17	25.898	61.499
Investment property	14	268.421	310.847
Deffered tax assets	12	34.393	52.475
Non-current assets		61.809.842	61.283.080
Inventories	16	6.059.095	5.816.156
Current tax assets	12	249.624	1.168.610
Trade receivables	17	11.266.900	12.568.147
Other receivables	17	1.237.202	1.685.294
Receivables from related parties	17	182.478	144.073
Cash and cash equivalents	18	926.095	3.927.869
Current assets		19.921.395	25.310.149
Total assets		81.731.237	86.593.229
Equity			
Share capital	19	12.758.592	12.758.592
Share premium	19	13.805.791	13.805.791
Reserves	19	15.252.404	15.677.169
Retained profits		7.958.015	10.295.967
Equity attributable to owners of the Company		49.774.802	52.537.519
Non-controlling interest		658.888	595.245
Total Equity		50.433.690	53.132.765
Liabilities			
Loans and borrowings	21	4.257.463	2.576.196
Employee benefits	10	958.106	1.071.181
Other payables	22	0	39.000
Deffered tax liabilities	12	1.531.301	1.432.062
Non-current liabilities		6.746.870	5.118.439
Current tax liabilities		8.350	3.237
Loans and borrowings	21	13.323.422	12.168.383
Trade payables	22	8.636.294	9.746.619
Other payables	22	1.197.645	1.647.229
Liabilities to related parties	22	367.196	2.959.297
Deferred income/revenue	23	716.824	872.822
Provisions	24	300.947	944.439
Current Liabilities		24.550.678	28.342.025
Total Liabilities		31.297.547	33.460.464
Total Equity and Liabilities		81.731.237	86.593.229

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Company's statement of financial position

The statement of financial position of the Company for the year ended at 31/12/2016 and the respective comparative figures of the previous year are the following:

COMPANY			
	Notes	31/12/2016	31/12/2015
Assets			
Property, plant and equipment	13	32.228.447	32.108.331
Intangible assets	15	1.524.053	1.256.803
Other receivables	17	25.898	61.499
Investments in subsidiaries		22.138.861	22.138.861
Non-current assets		55.917.259	55.565.493
Inventories	16	3.884.170	3.981.987
Current tax assets	12	236.565	226.507
Trade receivables	17	4.613.331	5.315.916
Other receivables	17	414.877	791.706
Receivables from related parties	17	1.573.192	683.844
Cash and cash equivalents	18	702.373	3.543.341
Current assets		11.424.508	14.543.301
Total assets		67.341.768	70.108.794
Equity			
Share capital	19	12.758.592	12.758.592
Share premium	19	13.805.791	13.805.791
Reserves	19	13.185.237	13.518.818
Retained profits		5.118.405	7.730.575
Equity attributable to owners of the Company		44.868.025	47.813.775
Non-controlling interest		0	0
Total Equity		44.868.025	47.813.775
Liabilities			
Loans and borrowings	21	3.382.937	1.179.258
Employee benefits	10	958.106	1.071.181
Deferred tax liabilities	12	1.070.553	1.143.488
Non-current liabilities		5.411.596	3.393.926
Loans and borrowings	21	11.257.307	9.216.525
Trade payables	22	3.007.252	4.557.173
Other payables	22	891.040	1.384.180
Liabilities to related parties	22	1.252.613	1.934.781
Deferred income/revenue	23	653.934	863.996
Provisions	24	0	944.439
Current Liabilities		17.062.146	18.901.093
Total Liabilities		22.473.742	22.295.020
Total Equity and Liabilities		67.341.768	70.108.794

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Consolidated income statement

The income statement of the Group for the year 1/1 - 31/12/2016 and the respective comparative figures of the previous year are the following:

	Notes	GROUP	
		31/12/2016	31/12/2015
Revenue	6	62.473.941	64.864.407
Cost of Sales	7	(54.229.523)	(55.556.732)
Gross profit		8.244.418	9.307.675
Other income	7	1.455.303	966.906
Selling and distribution expenses	7	(4.259.609)	(4.850.330)
Administrative expenses	7	(3.400.869)	(3.666.755)
Research and development expenses	7	(390.382)	(330.181)
Other expenses	7	(615.306)	(869.389)
Non-recurring expenses	7	(304.317)	(1.689.415)
+ Depreciation & amortization		3.808.516	3.601.643
EBITDA		4.537.754	2.470.153
- Depreciation & amortization		(3.808.516)	(3.601.643)
Operating profits / (losses)		729.238	(1.131.489)
Financial income	8	16.954	30.457
Financial expenses	8	(1.281.336)	(1.198.807)
Net finance costs		(1.264.382)	(1.168.350)
Profits / (losses) before taxes		(535.144)	(2.299.840)
Income tax expense	12	(305.549)	664.164
Profits / (losses)		(840.693)	(1.635.676)
Profits / (losses) attributable to:			
Owners of the Company		(903.793)	(1.675.164)
Non-controlling interests		63.101	39.487
		(840.693)	(1.635.676)

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Company's income statement

The income statement of the Company for the year 1/1 - 31/12/2016 and the respective comparative figures of the previous year are the following:

	Notes	COMPANY	
		31/12/2016	31/12/2015
Revenue	6	30.814.214	34.881.444
Cost of Sales	7	(26.714.264)	(29.593.439)
Gross profit		4.099.950	5.288.005
Other income	7	1.105.239	694.616
Selling and distribution expenses	7	(2.791.482)	(3.169.347)
Administrative expenses	7	(2.025.356)	(2.346.479)
Research and development expenses	7	(390.382)	(330.181)
Other expenses	7	(136.974)	(345.797)
Non-recurring expenses	7	0	(1.563.983)
+ Depreciation & amortization		2.746.293	2.590.043
EBITDA		2.607.289	816.877
- Depreciation & amortization		(2.746.293)	(2.590.043)
Operating profits / (losses)		(139.004)	(1.773.166)
Financial income	8	19.553	63.104
Financial expenses	8	(960.579)	(884.202)
Net finance costs		(941.026)	(821.098)
Profits / (losses) before taxes		(1.080.030)	(2.594.264)
Income tax expense	12	(91.653)	803.373
Profits / (losses)		(1.171.682)	(1.790.891)
Profits / (losses) attributable to:			
Owners of the Company		(1.171.682)	(1.790.891)
Non-controlling interests		0	0
		(1.171.682)	(1.790.891)

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Consolidated statement of comprehensive income

The statement of comprehensive income of the Group for the year 1/1 - 31/12/2016 and the respective comparative figures of previous year are the following:

	Notes	GROUP	
		31/12/2016	31/12/2015
Profit (Loss)		(840.693)	(1.635.676)
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Revaluation of property, plant and equipment	13	(426.882)	(172)
Related tax		124.712	(250.143)
Remeasurement of defined benefit liability	10	(39.788)	(81.139)
Related tax		11.539	25.681
		(330.419)	(305.774)
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		(87.475)	(228.462)
		(87.475)	(228.462)
Other comprehensive income, net of tax		(417.894)	(534.235)
Total comprehensive income		(1.258.586)	(2.169.911)
Total comprehensive income attributable to:			
Owners of the Company		(1.322.228)	(2.206.641)
Non-controlling interests		63.642	36.730
		(1.258.586)	(2.169.911)

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Company's statement of comprehensive income

The statement of comprehensive income of the Company for the year 1/1 - 31/12/2016 and the respective comparative figures of previous year are the following:

COMPANY			
	Notes	31/12/2016	31/12/2015
Profit (Loss)		(1.171.682)	(1.790.891)
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Revaluation of property, plant and equipment	13	(430.042)	0
Related tax		124.712	(250.143)
Remeasurement of defined benefit liability	10	(39.788)	(81.139)
Related tax		11.539	25.681
Other comprehensive income, net of tax		(333.579)	(305.602)
Total comprehensive income		(1.505.261)	(2.096.493)

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Consolidated statement of changes in equity

The statement of changes in equity of the Group is the following:

THE GROUP	For the year ended 31 December 2016								
	Share capital	Share premium	Attributable to owners of the Company Translation and other reserves	Revaluation reserve	IAS 19 reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31 December 2015	12.758.592	13.805.791	(1.173.553)	16.959.220	(108.498)	10.295.967	52.537.519	595.245	53.132.765
Profits / (Loss)	0	0	0	0	0	(903.793)	(903.793)	63.101	(840.692)
Other comprehensive income	0	0	(88.016)	(302.170)	(28.249)	0	(418.435)	541	(417.894)
Total comprehensive income	0	0	(88.016)	(302.170)	(28.249)	(903.793)	(1.322.228)	63.642	(1.258.586)
Distribution of dividends	0	0	0	0	0	(1.440.486)	(1.440.486)	0	(1.440.486)
Other movements	(0)	0	0	(6.330)	0	6.328	(2)	0	(2)
Balance at 31 December 2016	12.758.592	13.805.791	(1.261.569)	16.650.720	(136.747)	7.958.015	49.774.802	658.888	50.433.690

THE GROUP	For the year ended 31 December 2015								
	Attributable to owners of the Company						Total	Non-controlling interest	Total equity
	Share capital	Share premium	Translation and other reserves	Revaluation reserve	IAS 19 reserve	Retained earnings			
Balance at 31 December 2014	12.758.592	28.370.158	(947.867)	17.209.535	(53.039)	20.558.743	77.896.121	558.535	78.454.656
Profits / (Loss)	0	0	0	0	0	(1.675.164)	(1.675.164)	39.487	(1.635.677)
Other comprehensive income	0	0	(225.685)	(250.315)	(55.458)	0	(531.459)	(2.776)	(534.235)
Total comprehensive income	0	0	(225.685)	(250.315)	(55.458)	(1.675.164)	(2.206.623)	36.711	(2.169.912)
Increase of share capital by the capitalization of share premium	14.404.862	0	0	0	0	0	14.404.862	0	14.404.862
Reduction of share capital to return to the shareholders	(14.404.862)	(14.404.862)	0	0	0	0	(28.809.724)	0	(28.809.724)
Distribution of dividends	0	0	0	0	0	(8.231.349)	(8.231.349)	0	(8.231.349)
Other movements	0	(159.505)	0	0	0	(356.263)	(515.768)	0	(515.768)
Balance at 31 December 2015	12.758.592	13.805.791	(1.173.553)	16.959.220	(108.498)	10.295.967	52.537.519	595.245	53.132.765

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Company's statement of changes in equity

The statement of changes in equity of the Company is the following:

THE COMPANY

For the year ended 31 December 2016

	Share capital	Share premium	Revaluation reserve	IAS 19 reserve	Other reserve	Retained earnings	Total
Balance at 31 December 2015	12.758.592	13.805.791	5.920.061	(108.498)	7.707.254	7.730.575	47.813.775
Profits / (Loss)	0	0	0	0	0	(1.171.682)	(1.171.682)
Other comprehensive income	0	0	(305.329)	(28.249)	0	0	(333.579)
Total comprehensive income	0	0	(305.329)	(28.249)	0	(1.171.682)	(1.505.261)
Distribution of dividends	0	0	0	0	0	(1.440.486)	(1.440.486)
Other movements	0	0	(1)	0	0	(1)	(2)
Balance at 31 December 2016	12.758.592	13.805.791	5.614.730	(136.747)	7.707.254	5.118.405	44.868.025

