PLAISIO COMPUTERS S.A.

ANNUAL FINANCIAL REPORT

01.01.2016 – 31.12.2016

TRADE RESGISTER No: 16601/06/B/88/13

G.E.MI. No: 121561160000

MAGOULA ATTICA (LOCATION SKLIRI)

PLAISIO COMPUTERS S.A.

Annual Financial Report

January 1st to December 31st 2016,

conducted according to article 4 of the law 3556/2007 and

to the relevant decisions of the Hellenic Capital Market Commission

It is asserted, that this Annual Financial Report for 2016 (01.01.2016-31.12.2016) is the one approved by the Board of Directors of Plaisio Computers S.A. on March 30th 2017 and is posted on the legally registered website www.plaisio.gr, where it will remain at the disposal of the investing public for at least ten (10) years after its publication.

TABLE OF CONTENTS

*These financial statements and notes to the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document

CHAPTER 1: STATEMENT OF THE MEMBERS OF THE BOARD

The following members of the Board of Directors of the "Company Plaisio Computers S.A." and especially:

1. George Gerardos of Konstantinos, resident of Magoula Attica, Thesi Skliri, Chairman of the Board of Directors and CEO
2. Konstantinos Gerardos of George, resident of Magoula Attica, Thesi Skliri, Vice-Chairman of the Board of Directors and CEO
3. George Liaskas of Charilaos, resident of Vrilissia Attica, 9 Kolokotroni Street, Member of the Board of Directors,

with our above-mentioned capacity and according to article No. 4, paragraph 2, of the law 3556/2007, as it stands today, and as especially assigned from the Board of Directors of the Public Listed Company under the name "PLAISIO COMPUTERS SA" (hereafter referred to as the "Company" or as "PLAISIO"), we state and we assert that to the best of our knowledge:

(a) The financial statements of the Company (and the consolidated) for the period 2016 (01.01.2016-31.12.2016), which were compiled according to the standing accounting standards, depict in a truthful way the assets and the liabilities, the equity and the results of the Group and the Company, as well as the companies which are included in the consolidation as a total, and

(b) The Report of the Board of Directors of the Company presents in a truthful way the significant events that took place in the financial year of 2016, the evolution and the position of the Company, as well as the companies that are included in the consolidation as a total, including the main risks and uncertainties they face.

Magoula Attica, March 30th 2017

The asserting,

The chairman of the Board & C.E.O.	The members that were appointed by the Board of Directors	
George K. Gerardos	Konstantinos G. Gerardos	George C. Liaskas
ID no. AI 597688	ID no. AM 082744	ID no. AB 346335

CHAPTER 2: REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD 2016

INTRODUCTION

The present Report of the Board of Directors (from now on referred to as the ''Report''), which follows refers to the financial year of 2016 (01.01.2016-31.12.2016).

This Report was compiled and is in line with the relevant stipulations of the law 3556/2007 (Government Gazette 91A'/30.