THE COMPANY

For the year ended 31 December 2015

	Share capital	Share premium	Revaluation reserve	IAS 19 reserve	Other reserve	Retained earnings	Total
Balance at 31 December 2014	12.758.592	28.370.158	6.170.204	(53.039)	7.032.842	18.427.227	72.705.984
Profits / (Loss)	0	0	0	0	0	(1.790.891)	(1.790.891)
Other comprehensive income	0	0	(250.143)	(55.458)	0	0	(305.602)
Total comprehensive income	0	0	(250.143)	(55.458)	0	(1.790.891)	(2.096.493)
Reserves formation	0	0	0	0	674.413	(674.413)	0
Increase of share capital by the capitalization of share premium	14.404.862	(14.404.862)	0	0	0	0	0
Reduction of share capital to return to the shareholders	(14.404.862)	0	0	0	0	0	(14.404.862)
Distribution of dividends	0	0	0	0	0	(8.231.349)	(8.231.349)
Other movements	0	(159.505)	0	0	0	0	(159.505)
Balance at 31 December 2015	12.758.592	13.805.791	5.920.061	(108.498)	7.707.254	7.730.575	47.813.775

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Consolidated statement of Cash Flows

Cash flows of the Group for the period 1/1 - 31/12/2016 and the respective comparative sizes of the previous year are the following:

	THE GROUP	
	31/12/2016	31/12/2015
Cash flows from operating activities		
Profit (Loss) before tax	(535.143)	(2.299.840)
Adjustments for:		
– Depreciation & amortisation	3.808.516	3.601.643
– Net finance cost	1.264.382	1.168.350
– Gain on sale of property, plant and equipment	(220.930)	(38.111)
– Foreign exchange differences included in EBIT	0	42.798
– Increase in fair value of investment property	35.058	2.904
– Provisions / accrued expenses	(773.986)	944.439
– Other	(2.749)	(29.800)
	3.575.148	3.392.384
Changes in:		
– Inventories	(242.940)	645.872
– Trade and other receivables	1.684.787	1.931.170
– Trade and other payables	(4.148.051)	(1.867.106)
Cash generated from operating activities	868.944	4.102.321
Taxes paid	975.287	(39.424)
Interest paid	(1.252.042)	(1.179.597)
Net cash from (used in) operating activities	592.188	2.883.299
Cash flows from investment activities		
Interest received	17.330	150.333
Subsidies received	44.877	0
Proceeds from sale of property, plant and equipment	40.773	59.582
Proceeds from sale of investments	0	23.000
Acquisition of property, plant and equipment & intangible assets	(1.697.967)	(1.421.620)
Net cash from (used in) investing activities	(1.594.987)	(1.188.705)
Cash flows from financing activities		
Decrease of share capital through capital return in cash	0	(14.404.862)
Payment of share capital increase expenses	0	(159.505)
Proceeds from loans & borrowings	1.500.000	4.516.906
Payment of loans	(1.282.221)	(20.626.190)
Payment of finance lease liabilities	(755.938)	(198.879)
Dividends paid to non-controlling interest	(420.722)	(2.393.913)
Dividends paid to owners of the Company	(1.019.764)	(5.827.221)
Net cash from (used in) financing activities	(1.978.645)	(39.093.665)
Net increase (decrease) in cash and cash equivalents	(2.981.444)	(37.399.071)
Cash and cash equivalents at 1 January	3.927.869	41.327.465
Effect of movements in exchange rates on cash held	(20.331)	(524)
Cash and cash equivalents at 31 December	926.095	3.927.870

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Company's statement of Cash Flows

Cash flows of the Company for the period 1/1 - 31/12/2016 and the respective comparative sizes of the previous year are the following:

	THE COMPANY	
	31/12/2016	31/12/2015
Cash flows from operating activities		
Profit (Loss) before tax	(1.080.030)	(2.594.264)
Adjustments for:		
– Depreciation & amortisation	2.746.293	2.590.043
– Net finance cost	941.026	821.098
– Gain on sale of property, plant and equipment	(208.722)	(40.040)
– Provisions / accrued expenses	(1.100.115)	944.439
– Other	(2.749)	0
	1.295.703	1.721.277
Changes in:		
– Inventories	97.817	303.475
– Trade and other receivables	960.009	2.471.483
– Trade and other payables	(2.682.418)	(691.176)
Cash generated from operating activities	(328.888)	3.805.059
Taxes paid	63.854	(24.792)
Interest paid	(934.779)	(791.168)
Net cash from (used in) operating activities	(1.199.814)	2.989.099
Cash flows from investment activities		
Interest received	19.553	182.981
Dividends received	0	32.475.000
Subsidies received	44.877	0
Proceeds from sale of property, plant and equipment	0	57.654
Proceeds from sale of investments	0	23.000
Acquisition of property, plant and equipment & intangible assets	(1.049.464)	(1.168.230)
Net cash from (used in) investing activities	(985.034)	31.570.405
Cash flows from financing activities		
Decrease of share capital through capital return in cash	0	(14.404.862)
Payment of share capital increase expenses	0	(159.505)
Proceeds from loans & borrowings	2.100.000	10.850.000
Loans granted to related parties	(30.000)	0
Payment of loans	(600.000)	(20.000.000)
Payment of finance lease liabilities	(685.634)	(114.750)
Dividends paid to non-controlling interest	(420.722)	(2.393.913)
Dividends paid to owners of the Company	(1.019.764)	(5.827.221)
Net cash from (used in) financing activities	(656.120)	(32.050.251)
Net increase (decrease) in cash and cash equivalents	(2.840.968)	2.509.253
Cash and cash equivalents at 1 January	3.543.341	1.034.088
Cash and cash equivalents at 31 December	702.373	3.543.341

The following explanatory notes (pages 37 to 77) constitute an integral part of these annual financial statements

Notes to the Financial Statements

Basis of preparation

1. Reporting Entity

The Group INFORM LYKOS is a fast growing Group of companies, forming the market in the business area of Information Management under the brand INFORM. Today, the Group is activated internationally and is leader in the area of printing management, shaping developments in the printing market, but also in the market of digital security data management, information and applications.

The registered office of the parent company Inform P. Lykos S.A. (the Company) is in Koropi Attica, 5th km. of Varis-Koropiou Avenue.

Since 12/03/2014, the financial statements of the Group are included in the consolidated financial statements of AUSTRIACARD AG (former LYKOS AG), with its headquarters in Austria. The Group AUSTRIACARD AG (former LYKOS AG) is an international group, active in the business areas of "Digital Security" under the brand AUSTRIACARD and "Information Management" under the brand INFORM.

The financial statements for the year 1/1– 31/12/2016 were approved by the Board of Directors on 10/4/2017.

2. Basis of accounting

The accompanying separate and consolidated financial statements (hereinafter "financial statements"), have been prepared by the Management based on historic cost principal, as modified following the adjustment of certain assets and liabilities at fair values and the going concern principle and are in accordance with the International Financial Reporting Standards (hereinafter «IFRS») and the International Accounting Standards (hereinafter «IAS»), as adopted by the European Union (according to the Regulation (EC) No. 1606/ 2002 of the European Parliament and the Council of the European Union at July 19th, 2002) and published by the International Accounting Standards Board (IASB), and also their interpretations, as published by the International Financial Reporting Interpretation Committee (I.F.R.I.C.) of the IASB. The period of application of each IAS/IFRS is set by the regulations published by the competent commission of the European Union.

Details of the Group's accounting policies and methods, including changes during the year 2016 are included in Notes 34-37.

3. Functional and presentation currency

The separate and consolidated financial statements are presented in euro, which is the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses, as also and the notes to the financial statements. They also affect disclosures of contingent assets and liabilities as at the financial statements preparation date as well as the publicized amounts of revenue and expenses.

Judgments, estimates and assumptions are based on the experience from previous years and other factors, included the expectations of future events that are considered reasonable under the particular conditions, while estimates and underlying assumptions are reviewed on an ongoing basis, making the best use of all the available data. Actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment at amounts of assets, liabilities, income and expenses is included in the following notes:

i. Testing for goodwill impairment of total participations or other assets

Management monitors annually whether goodwill has suffered any impairment, and assesses the events or the conditions may trigger impairment, such as a significant adverse change in the business environment or a decision to sell or dispose of a unit or functional area. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The basic estimates in applying value in use, the Group relies on a number of factors, including actual operating results, future business plans, economic projections and discount rates that are used in the calculations.

If analysis indicates a need for impairment of goodwill, measuring of impairment requires a fair value estimate of each identified tangible asset. In this case, using the cash flow approach, referred above, by independent appraisers when appropriate. See note 15.

ii. Useful life of depreciable assets

Property, plant and equipment (PPE) are depreciated over their estimated useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product lifecycles, and maintenance programmes are taken into account. See notes 36 (I) and (J).

iii. Recoverability of receivables

The Group's management periodically reassess the adequacy of the allowance for doubtful accounts receivable using parameters such as its credit policy, reports from its legal counsel on recent developments of the cases they are handling, and its judgment/estimate about the impact of other factors affecting the recoverability of the receivables.

iv. Employee benefits

The present value of pension obligations depends on a number of factors determined using actuarial methods and assumptions. Such actuarial assumption is the discount rate used to calculate the cost of benefit. The Group determines the appropriate discount rate at each year end. This is the interest rate that should be used to determine the present value of future cash flows, which are expected to be required to meet the obligations of the pension plans. For determining the appropriate discount rate, the Group uses the interest rate of high quality corporate bonds that are converted to the currency in which the benefits will be paid, and whose expiry date is approaching that of the relevant pension liability. Other key assumptions of pension obligations are based in part on current market conditions. See notes 10 and 36 (E).

v. Fair value measurement

As part of the implementation of IFRS, the Group has an obligation or option to revalue assets and liabilities at fair value.

The fair value measurement is based on the market and not on a particular entity. For certain assets and liabilities may be available observable market transactions or market information. For other assets and liabilities may not be available observable market transactions or market information. However, the objective of measuring fair value is the same in both cases to estimate the price at which it would take place a normal transaction to sell the asset or transfer the liability between market participants at the measurement date under current market conditions (ie an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Even when there is no observable market to provide pricing information on the sale of an asset or transfer a liability at the measurement date, the fair value measurement should consider that a transaction occurs on that date, considering the transaction from the perspective of a market participant that holds the asset or owes the liability. This alleged transaction constitutes the basis for valuation of the sale price of the asset or transfer the liability. Especially for liabilities if no observable market to provide pricing information on the transfer of a liability (eg when the contractual and other legal restrictions prevent the transfer of such data) may be observable market for such obligation if the other party holds as an asset (eg corporate bonds).

The assets and liabilities of the Group are measured at fair value are mainly non-financial assets.

To improve the consistency and comparability in fair value measurements and related disclosures, the Group is adopting relevant requirements of IFRS 13, which had determined the fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to the official prices (unadjusted) in markets with significant volume of transactions for identical assets or liabilities (level 1 inputs) and minimum priority to unobservable inputs (Level 3 inputs).

The Level 1 inputs are the official quoted prices (unadjusted) in active markets for identical assets or liabilities to which the entity has access at the measurement date.

The Level 2 inputs are inputs other than formal quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. If the asset or liability has a specified (contractual) term, a second input level must be observable for the full life of the asset or liability.

The Level 3 inputs are not based on observable market data (unobservable inputs) for the asset or liability.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 Property, plant and equipment
- Note 14 Investment Property
- Note 25 Financial Instruments

It is noted that the Group has certain financial assets (eg cash and cash equivalents) the historical values for which, due to their short term nature, do not differ essentially from the fair value that would be determined by using valuation techniques.

vi. Accounting treatment of proclaimed fine for alleged violation of Romanian competition law

In 2016, the Competition Council of Romania imposed a fine of approximately € 0.8 million on the subsidiary of the Group, Inform Lykos, S.A., (ILR), in Romania. As the management is convinced that the Group has complied with the competition law and that the verdict is unjustified and disproportional, it has appealed against this verdict. At the date of issuance of this report, the lawsuit was still ongoing. Within the scope of the principle of prudence, Group management has formed a provision of € 0.3 million for this lawsuit, which is included in the consolidated financial statements.

Performance of the year

5. Operating Segments

i. Basis of segmentation

The Group maintains one strategic segment, the "Information Management" (printing segment), which is its reportable segment. Every unit of the segment offers same products and services, and requires unique technology and marketing strategies.

The activity of the printing segment mainly extends geographically in two countries Greece and Romania. This geographic allocation is the designated factor for the segmentation of printing segment.

These operating segments are monitored by the Head of Risk and Strategic decisions of the Group (Group CEO).

Information related to each reportable segment is set out below. Segment "profit before tax" is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments.

31/12/2016	Printing segment (Greece)	Printing segment (Romania)	Other	Eliminations	Total
Revenues	30.023.187	31.738.074	712.681	0	62.473.941
Intersegment revenues	791.027	3.239.349	0	(4.030.375)	0
Segment revenues	30.814.214	34.977.422	712.681	(4.030.375)	62.473.941
Cost of sales	(26.714.264)	(30.941.427)	(549.971)	3.976.138	(54.229.523)
Gross profit	4.099.950	4.035.995	162.710	(54.237)	8.244.418
Other income	1.105.239	701.919	78.946	(430.802)	1.455.303
Selling and distribution expenses	(2.791.482)	(1.619.894)	0	151.767	(4.259.609)
Administrative expenses	(2.025.356)	(1.437.478)	(123.799)	185.764	(3.400.869)
Research and development expenses	(390.382)	0	0	0	(390.382)
Other expenses	(136.974)	(617.452)	(5.480)	144.601	(615.305)
Non-recurring expenses	0	(307.223)	0	2.906	(304.317)
+ Depreciation & amortization	2.746.293	949.380	112.842	0	3.808.516
EBITDA	2.607.289	1.705.247	225.219	(0)	4.537.755
- Depreciation & amortization	(2.746.293)	(949.380)	(112.842)	0	(3.808.516)
Operating profit / (loss)	(139.004)	755.867	112.377	(0)	729.239
Financial income	19.553	26	95	(2.720)	16.954
Financial expenses	(960.579)	(312.740)	(10.737)	2.720	(1.281.336)
Net finance costs	(941.026)	(312.714)	(10.643)	0	(1.264.382)
Profit / (loss) before tax	(1.080.030)	443.153	101.734	(0)	(535.143)
Income tax expense	(91.653)	(140.891)	(73.005)		(305.549)
Profit / (loss)	(1.171.682)	302.261	28.729	(0)	(840.692)

31/12/2015	Printing segment (Greece)	Printing segment (Romania)	Other	Eliminations	Total
Revenues	34.425.398	29.628.346	810.663		64.864.407
Intersegment revenues	456.046	3.504.513	1.457	(3.962.017)	0
Segment revenues	34.881.444	33.132.859	812.120	(3.962.017)	64.864.407
Cost of sales	(29.593.439)	(29.496.753)	(724.823)	4.258.283	(55.556.732)
Gross profit	5.288.005	3.636.106	87.297	296.267	9.307.675
Other income	694.616	552.959	75.000	(355.669)	966.906
Selling and distribution expenses	(3.169.347)	(1.680.983)	0	0	(4.850.330)
Administrative expenses	(2.346.479)	(1.292.510)	(87.168)	59.402	(3.666.755)
Research and development expenses	(330.181)	0	0	0	(330.181)
Other expenses	(345.797)	(522.398)	(1.195)	0	(869.390)
Non-recurring expenses	(1.563.983)	(125.432)	0	0	(1.689.415)
+ Depreciation & amortization	2.590.043	890.403	121.197	0	3.601.643
EBITDA	816.877	1.458.146	195.130	(0)	2.470.153
- Depreciation & amortization	(2.590.043)	(890.403)	(121.197)	0	(3.601.643)
Operating profit / (loss)	(1.773.166)	567.743	73.934	(0)	(1.131.490)
Financial income	63.104	237	85	(32.970)	30.455

Financial expenses	(884.202)	(306.088)	(41.487)	32.970	(1.198.807)
Net finance costs	(821.098)	(305.851)	(41.402)	0	(1.168.351)
Profit / (loss) before tax	(2.594.264)	261.892	32.531	(0)	(2.299.841)
Income tax expense	803.373	(50.900)	(88.309)		664.164
Profit / (loss)	(1.790.891)	210.992	(55.778)	(0)	(1.635.677)

The allocation of assets, liabilities, capital expenditure and depreciation to operating segments is as follows:

31/12/2016	Printing segment (Greece)	Printing segment (Romania)	Other	Eliminations	Total
Assets	67.341.768	34.814.560	2.384.408	(22.809.498)	81.731.238
Liabilities	22.473.742	10.344.218	1.174.120	(2.694.533)	31.297.547
Capital expenditures	4.524.979	449.608	1.409	0	4.975.996
Depreciation & amortization	2.746.293	949.380	112.842	0	3.808.516

31/12/2015	Printing segment (Greece)	Printing segment (Romania)	Other	Eliminations	Total
Assets	70.108.794	34.013.242	3.660.210	(21.189.018)	86.593.228
Liabilities	22.295.020	9.756.302	2.483.440	(1.074.298)	33.460.464
Capital expenditures	1.145.576	246.456	2.556	0	1.394.588
Depreciation & amortization	2.590.043	890.403	121.197	0	3.601.643

The following geographical information analyzes the Group's revenues in Greece and other countries:

	31/12/2016	31/12/2015
Austria	753.535	519.732
Greece	27.395.876	31.892.318
Romania	31.708.872	29.443.669
Germany	24.495	0
Slovakia	14.662	41.506
Albania	625.573	640.463
Bulgaria	102.741	113.528
Egypt	0	94.358
Kosovo	78.438	145.057
Spain	48.986	284.383
France	917.708	1.036.008
Morocco	436.555	330.938
Malta	138.013	170.332
Cyprus	217.712	147.868
Other countries	10.773	4.248
Total	62.473.941	64.864.407

6. Revenues

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Revenues from sales of goods	30.509.398	30.511.039	12.928.868	14.478.734
Revenues from services	19.617.308	20.436.084	3.604.904	4.601.208
Revenues from sale of merchandise	12.347.236	13.917.284	14.280.442	15.801.503
Total	62.473.941	64.864.407	30.814.214	34.881.444

7. Income and Expenses

A. Other Income

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Government grants	47.937	0	47.937	0
Gain on sale of property, plant and equipment	220.930	40.040	208.722	40.040
Rentals from property and machinery	472.960	554.676	345.276	293.294
Rebates received from suppliers	0	51.965	0	41.059
Reversal of accruals	169.170	0	169.170	0
Capitalised development expenses	283.008	208.208	283.008	208.208
Other income	261.298	112.017	51.126	112.016
Total	1.455.303	966.906	1.105.239	694.616

B. Cost of Sales

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Employee compensation and expenses	4.876.915	5.187.178	2.973.110	3.504.755
Cost of inventories recognised as expense	15.640.080	15.563.805	5.828.802	6.353.399
Cost of mailings	14.864.886	14.707.779	469.040	382.229
Cost of merchandise	10.950.849	11.676.179	12.334.071	13.397.665
Third party fees	819.621	793.616	530.764	598.111
Commissions paid	922	0	0	0
Utilities and maintenance expenses	2.195.460	2.794.150	1.159.765	1.961.299
Rentals from property and machinery	79.683	83.361	111.275	127.418
Tax and duties	110.759	96.241	48.592	42.273
Transportation expenses	6.018	118.390	3.594	44.068
Other consumable materials	1.375.538	1.472.638	841.382	954.442
Depreciation and amortisation	3.060.029	2.843.600	2.215.843	2.043.045
Other expenses	248.762	219.793	198.027	184.736
Total	54.229.523	55.556.732	26.714.264	29.593.439

C. Selling and Distribution Expenses

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Employee compensation and expenses	1.925.380	2.210.315	1.512.151	1.823.361
Third party fees	295.069	525.583	298.080	333.786
Commissions paid	481.542	515.396	0	0
Utilities expenses	247.264	283.479	204.075	230.059
Rentals from property and machinery	19.639	3.978	11.394	0
Tax and duties	107.897	83.258	91.776	68.429
Transportation expenses	733.961	759.551	316.653	344.801
Other consumable materials	40.456	41.782	19.304	21.174
Depreciation and amortisation	232.876	244.405	199.241	204.104
Other expenses	175.525	182.583	138.806	143.632
Total	4.259.609	4.850.330	2.791.482	3.169.347

D. Administrative Expenses

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Employee compensation and expenses	1.723.578	1.847.864	1.036.052	1.092.879
Third party fees	764.260	829.725	515.617	696.817
Utilities expenses	344.182	390.618	177.511	206.430
Rentals from property and machinery	23.703	0	9.596	0
Tax and duties	39.601	29.655	15.752	13.599
Transportation expenses	0	26.017	0	16.446
Other consumable materials	6.079	5.187	4.728	3.152
Depreciation and amortisation	384.322	425.500	199.919	254.755
Other expenses	115.145	112.190	66.181	62.400
Total	3.400.869	3.666.755	2.025.356	2.346.479

E. Research and Development Expenses

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Employee compensation and expenses	253.339	235.384	253.339	235.384
Utilities expenses	3.161	3.928	3.161	3.928
Tax and duties	91	89	91	89
Transportation expenses	0	498	0	498
Depreciation and amortisation	131.290	88.138	131.290	88.138
Other expenses	2.501	2.144	2.501	2.144
Total	390.382	330.181	390.382	330.181

F. Non-recurring Expenses

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Staff leaving indemnities due to reorganization	0	1.563.983	0	1.563.983
Other expenses*	304.317	125.432	0	0
Total	304.317	1.689.415	0	1.563.983

* The amount of the other expenses of fiscal year 2016 relates to a provision for a fine imposed by the Romanian Competition Council (see note 4vi).

G. Other Expenses

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Foreign exchange differences	42.842	42.798	1.108	7.082
Losses on sale of equipment	0	1.929	0	0
Loss of the customer's contract term	48.615	88.477	37.316	0
Impairment loss on trade receivables	11.207	310.000	0	290.000
Losses from write - downs of inventories	35.569	7.600	35.569	0
Decrease in fair value of investment property	35.059	2.904	0	0
Reinvoiced expenses	178.041	166.288	0	0
Bank commissions	2.551	2.346	0	0
Other expenses	261.423	247.047	62.981	48.715
Total	615.306	869.389	136.974	345.797

8. Net Finance costs

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Interest income	16.954	7.457	19.553	40.104
Financial assets at fair value through profit or loss - net change in fair value	0	23.000	0	23.000
Financial income	16.954	30.457	19.553	63.104
Interest expense	1.102.372	1.059.534	877.558	803.975
Commissions of letters of guarantee	153.110	115.248	61.839	57.710
Other financial expenses	25.854	24.025	21.182	22.517
Finance costs	1.281.336	1.198.807	960.579	884.202
Net finance costs recognised in profit or loss	(1.264.382)	(1.168.350)	(941.026)	(821.098)

9. Earnings/ (losses) per share**A. Basic earnings or basis losses per share**

All shares are ordinary (see note 19). The calculation of earnings / (losses) per share is based on the following earnings / (losses) per share attributable to the ordinary shareholders and the weighted average number of ordinary outstanding shares.

	GROUP	
	31/12/2016	31/12/2015
Profit (loss) attributable to the owners of the Company	(903.793)	(1.675.164)

B. Weighted-average number of ordinary shares

	2016	2015
Issued ordinary shares at 1 January	20.578.374	20.578.374
Effects in the year	-	-
Weighted - average number of ordinary shares at 31st December	20.578.374	20.578.374

C. Earnings per share

	2016	2015
Profit / (loss) per share	(0,0439)	(0,0814)

Employee Benefits

10. Employee Benefits

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net defined benefit liability	958.106	1.071.181	958.106	1.071.181
Total employee benefit liabilities	958.106	1.071.181	958.106	1.071.181
Non-current	958.106	1.071.181	958.106	1.071.181
Current	0	0	0	0
Total	958.106	1.071.181	958.106	1.071.181

Social security contributions are included in other liabilities and are analyzed in note 22.

Salaries and personnel costs are detailed in note 11.

The balance of account employee benefits is formed from the Group's defined benefit plan that applies to employees in Greece. Obligations resulting from this program concern compensation of staff retirement arising from the provisions of Law 2112/20, as amended by Law 4093/12. According to Greek legislation, establishing and funding is not provided in the form of contributions, specific fund (reserve) to cover the severance compensation laws 2112/20 and 3026/54, as amended by Law 4093/12, and for other related benefits. As a result a special fund is not created, from which the settlement of the liability could be made. The compensation provided by the laws 2112/20 and 3026/54, as amended by Law 4093/12 are exclusively one-off indemnities which are given only in cases of normal retirement, redundancy and for those subject to Law 3026/54, in death and voluntary retirement under conditions.

The above program exposes the Group to actuarial risks, including the risk of longevity assumptions and discount rate assumptions.

A. Movement in net defined benefit liability

The following table presents the reconciliation of the opening and closing of the reporting periods of the liabilities arising from the program:

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Balance at 1 January	1.071.181	1.122.438	1.071.181	1.122.438
Included in profit or loss				
Current service cost	29.915	31.697	29.915	31.697
Past service credit	0	2.013	0	2.013
Settlement/Curtailment/Termination loss/(gain)	507.008	435.721	507.008	435.721
Interest cost (income)	21.424	27.114	21.424	27.114
	558.347	496.545	558.347	496.545
Included in OCI				
Remeasurement loss (gain):				
– Actuarial loss (gain) arising from:				
– financial assumptions	15.550	83.130	15.550	83.130
– experience adjustment	24.238	(1.991)	24.238	(1.991)
Total amount included in OCI	39.788	81.139	39.788	81.139
	598.135	577.684	598.135	577.684
Other				
Benefits paid	(711.210)	(628.941)	(711.210)	(628.941)
	(711.210)	(628.941)	(711.210)	(628.941)
Balance at 31 December	958.106	1.071.181	958.106	1.071.181

B. Actuarial assumptions

The following were the principal actuarial assumptions at 31/12/2016 (expressed as weighted averages):

	31/12/2016	31/12/2015
Discount rate	1,9%	2,0%
Future salary growth	1,0%	1,0%
Rate of compensation increase	1,0%	1,0%

The weighted-average duration of the defined benefit obligation for the fiscal year 2016 was 16.7 years (2015: 16.6).

C. Sensitivity Analysis

A reasonably possible change of 1% of the discount rate used in the valuation would result the following changes to the defined benefit obligation for the staff leaving idemnity.

<i>Effect in euro</i>	31/12/2016		31/12/2015	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(142.482)	173.999	(160.677)	192.813

11. Employee Expenses

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Wages & Salaries	6.409.417	7.682.658	4.529.030	5.306.492
Social security contributions	1.560.760	1.696.802	1.117.522	1.298.408
Other expenses for personnel	748.498	101.282	67.564	51.479
Expenses related to defined benefit plans & termination benefits	60.535	1.563.983	60.535	1.563.983
Total	8.779.211	11.044.725	5.774.652	8.220.363

The number of employees in the Group and the Company on 31/12/2016 amounted to 423 (31/12/2015: 425) and 192 (31/12/2015: 167) respectively.

Income Taxes

12. Income Taxes

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Current tax expense				
Current year income tax	(164.815)	(72.979)	0	0
Adjustment for prior years	1.608	207	0	0
	(163.207)	(72.772)	0	0
Deferred tax expense (income)				
Origination and reversal of temporary differences	(142.342)	675.305	(91.653)	720.243
Change in tax rate	0	61.631	0	83.129
	(142.342)	736.936	(91.653)	803.373
Total	(305.549)	664.164	(91.653)	803.373

A. Reconciliation of effective tax rate

	GROUP				COMPANY			
	31/12/2016		31/12/2015		31/12/2016		31/12/2015	
Profit/(loss) before tax	(535.143)		(2.299.840)		(1.080.030)		(2.594.264)	
Tax using the Company's domestic tax rate	29%	155.191	29%	666.953	29%	313.209	29%	752.336
Effect of tax rates in foreign jurisdictions		69.354		43.588		0		0
Non - deductible expenses		(98.988)		(40.773)		(28.336)		(32.093)
Tax incentives		0		(10.288)		0		0
Current - year losses for which no deferred tax asset is recognised		(296.769)		(56.948)		(293.018)		0
Change in recognised deductible temporary differences		(135.946)		61.631		(83.507)		83.129
Change in estimates of previous years		1.608		0		0		0
	(305.549)		664.163		(91.653)		803.373	

B. Movement in deferred tax balances

	GROUP				COMPANY			
	31/12/2016		31/12/2015		31/12/2016		31/12/2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	1.578.860	4.100.802	1.454.148	4.331.172	1.578.860	3.242.070	1.454.148	3.503.164
Intangible assets	0	148.176	0	173.094	0	147.866	0	173.094
Investment property	0	3.586	0	5.427	0	0	0	0
Receivables	182.954	0	151.620	0	182.954	0	151.620	0
Other assets	263.867	19.150	211.101	19.150	263.867	19.150	211.101	19.150
Employee benefits	331.203	0	363.994	0	331.203	0	363.994	0
Other liabilities	56.232	651.078	445.639	651.079	56.232	651.078	445.639	651.079
Receivables from tax losses	1.012.769	0	1.173.832	0	576.496	0	576.496	0
Deferred tax assets / liabilities	3.425.885	4.922.793	3.800.335	5.179.922	2.989.612	4.060.165	3.202.999	4.346.487
Set - off tax	(3.391.492)	(3.391.492)	(3.747.860)	(3.747.860)	(2.989.612)	(2.989.612)	(3.202.999)	(3.202.999)
Net deferred tax assets / liabilities	34.393	1.531.301	52.475	1.432.062	0	1.070.553	0	1.143.488

C. Unrecognised deferred tax assets

No deferred tax assets have been formed against the tax losses of some years presented because it is not certain that the company will provide sufficient future taxable profits against which the Group can utilize the benefits of these tax losses. These deferred tax assets for the Group for year 2016 amounted to € 3.471.550 and for the Company for year 2016 amounted to € 2.623.943.

D. Current Tax assets

Current tax assets presented in the Financial Position amounted to € 249.624 (2015: € 1.168.610) mainly concern withholding taxes or prepaid income taxes and respectively for the Company to € 236.565 (2015: € 226.507).

Assets

13. Property, plant and equipment

A. Reconciliation of carrying amount

	Group				
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost					
Balance at 1 January 2015	52.875.774	42.939.044	6.207.577	32.215	102.054.609
Additions	48.282	638.804	183.884	45.779	916.749
Disposals	0	(185.703)	(210.457)	0	(396.160)
Effect of movements in exchange rates	(249.668)	(116.010)	(24.526)	(9)	(390.213)
Balance at 31 December 2015	52.674.388	43.276.134	6.156.478	77.985	102.184.984
Balance at 1 January 2016	52.674.388	43.276.134	6.156.478	77.985	102.184.984
Additions	105.714	4.118.980	113.101	21.637	4.359.432
Disposals	0	(186.622)	0	(21.635)	(208.258)
Revaluation	(426.882)	0	0	0	(426.882)
Reclassifications	0	11.168	0	(11.168)	0
Effect of movements in exchange rates	(72.939)	(30.099)	(99)	(171)	(103.308)
Balance at 31 December 2016	52.280.281	47.189.561	6.269.479	66.648	105.805.969
Accumulated depreciation and impairment losses					
Balance at 1 January 2015	17.128.214	19.739.327	5.310.952	0	42.178.493
Depreciation	512.153	2.441.289	207.769	0	3.161.211
Disposals	0	(148.992)	(210.313)	0	(359.305)
Effect of movements in exchange rates	(81.106)	(240.832)	137.198	0	(184.740)
Balance at 31 December 2015	17.559.262	21.790.792	5.445.606	0	44.795.659
Balance at 1 January 2016	17.559.262	21.790.792	5.445.606	0	44.795.659
Depreciation	504.767	2.648.237	194.841	0	3.347.846
Disposals	0	(157.922)	0	0	(157.922)
Effect of movements in exchange rates	(6.771)	(27.849)	(228)	0	(34.848)
Balance at 31 December 2016	18.057.258	24.253.258	5.640.219	0	47.950.735
Carrying amounts					
At 31 December 2015	35.115.126	21.485.342	710.872	77.985	57.389.325
At 31 December 2016	34.223.023	22.936.303	629.260	66.648	57.855.234

	Company				
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost					
Balance at 1 January 2015	32.683.951	30.317.770	5.034.978	31.300	68.067.999
Additions	37.186	524.114	173.087	0	734.387
Disposals	0	(36.314)	0	0	(36.314)
Balance at 31 December 2015	32.721.137	30.805.570	5.208.065	31.300	68.766.072
Balance at 1 January 2016	32.721.137	30.805.570	5.208.065	31.300	68.766.072
Additions	93.595	3.745.151	95.789	0	3.934.534
Disposals	0	0	0	0	(2.243.504)
Revaluation	(430.042)	0	0	0	(430.042)
Balance at 31 December 2016	32.384.690	32.307.216	5.303.854	31.300	70.027.060
Accumulated depreciation and impairment losses					
Balance at 1 January 2015	15.907.993	14.026.758	4.429.730	0	34.364.481
Depreciation	329.485	1.778.456	186.672	0	2.294.614
Disposals	0	(1.354)	0	0	(1.354)
Balance at 31 December 2015	16.237.478	15.803.861	4.616.402	0	36.657.741
Balance at 1 January 2016	16.237.478	15.803.861	4.616.402	0	36.657.741
Depreciation	329.673	1.918.785	174.641	0	2.423.099
Disposals	0	(1.282.227)	0	0	(1.282.227)

Balance at 31 December 2016	16.567.151	16.440.419	4.791.044	0	37.798.613
Carrying amounts					
At 31 December 2015	16.483.659	15.001.709	591.663	31.300	32.108.331
At 31 December 2016	15.817.539	15.866.797	512.811	31.300	32.228.447

B. Measurement of fair values

i. Fair value hierarchy

The fair value of land and buildings is determined by external independent valuers, who have recognized professional qualifications and recent experience in the location and category of property assessed. The independent appraisers provide or estimate the fair value of the Group's property each year. The frequency of revaluations depends upon the changes in the estimated fair value of properties in relation to accounting. When the change is material is carried further adjustment.

Based on data taken into account in the valuation technique, the measurement of fair value for these properties is at Level 2 (see note 4(v)).

ii. Valuation technique and significant unobservable inputs

Land and buildings used for production in Greece

The study conducted by the independent appraiser based on market indications on similar properties, incorporating adjustments for factors specific to the property for revaluation, such as size of land and buildings, use, location and any encumbrances. The valuation basis for calculation depends on observable transactions for similar properties. The last revaluation took place in December 2016. The main input factors for the valuation are the fair value of land per square meter, which was appraised at € 190 on average and the replacement cost per square meter, which was appraised at € 308 on average.

Land and buildings used for production in Romania

For the valuation of the Group's property in Romania the same valuation technique was used, as that was used and described for the properties in Greece. The last revaluation took place in December 2016. The main input factors for the valuation are the fair value of land per square meter, which was appraised at € 156 on average and the replacement cost per square meter, which was appraised at € 470 on average.

C. Leased Machinery

The Group leases machinery in Greece and Romania. At 31st December 2015, the net carrying amount of leased equipment was € 4.360.931 (2015: € 1.682.107). The value of the leased equipment is ensuring the relevant leasing obligations.

D. Security

There are encumbrances on the Group's fixed assets (land and building located in Romania) for an amount of € 4.4 million in order to cover loan liabilities. There are no encumbrances on the parent company's fixed assets.

14. Investment Property

A. Reconciliation of carrying amount

	GROUP	
	31/12/2016	31/12/2015
Balance at 1 January	310.847	322.739
Additions	0	0
Disposals	(6.620)	(6.014)
Change in fair value	(34.670)	(2.853)
Revaluation due to exchange rates	(1.136)	(3.024)
Balance at 31 December	268.421	310.847

Investment property of the Group is entirely related to land area and buildings of the subsidiary "Compaper Converting SA" in Romania.

B. Measurement of fair values

i. Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the investment property portfolio every year.

The fair value measurement for all of the investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used (see note 4(v)).

ii. Valuation technique and significant unobservable inputs

Land and buildings in Romania classified as investment property

The study conducted by the independent appraiser based on market indications on similar property, incorporating adjustments for factors specific to the valued property such as size of land and buildings, use, location and any encumbrances. The valuation basis for calculation depends on observable transactions for similar properties. In 2016, as a result of this approach there was need for negative adjustment to estimated land and buildings of € 35 thousand.

15. Intangible asstes and goodwill**A. Reconciliation of carrying amount**

	GROUP			
	Goodwill	Software, Patents, licenses	Development costs	Total
Cost				
Balance at 1 January 2015	6.103.881	10.725.239	2.024.530	18.853.650
Additions	0	269.631	0	269.631
Acquisitions - internally developed	0	0	208.208	208.208
Disposals	0	(44.186)	0	(44.186)
Effect of movements in exchange rates	0	(165.433)	0	(165.433)
Balance at 31 December 2015	6.103.881	10.785.252	2.232.738	19.121.871
Balance at 1 January 2016	6.103.881	10.785.252	2.232.738	19.121.871
Additions	0	333.556	0	333.556
Acquisitions - internally developed	0	80.566	202.442	283.008
Effect of movements in exchange rates	0	(5.685)	0	(5.685)
Balance at 31 December 2016	6.103.881	11.193.689	2.435.180	19.732.750
Accumulated amortisation and impairment losses				
Balance at 1 January 2015	4.017.437	9.715.286	1.690.056	15.422.779
Amortisation	0	353.459	86.973	440.432
Disposals	0	(44.185)	0	(44.185)
Effect of movements in exchange rates	0	(166.089)	0	(166.089)
Balance at 31 December 2015	4.017.437	9.858.471	1.777.029	15.652.937
Balance at 1 January 2016	4.017.437	9.858.471	1.777.029	15.652.937
Amortisation	0	331.473	129.198	460.670
Effect of movements in exchange rates	0	(6.754)	0	(6.754)
Balance at 31 December 2016	4.017.437	10.183.190	1.906.226	16.106.853
Carrying amounts				
At 31 December 2015	2.086.444	926.781	455.709	3.468.934
At 31 December 2016	2.086.444	1.010.499	528.954	3.625.897

	COMPANY		
	Software, Patents, licenses	Development costs	Total
Cost			
Balance at 1 January 2015	6.717.247	2.024.530	8.741.777
Additions	202.981	0	202.981
Acquisitions - internally developed	0	208.208	208.208
Balance at 31 December 2015	6.920.228	2.232.738	9.152.966
Balance at 1 January 2016	6.920.228	2.232.738	9.152.966

Additions	307.437	0	307.437
Acquisitions - internally developed	80.566	202.442	283.008
Balance at 31 December 2016	7.308.231	2.435.180	9.743.411
Accumulated amortisation and impairment losses			
Balance at 1 January 2015	5.910.678	1.690.056	7.600.734
Amortisation	208.457	86.973	295.429
Balance at 31 December 2015	6.119.135	1.777.029	7.896.163
Balance at 1 January 2016	6.119.135	1.777.029	7.896.163
Amortisation	193.997	129.198	323.194
Balance at 31 December 2016	6.313.132	1.906.226	8.219.358
Carrying amounts			
At 31 December 2015	801.094	455.709	1.256.803
At 31 December 2016	995.099	528.954	1.524.053

B. Amortisation

Intangible assets of the Group (excluding goodwill) have a limited useful life which is reviewed at least annually. This examination showed no significant change in the expected pattern of future economic benefits embodied in those assets.

Amortisation of software licenses charged to all functions (production, administration, distribution and research and development), while amortisation of capitalized development costs incurred in research and development function.

C. Impairment tests

In 2016, there was no need to test impairment of intangible assets (software licenses and capitalized development costs).

Following the relevant accounting policy, performed an impairment test in cash-generating units (CGU) that integrate acquisition goodwill. This impairment test did not show any need for impairment of these CGUs.

For the purpose of impairment testing, at 31/12/2016 goodwill of the Group amounting to € 2.086.444 was allocated to the following CGUs:

Goodwill allocation

Unit production of printed information products in Romania (Inform Lykos S.A.-Romania)	1.997.105
Unit production of printed information products in Albania (Albanian Digital Printing Solutions Sh.p.k)	89.339
Total	2.086.444

Unit printing production in Romania

The recoverable amount of the unit was determined based on value in use calculations of the unit as derived from an estimate of future cash inflows and outflows to be derived from continuing use of CGU and from its ultimate disposal. The calculated value also reflects the time value of money, represented by the current market interest rate (market risk-free) and the cost to deal with uncertainty that is inherent in the CGU.

The key assumptions used for the estimation of the recoverable amount are presented in the table below. The values assigned to the key assumptions represent management assessment of future trends in similar companies and are based on historical data from external and internal sources.

Key assumptions	2016	2015
Discount rate	9,3%	8,1%
Growth rate residual value	1,5%	1,5%
Forecast EBITDA growth rate (average 5 years)	9,3%	14,4%

The discount rate is a tax-exempt estimate and is based on the historical weighted average cost of capital of the industry where the unit belongs.

Forecasts of cash flows contain specific estimates for five years and an estimated growth rate in perpetuity for future years. This growth rate in perpetuity determined based on an assessment by the management for the long-term compound annual growth rate of EBITDA which is reasonable based on market conditions.

The main management assumptions include stable profit margins, based on past experience. The Group's management believes that this is the best available information on market forecasting. The estimated cash flows reflect profit margins based on historical data periods. They have not been taken into account the expected performance improvements of the unit. Prices and wages reflect the available inflation forecasts for the location of the unit.

Sensitivity Analysis <i>(in percentage points)</i>	Change required for carrying amount to equal recoverable amount	
	2016	2015
Discount rate	0,9	1,4
Forecast EBITDA growth rate	(1,8)	(2,8)

D. Development costs

Development costs are mainly staff payroll costs employed in software development tools that the Group uses to generate economic benefits, either providing services, or by incorporating the technical skills of software used by the Group to produce goods and services.

16. Inventory

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Raw materials and consumables	3.352.474	3.053.071	1.872.424	1.864.253
Work in progress	306.497	392.486	201.811	250.556
Finished and semi-finished goods	987.720	1.037.421	529.885	617.963
Merchandise	1.083.958	1.004.615	967.564	933.947
Prepayments for inventory purchase	328.447	328.563	312.487	315.269
Total	6.059.095	5.816.156	3.884.170	3.981.987

In 2016, inventories of the Group of amount € 26.590.929 (2015: € 27.239.984) were recognized as cost during the period and included in "Cost of Sales" of the Group (See relevant note 7(B)).

During 2016, part of the Group's inventories (relating entirely to the Company) recorded at net liquidation value lower of acquisition or production cost, as a consequence to burden the results (Other expenses) of an amount of € 35.569 (2015: € 7.600).

17. Trade and other receivables

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Trade receivables	12.263.290	13.554.197	5.396.159	6.098.744
Minus: Allowance for doubtful accounts	(996.390)	(986.050)	(782.828)	(782.828)
Total trade receivables	11.266.900	12.568.147	4.613.331	5.315.916
Trade receivables due from related parties	182.478	144.073	1.573.192	683.844
Total trade receivables due from related parties	182.478	144.073	1.573.192	683.844
Debtors-Prepayments to creditors	58.418	304.793	54.080	143.969
Personnel prepayments and loans	63.054	0	63.054	0
VAT and other Tax related receivables	59.791	108.094	0	0
Deferred expenses	489.832	292.631	255.632	273.248
Other non-financial receivables and assets	2.423	115.706	11.995	0
<i>Other receivables - non-financial instruments</i>	<i>673.518</i>	<i>821.223</i>	<i>384.761</i>	<i>417.218</i>
Accruals	30.051	42.013	30.051	42.013
Factoring receivables	43.961	45.845	0	0
Other financial receivables and assets	515.570	837.711	25.963	393.974
<i>Other receivables - financial instruments</i>	<i>589.582</i>	<i>925.569</i>	<i>56.014</i>	<i>435.987</i>
Other receivables	1.263.100	1.746.793	440.775	853.205

Total	12.712.479	14.459.013	6.627.299	6.852.965
Non-current	25.898	61.499	25.898	61.499
Current	12.686.581	14.397.514	6.601.401	6.791.466
	12.712.479	14.459.013	6.627.299	6.852.965

Information in relation to exposure to credit risk is included in note 25.

A. Transfer of trade receivables

During 2016, the Group transferred trade receivables to a financial institution against cash, of which an amount of € 2.2 million is uncollected. The amount financed from the financial institution was derecognized from trade receivables of the Group as the financial institution retains substantially all the risks and rewards associated with the above receivables. This amount is entirely related to the Company.

18. Cash and cash equivalents

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cash at hand	3.829	55.626	1.655	11.332
Bank balances	922.266	3.872.243	700.718	3.532.009
Total	926.095	3.927.869	702.373	3.543.341

The Group does not hold deposits pledged to secure an obligation.

Equity and liabilities

19. Capital and reserves

A. Share capital and share premium

The Company's share is freely traded on the Athens Stock Exchange and participates in the Industrial Goods & Services / Business Support Services and in the large cap index.

Share capital consists exclusively of ordinary shares, fully paid up. In the Company's shares are not included shares with revoke right or preference shares. Moreover, the Company has not issued any bonds or other securities convertible into shares.

The share premium of the Group and the Company comes from previous issuing of shares for cash at a value higher than their nominal value.

The share capital and share premium of the Group and the Company as at December 31, 2016 were as follows:

Number of shares	Value in Euro			
	Price/ share	Share capital	Share premium	Total
20.578.374	0,62	12.758.592	13.805.791	26.564.383

B. Nature and purpose of reserves

The reserves of the Group and the company are analyzed as follows:

Reserves	GROUP	
	31/12/2016	31/12/2015
Translation reserve	(1.261.569)	(1.173.553)
Revaluation reserve	16.650.720	16.959.220
IAS 19 reserve	(136.747)	(108.498)
Total	15.252.404	15.677.169

Reserves	COMPANY	
	31/12/2016	31/12/2015
Revaluation reserve	5.614.730	5.920.061
IAS 19 reserve	(136.747)	(108.498)
Other reserve	7.707.254	7.707.255
Total	13.185.237	13.518.818

Other reserves represent the legal reserve and the tax-exempt reserves and are analyzed as follows:

i. Statutory reserve amount € 4.261.895,17

The legal reserve is formed under the provisions of Greek Law (L.2190 / 20, Articles 44 and 45) in which an amount at least equal to 5% of the profit (after tax) must be transferred to the reserve until reaches one third of the paid share capital. The legal reserve may be used to cover losses after the Annual General Meeting of shareholders, and therefore can not be used for any other purpose.

ii. Tax exempt reserves amount € 3.445.360,86

Tax exempt reserves are formed under the provisions of tax laws by taxed, untaxed or specially taxed income and revenue. These reserves can be capitalized or distributed to the Annual General Meeting of Shareholders, taking into account the restrictions that may apply every time.

C. Dividends

The General Meeting for the year 2016, held on 24/6/2016, approved the relative proposal of the Company's Board of Directors on distribution of dividends of € 0.07 (net of taxes € 0.063) per share, i.e. a total amount of dividends of € 1.440.486,18. The aforementioned amount was fully paid in July of the current year 2016. The Board of Directors intends to propose to the upcoming General Meeting, held in 2017, the distribution of dividends of € 1,440.486,18 ie € 0.07 per share.

20. Capital management

The Group's policy is to maintain a strong capital base so as to maintain a high level of confidence of shareholders, creditors and the market, as well as to sustain future development of the business. Management monitors the return on capital and aims at a medium-term performance of dividends to shareholders.

The board of directors tries to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital base.

Consistent with others in the industry, the Group monitors capital using a leverage ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as "Total debt" (including "current and non-current borrowings" as shown in the Statement of Financial Position) minus "Cash and cash equivalents". Total capital employed is calculated as 'equity' as shown in the statement of financial position plus net debt.

The leverage ratios of 31/12/16 and 31/12/15 were as follows:

	GROUP	
	31/12/2016	31/12/2015
Total loan liabilities	17.580.885	14.744.579
Minus: Cash and cash equivalents	(926.095,01)	(3.927.869,00)
Adjusted net debt	16.654.790	10.816.710
Total equity	50.433.690	53.132.765
Adjusted net debt to equity ratio	0,25	0,17

21. Loans and borrowings

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Non-current liabilities				
Secured bank loans	807.442	1.252.442	0	0
Finance lease liabilities	3.450.021	1.323.754	3.382.937	1.179.258
	4.257.463	2.576.196	3.382.937	1.179.258
Current liabilities				
Secured bank loans	440.420	442.036	0	0
Unsecured bank loans	11.234.551	9.816.906	10.400.000	8.900.000
Bank overdraft	737.540	1.551.088	0	0
Finance lease liabilities	910.910	358.353	857.307	316.525
	13.323.422	12.168.383	11.257.307	9.216.525

A. Terms and maturity

The terms and conditions of Group's loans at 31/12/2016 are as follows:

Lender/Bank	Currency	Nominal interest rate	Year of maturity	Pledge type	Carrying amount
<i>Secured bank loans</i>	RON	ROBOR 3 months + 3%	2019	Pledge on Land and Building	1.247.862
<i>Unsecured bank loans</i>					11.972.091
	EUR	Euribor 1m+6%	2016	-	10.400.000,00
	EUR	Euribor 3m+3,5%	2016	-	834.551,30
	RON	ROBOR 3 months + 2.7%	2017-2018	Pledge on Land and Building	737.540,01
<i>Finance lease liabilities</i>					4.360.931
	EUR	6%	2021	Pledge on leased equipment	1.021.153,88
	EUR	9%	2017	Pledge on leased equipment	158.335,85
	EUR	4%-5%	2023	Pledge on leased equipment	3.060.754,61

				equipment	
	EUR	4,65%	2019	Pledge on leased equipment	95.943,78
	EUR	Variable	2018	-	22.453,45
	EUR	8%	2019	-	2.289,55
					17.580.885

For the coverage of secured loans, there are encumbrances of an amount € 4.4 million.

B. Finance lease liabilities

Finance lease liabilities are payable as follows:

	GROUP					
	Future minimum lease payments 2016	Interest 2016	Present value of minimum lease payments 2016	Future minimum lease payments 2015	Interest 2015	Present value of minimum lease payments 2015
Less than one year	1.015.160	104.251	910.910	483.297	100.164	383.132
Between one and five years	3.574.986	260.016	3.314.970	1.486.881	187.906	1.298.975
More than five years	139.903	4.852	135.051	0	0	0
	4.730.049	369.118	4.360.931	1.970.177	288.070	1.682.107

	COMPANY					
	Future minimum lease payments 2016	Interest 2016	Present value of minimum lease payments 2016	Future minimum lease payments 2015	Interest 2015	Present value of minimum lease payments 2015
Less than one year	956.386	99.079	857.307	407.114	90.590	316.525
Between one and five years	3.505.672	257.786	3.247.887	1.350.622	171.364	1.179.258
More than five years	139.901	4.851	135.051	0	0	0
	4.601.959	361.715	4.240.244	1.757.737	261.954	1.495.782

22. Trade and other payables

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Trade payables	7.381.184	9.692.073	3.007.252	4.557.173
Accrued expenses	1.255.109	54.546	0	0
Trade payables	8.636.294	9.746.619	3.007.252	4.557.173
Other trade payables due to related parties	367.196	2.959.297	1.252.613	1.934.781
Trade payables due to related parties	367.196	2.959.297	1.252.613	1.934.781
Social security	353.703	364.895	256.944	306.388
Wages and salaries payable	79.395	65.409	(83)	0
VAT payable and other taxes	606.644	700.034	496.220	607.958
Other non-financial payables	22.093	400.059	22.093	351.899
<i>Other payables - non-financial instruments</i>	1.061.835	1.530.396	775.173	1.266.245
Dividends payable	20.026	19.302	15.822	15.083
Accruals	100.045	105.133	100.045	102.853
Other financial payables	15.740	31.397	0	0
<i>Other payables - financial instruments</i>	135.811	155.832	115.867	117.936
Other payables	1.197.645	1.686.229	891.040	1.384.180
Total	10.201.136	14.392.145	5.150.905	7.876.134

Non current	0	39.000	0	0
Current	10.201.136	14.353.145	5.150.905	7.876.134
	10.201.136	14.392.145	5.150.905	7.876.134

Information about the Group's exposure to currency and liquidity risk is included in note 25.

23. Deferred income / revenues

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Customer advances	716.824	872.822	653.934	863.996
	716.824	872.822	653.934	863.996
Non current	0	0	0	0
Current	716.824	872.822	653.934	863.996
	716.824	872.822	653.934	863.996

24. Provisions

	GROUP			
	Litigations costs *	Restructuring costs	Other	Total
Balance at 1 January 2016	0	944.439	0	944.439
Provisions made during the year	300.947	0	0	300.947
Provisions used during the year	0	(944.439)	0	(944.439)
Balance at 31 December 2016	300.947	0	0	300.947
Non current	0	0	0	0
Current	300.947	0	0	300.947
	300.947	0	0	300.947

*See note 4vi.

Financial instruments

25. Financial instruments – Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts of the financial instruments of the Group. The specific financial assets and liabilities are not measured at fair value:

31/12/2016	GROUP Carrying amount		
	Loans & receivables	Other financial liabilities	Total
Financial assets not measured at fair values			
Trade and other receivables	12.038.961	0	12.038.961
Cash and cash equivalents	926.095	0	926.095
	12.965.056	0	12.965.056
Financial liabilities not measured at fair values			
Bank loans	0	13.219.953	13.219.953
Finance lease liabilities	0	4.360.931	4.360.931
Trade payables	0	9.139.301	9.139.301
	0	26.720.186	26.720.186

31/12/2015	Carrying amount		
	Loans & receivables	Other financial liabilities	Total
Financial assets not measured at fair values			
Trade and other receivables	13.637.789	0	13.637.789
Cash and cash equivalents	3.927.869	0	3.927.869
	17.565.658	0	17.565.658
Financial liabilities not measured at fair values			
Bank loans	0	13.062.472	13.062.472
Finance lease liabilities	0	1.682.107	1.682.107
Trade payables	0	12.861.748	12.861.748
	0	27.606.327	27.606.327

B. Risk management

The Group has exposure to various risks arising from financial instruments. Financial assets and financial liabilities of the Group by category are summarized in Note 25 (A). The main types of these risks are the following:

- Credit Risk
- Liquidity Risk
- Market Risk

i. Risk management framework

Risk management is coordinated at group level, in close cooperation with the Board of Directors and is focused primarily on actively ensuring short and medium-term cash inflows by minimizing exposure to volatile financial markets.

The Group does not actively participate in the purchase or sale of financial instruments for profit. The major risks to which the Group is exposed are described below.

ii. Credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Further details of revenue collection are included in note 7.

Trade receivables

In managing credit risk, the Board of Directors formulates the procedures and policies necessary for the effective prevention and management of credit risk.

The Board of Directors, in collaboration mainly with General, Finance and Commercial Division:

- Establish and apply credit control procedures in order to minimize credit risk and immediately covering claims with promissory notes.
- Assess the needs of the Group's equity for credit risk.
- Carry out the separation of assets and other exposure requirements overdue and doubtful debts (impaired).
- Check the requirements, either individually or by group, and incorporates this information to the controls of credit control.
- Determine the amounts of required impairments for doubtful debts.
- Identify policies and valuation procedures and management processes of any collaterals.
- Analyze the various categories of exposures based on their residual maturity.
- Evaluate the collateral provided for the Group.
- Check the integrity, reliability and accuracy of the data sources used and the procedure of such date version.
- Evaluate in cooperation with the Commercial Division, the creditworthiness of the counterparties clients.

To reduce credit risk, are taken into account the creditworthiness of the counterparty, the risk of the country and the economy of the area in which it operates, as well as qualitative and quantitative characteristics.

It is noted, that sales related to the vast majority and wholesale sales to customers with credit history and with great dispersion in their balances. The Group's policy is to work only with reputable clients.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables (see Note 17).

At 31 December 2016, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Trade receivables per country	31/12/2016
Austria	69.372
Greece	4.182.308
Romania	6.387.654
United Kingdom	1.740
Germany	23.480
Albania	207.199
Bulgaria	5.588
Egypt	89
Kosovo	14.602
France	210.252
Morocco	151.892
Malta	325
Cyprus	12.400
Total	11.266.900

At 31 December 2016, the ageing of trade and other receivables that were not impaired was as follows:

	31/12/2016
Neither past due nor impaired	8.814.732
Past due but not impaired	
Past due 31-90 days	806.531
Past due 91-120 days	213.849
Past due more than 121 days	1.431.789
Total	11.266.900

Management believes that the unimpaired amounts that are past due by more than 121 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk by the Group.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term, easy liquidated investments that are convertible into cash and are so near maturity, that present insignificant risk of changes to the valuation at the time of liquidation.

iii. Liquidity risk

Liquidity risk is the risk that the Group faces difficulty in paying its liabilities. The Group manages its liquidity needs by monitoring the contractual payments on the debt for the long-term financial liabilities, and the cash flow forecasts and outputs needed for daily operations. Liquidity needs are monitored in various time bands, on a daily and weekly basis and on the basis of a rolling projection of 30 days. Long-term liquidity needs are determined monthly for a period of 180 and 360 days. Net cash requirements are compared to available borrowing limits, to determine the maximum amount or any deficiencies. This analysis shows that available borrowing limits are expected to be adequate.

The Group aims to maintain cash and deposits to meet its liquidity needs for periods of 30 days at least. The objective is met for the reporting periods. Funding for long-term liquidity needs is ensured in addition by an adequate amount of committed credit facilities. Emphasis is given on proper management of inventories, receivables and liabilities in order to provide the maximum of liquidity to the Group.

Exposure to liquidity risk

At 31 December 2016, the Group's financial liabilities (not derivatives) have contractual maturities (including interest payments where applicable) as summarized below:

31 December 2016	GROUP								
	Carrying amount	Total	2017	2018	2019	2020	2021	2022	2023 and later
Financial liabilities									
Secured bank loans	1.247.862	1.357.140	503.952	476.707	376.481	0	0	0	0
Capital repayments			440.420	440.420	367.022	0	0	0	0
Interest payments			63.532	36.287	9.459				
Unsecured bank loans	11.234.551	11.858.551	11.858.551	0	0	0	0	0	0
Capital repayments			11.234.551	0	0	0	0	0	0
Interest payments			624.000						
Bank overdrafts	737.540	737.540	737.540	0	0	0	0	0	0
Finance lease liabilities	4.360.931	4.730.049	1.015.161	861.462	763.583	736.202	717.972	495.767	139.902
Capital repayments			910.910	775.326	695.568	685.221	684.981	473.874	135.051
Interest payments			104.251	86.136	68.015	50.980	32.991	21.893	4.852
Trade payables	8.636.294	8.636.294	8.636.294	0	0	0	0	0	0
Other payables - financial instruments	135.811	135.811	135.811	0	0	0	0	0	0
	26.352.989	27.455.385	22.383.357	861.462	763.583	736.202	717.972	495.767	139.902

iv. Market risk

In relation to the market risk arising from the general market conditions, the Group has reduced exposure to this risk due to the geographical dispersion of an equal allocation of sales between Greece, Romania and Other Countries with major exposure in Central and Eastern Europe. An important part of these sales is addressed to the financial sector, especially in Banks. The ongoing economic downturn makes the markets in which the Group operates more vulnerable. However, the products produced for the private and government organizations are essential both for their daily operations and for their development. In addition the Group achieved significant reductions in operating costs. As a result Group is highly competitive and can provide the high level of products and services in competitive prices.

The Group is not using derivatives to manage market risks.

In relation to the risks arising from volatility in interest and exchange rates:

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of Group companies is

primarily the Euro (EUR). The currencies in which these transactions are primarily denominated as shown in the following table are mainly RON.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

31/12/2016	EUR	RON	ALL	USD	GBP	Other	Total
Trade receivables	4.785.585	6.643.937	19.856	0	0	0	11.449.379
Other receivables	716.953	527.408	18.739	0	0	0	1.263.100
Cash and cash equivalents	853.047	58.253	14.633	163	0	0	926.095
Bank loans	(15.602.720)	(1.978.165)	0	0	0	0	(17.580.885)
Trade payables	(4.196.460)	(4.785.995)	(14.307)	(3.879)	(1.197)	(1.652)	(9.003.490)
Other payables	(909.323)	(282.365)	(5.957)	0	0	0	(1.197.645)
Net statement of financial position exposure	(14.352.918)	183.072	32.965	(3.716)	(1.197)	(1.652)	(14.143.446)

Exposure to currency fluctuations is mainly in the exchange differences arising on the incorporation in the consolidated financial statements of the financial statements of the Group's subsidiaries in Romania and their conversion from functional currency RON to presentation currency EUR.

Sensitivity analysis

A reasonably possible strengthening of RON against EUR would have the following results:

RON (10% increase)	2016
Earnings before taxes	(40.287)
Equity	(2.224.577)
RON (10% decrease)	2016
Earnings before taxes	49.239
Equity	2.718.927

Interest rate risk

Interest rate risk is the risk of the results from the fluctuation of interest rates.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	2016
Variable-rate instruments	
Cash and cash equivalent	922.266
Loans	17.580.885
	18.503.151

Sensitivity analysis

A reasonable change in interest rates in the range of +/- 100bp would result the following changes in the income before taxes and equity of the Group:

	2016
Profit or Loss	
100bp increase	175.809

100bp decrease	(175.809)
Equity, net of tax	
100bp increase	124.824
100bp decrease	(124.824)

v. Risks arising from the general economic environment

The latest developments which resulted in imposing restrictions on the movement of capitals (capital controls), as well as the continuation of negotiations to finalize a medium-term program to support the Greek economy, are the factors of increased uncertainty regarding the general medium to long term economic operating conditions prevailing in the domestic market and potentially having a negative impact on the growth of the Greek economy and, by extension, the country's GDP in 2016 and 2017. Additionally, the application of new tax measures is likely to impede the ability of some companies to respond and settle their obligations on time.

The macroeconomic environment, created by these events, generates the risks, the most significant of which relate to liquidity of the financial system and of the entities, collectability of receivables, impairment of their assets, recognition of revenues, settlement of the existing debt obligations and / or satisfying the terms and financial indicators, recoverability of deferred tax benefits, valuation of financial instruments, adequacy of provisions and the possibility of continuation of business operations.

The afore-mentioned and other potentially arising adverse developments in Greece may negatively - to some extent - affect liquidity, earnings and the financial position of the Greek operations of the Group. However, despite the afore-mentioned economic conditions and even further adverse developments, the Group's Management expects to fully maintain the total operations of all the companies of the Group, both domestic and abroad. These estimates are mainly based on the following conditions / events:

- The significant and strategic, export orientation of the Group regarding all sectors of activity (sales, production, etc.). Indicatively, the Group sales in foreign countries (outside Greece) represent approximately 51% of total sales (see note5).
- Strong capital structure and significant positive financial performance achieved by AUSTRIACARD Group AG (formerly Lykos AG) the parent company of the Group headquartered in Vienna, Austria.

Group composition

26. List of subsidiaries

Set out below is a list of all subsidiaries of the Group as at 31/12/2016:

Company	Country	Participation percentage	Consolidation method	Participation relationship
Inform P. Lykos S.A.	Greece	Parent	-	Parent
Lykos Paperless Solutions S.A.	Greece	99,91%	Full	Direct
Terrane L.T.D.	Cyprus	100,00%	Full	Direct
Inform Lykos (Romania) L.T.D.	Cyprus	98,19%	Full	Indirect
Inform Lykos S.A.	Romania	98,19%	Full	Indirect
Compaper Converting S.A.	Romania	95,68%	Full	Indirect
Sagime GmbH	Austria	100,00%	Full	Direct
Albanian Digital Printing Solutions Sh.p.k.	Albania	51,00%	Full	Direct

27. Non-controlling interests (NCI)

The Group does not include subsidiary with material non-controlling interests.

Other disclosures

28. Operating leases

Leases are classified as finance lease, when the terms of the relevant contracts transfer substantially all the risks and benefits of the object which is rented to the lessee. Leases where substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the term of the lease.

Group does not lease important contracts in terms of duration or value except those relating to property leases with related companies.

At 31 December, the future minimum finance lease payments are set out in Note 21 (B).

29. Commitments

The Group has not entered into important commitments apart from those mentioned in subsections (loans, finance lease contracts etc.).

30. Contingencies

In 2016, the Competition Council of Romania imposed a fine of approximately € 0.8 million on the subsidiary of the Group, Inform Lykos, S.A., (ILR), in Romania. As the management is convinced that the Group has complied with the competition law and that the verdict is unjustified and disproportional, it has appealed against this verdict. At the date of issuance of this report, the lawsuit was still ongoing. Within the scope of the principle of prudence, Group management has formed a provision of € 0.3 million for this lawsuit, which is included in the consolidated financial statements.

Besides the aforementioned case, there are no other judicial or legal claims that are expected to affect significantly the financial position of the company as at 31/12/2016.

The Company has not been tax audited by tax authorities for the years from 2009 and 2010. Contingently arising taxes are not expected to have a significant effect on the financial statements.

For the years 2011-2015, the Greek companies of the Group are subject to tax audit conducted by Chartered Accountants in compliance with the provisions of Article 82, par. 5, Law 2238/1994. For the year 2014 the Greek companies of the Group are subject to tax audit conducted by Chartered Accountants in compliance with the provisions of Article 65A, Law 4174/2014. This audit for the years 2011 - 2014 has been completed and the relative unqualified conclusions tax compliance certificates have been issued. The tax audit for the year 2016 is in progress and is expected to be completed without substantial tax burdening.

Regarding subsidiaries and related companies, they have not been tax inspected by tax authorities for the years, presented below, and therefore, their tax liabilities in respect of these years have not been finalized:

Company	Domicile	Tax unaudited years
Inform P. Lykos S.A.	Greece	2009-2010, 2016
Lykos Paperless Solutions S.A.	Greece	2010, 2016
Terrane Ltd	Cyprus	2012-2016
Inform Lykos (Romania) L.T.D	Cyprus	2013-2016
Inform Lykos S.A	Romania	2005-2016
Compaper Converting S.A	Romania	2001-2016
Sagime GmbH	Austria	2013-2016
Albanian Digital Printing Solutions Sh.p.k.	Albania	2012-2016

Apart from the aforementioned, there are no other cases of contingent liabilities or contingent receivables, which could significantly affect the Group or the Company financial position or operation.

Encumbrances

There are encumbrances on the Group's fixed assets with value of € 4.4 million in order to cover loan obligations. There are no encumbrances on the parent company's fixed assets.

31. Audit fees

Annual audit fees for the current year 2016 were € 115 thousand.

32. Related parties

The operational and investment activity of the Group creates certain earnings, assets or liabilities that concern except others related companies or individuals persons. These transactions are realised in commercial base and according to the laws of market. The Group did not participate in any transaction of uncommon nature or content which is essential for the Group, or the companies and the individuals connected closely with this, and does not aim to participate in such kind of transactions in the future.

The table below presents analytically all the intercompany transactions during the years 2016 and 2015 as well as the balances arising from these transactions as at 31/12/16 and 31/12/15 respectively:

Sales of goods or services

	GROUP		COMPANY	
	2016	2015	2016	2015
Subsidiaries	0	0	791.027	456.046
Other related parties	540.489	231.350	347.260	203.623
Total	540.489	231.350	1.138.287	659.669

Purchases of goods or services

	GROUP		COMPANY	
	2016	2015	2016	2015
Subsidiaries	0	0	3.347.687	3.507.526
Other related parties	4.049.834	6.232.290	3.908.770	6.030.073
Total	4.049.834	6.232.290	7.256.457	9.537.599

Granted loans

	GROUP		COMPANY	
	2016	2015	2016	2015
Subsidiaries		0	60.000	30.000
Total	0	0	60.000	30.000

Balances of receivables from sales of goods or services

	GROUP		COMPANY	
	2016	2015	2016	2015
Subsidiaries	0	0	1.101.156	114.965
Other related parties	182.478	144.073	53.054	68.870
Total	182.478	144.073	1.154.210	183.835

Balances of liabilities from purchases of goods or services

	GROUP		COMPANY	
	2016	2015	2016	2015
Subsidiaries	0	0	905.471	162.098
Other related parties	367.196	2.959.297	347.142	1.772.683
Total	367.196	2.959.297	1.252.613	1.934.781

Income from dividends

	GROUP		COMPANY	
	2016	2015	2016	2015
Subsidiaries	0	0	0	0
Total	0	0	0	0

Remuneration of key executives

	GROUP		COMPANY	
	2016	2015	2016	2015
Key executives	491.727	389.496	491.727	389.496
Total	491.727	389.496	491.727	389.496

Balances of receivables from key executives

	GROUP		COMPANY	
	2016	2015	2016	2015
Key executives	0	0	0	0
Total	0	0	0	0

Balances of liabilities to key executives

	GROUP		COMPANY	
	2016	2015	2016	2015
Key executives	0	0	0	0
Total	0	0	0	0

33. Subsequent events

Apart from the aforementioned events, there are no other events subsequent to 31/12/2016 that can have a significant impact on the financial statements of the Group.

Accounting policies

34. Basis of measurement

The attached separate and consolidated financial statements have been prepared on the historical cost basis except for the assets, which are measured on fair values and are described in the relevant Note 4(v).

35. Changes in accounting policies

New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2016.

- [Amendments to IAS 19: "Defined Benefit Plans: Employee Contributions"](#) (effective for annual periods starting on or after 01/02/2015)

In November 2013, the IASB published narrow scope amendments to IAS 19 "Employee Benefits" entitled Defined Benefit Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments do not affect the consolidated Financial Statements.

- [Annual Improvements to IFRSs – 2010-2012 Cycle](#) (effective for annual periods starting on or after 01/02/2015)

In December 2013, the IASB issued Annual Improvements to IFRSs - 2010-2012 Cycle, a collection of amendments to IFRSs, in response to seven issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 2: Definition of 'vesting condition', IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 16 / IAS 38: Revaluation method—proportionate restatement of accumulated depreciation and IAS 24: Key management personnel services. The amendments do not affect the consolidated 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. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The amendments do not affect the consolidated 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 published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments do not affect the consolidated 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 published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments do not affect the consolidated Financial Statements.

- [Amendments to IAS 27: "Equity Method in Separate Financial Statements"](#) (effective for annual periods starting on or after 01/01/2016)

In August 2014, the IASB published narrow scope amendments to IAS 27. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The amendments do not affect the consolidated Financial Statements.

- [Annual Improvements to IFRSs – 2012-2014 Cycle](#) (effective for annual periods starting on or after 01/01/2016)

In September 2014, the IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 5: Changes in methods of

disposal, IFRS 7: Servicing Contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements, IAS 19: Discount rate: regional market issue, and IAS 34: Disclosure of information “elsewhere in the interim financial report”. The amendments do not affect the consolidated 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. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The amendments do not affect the consolidated 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 published narrow scope amendments to IFRS 10, IFRS 11 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards.

36. Significant accounting principles

Except for the changes explained in Note 35, the Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

A. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (A) (ii)). At the date of acquisition the Group recognizes separately from goodwill, the recognized assets acquired, the liabilities incurred and any non-controlling participations to the merged subsidiary. The recognized assets and the liabilities incurred should satisfy the definitions of assets and liabilities in the framework of preparation and presentation of Financial Statements at the date of acquisition, in order to fulfil the criteria of recognition by the purchase method. The Group measures the acquired recognized assets and the liabilities incurred at fair values at the date of acquisition. The amount paid in return for the acquisition is measured at fair value, which is estimated as the sum of fair value at the date of acquisition of the assets by the Group, the liabilities incurred if any to the previous owners and participation rights issued by the Group.

A cash element, receivable by or payable to a foreign operation, whose settlement has not been programmed or expected to be in the near future, consists, practically, a part of the net investment of the Group in this operation. Long-term receivables or loans are included in such cash elements. These elements do not include trade receivables or payable accounts.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the parent company and its subsidiaries, used for the preparation of consolidated financial statements, are prepared at the same date.

Consolidated financial statements are prepared based on uniform accounting policies for similar transactions and other events, under similar conditions. Accounting principles of subsidiaries are modified, if required, in order to be uniform to those adopted by the Group.

In its separate financial statements, the Company accounts for investments in subsidiaries at acquisition cost less potential impairment.

iii. Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. Investments in subsidiaries' net assets

The Group does not include interests in associates or joint ventures, therefore it does not include equity interests in other companies.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated.

B. Foreign currency

The financial statements of the Group companies are measured using the currency of the economic environment in which the entity operates (the functional currency). The financial statements are presented in Euro € which is the functional and presentation currency of the parent. The functional currency of subsidiaries is also the Euro €, except for the subsidiary in Romania, where the functional currency is the Romanian RON and the subsidiary in Albania, where the functional currency is the ALL.

i. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- Available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

iii. Hedge of a net investment in foreign operation

The Group does not use risk hedging for foreign currency differences arising between the functional currency of the foreign operation and the Company's functional currency.

C. Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations
- or is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations
- or is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

D. Revenue

Revenue: Revenues comprise the fair value of sale of goods and services, net of value added tax, rebates and discounts. Sales within the Group are eliminated. The recognition of revenues is as follows. Revenues comprise the fair value of sale of goods and services, net of value added tax, rebates and discounts. Sales within the Group are eliminated. The recognition of revenues is as follows:

Sales of goods: Sales of goods are recognized when the Group delivers the goods to the customer; the customer has accepted the products and collectability of the related receivable is reasonably assured.

Revenue from services: Revenue from services is recognized in the period in which the services are provided, based on the completion stage of the service in relation to all the services provided.

Interest income: Interest income is recognized on a time proportion basis using the effective interest method.

Dividends: Dividends are recognized as income when the right to receive payment.

E. Employee benefits

i. Short-term benefits

Short-term employee benefits include:

- Daily wages, salaries and social security contributions
- Short term compensated absences, such as annual paid leave and sick paid leave when the absences are expected to happen in the next 12 months, after the end of the year in which the employees offer the relevant service.
- Profit appropriation and exceptional benefits paid in 12 months after the end of the year, in which the employees offer the relevant service
- Non-monetary benefits (like medical care, residence, cars and free or subsidized goods or services) for current employees.

Short-term employee benefits (except for termination of employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is recorded as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

ii. Defined contributions plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

v. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

F. Government grants

Government Grant is a financial aid provided by the State in a form of a fund transfer to a company, in return to its compliance by certain conditions regarding its operations. Government grants which cannot be evaluated because of their form, are not included to the above concept and the same applies to the transactions with the State which cannot be separated from the usual transactions of the company.

Grants regarding assets are government grants with a basic condition that in order for a company to be entitled for it, must buy, construct or acquire by any other way, long lived assets.

Grants regarding income are government grants not related to the acquisition of assets.

The Group recognizes government grants which satisfy cumulative the following criteria: a) there is a concluded certainty that the company complies or is about to comply with the conditions of the grant and b) the amount of the grant has been received or is thought possible to be received. Grants are recorded at fair value and recognized systematically as income, based on the principle of relating grants to the respective costs which they finance.

Grants regarding assets are included in the long term liabilities as income of following years and systematically recognized as income during the useful life of the fixed asset.

G. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

H. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method. the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost of inventories does not include any financial expenses.

I. Property, plant and equipment

i. Recognition and measurement

Property, buildings or plant used for production, disposal of goods or services, or for cover of needs of administrative services of Company, are presented in the balance sheet at their readjusted values, less their accumulated depreciation and potential impairment. The management decides on readjustments of value of these assets at intervals, so that the balances in the statement of Financial Position do not essentially differ from fair values as at reporting date.

When the carrying amount of property, building or plant is increased by a re-adjustment, this increase will be recorded in the statement of comprehensive income and then accumulated to equity as a readjustment surplus. In case the accounting value of buildings or land is reduced in the future following a readjustment, this reduction will be recorded in the statement of comprehensive income up to the amount of the existing credit balance of readjustment surplus. Any excess of impairment loss over this surplus will be recorded in the income statement.

The remaining categories of tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Buildings	20-50
Plant and machinery	3-20
Motor Vehicles	10
Other equipment	3-20

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at every date of balance sheet. When an asset's carrying amount is higher than its estimated recoverable amount, the difference (devaluation) is carried directly to the income statement as an expense.

iv. Reclassification from investment property to owner-occupied property

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

J. Intangible Assets and Goodwill

i. Recognition and measurement

Element	Measurement
Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Research and development expenses	Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets	Other intangible assets, including software licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised but tested (at least) annually for impairment according to I.A.S. 36.

The estimated useful lives for current and comparative periods are as follows:

	Years
Development costs	2-5
Software licenses	5-10

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

K. Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

L. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

M. Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

i. Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

ii. Non-derivative financial assets – Measurement

Element	Measurement
Financial assets at fair value through profit or loss	A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.
Loans and receivables	These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

iii. Non-derivative financial liabilities – Measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

N. Share capital

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

O. Impairment

i. Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For financial assets measured at amortised cost, the Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

ii. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

P. Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Categories	Accounting principle
Warranties	A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.
Restructuring	A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.
Onerous contracts	A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Q. Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

ii. Leased assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the statement of financial position of the Group.

iii. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

37. New Standards, Interpretations and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- 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 aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union, until the issuance of the final Standard.

- 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 Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 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 package of improvements introduced by the final version of the Standard, includes 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 examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

- Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (the IASB postponed the effective date of this amendment indefinitely)

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28. The objective of the aforementioned amendments is to address an acknowledged 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, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have 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 examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have 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 January 2016, the IASB published narrow scope amendments to IAS 12. 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 examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published 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 examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have 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 published 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 examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have 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 published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for 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 examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have 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 published amendments to IFRS 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 examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- [Annual Improvements to IFRSs – 2014-2016 Cycle](#) (effective for annual periods starting on or after 01/01/2017 and 01/01/2018)

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle are the following: IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have 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 examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have 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. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Koropi Attica, April 10, 2017

CHAIRMAN OF THE BoD

VICE CHAIRMAN & GROUP CEO

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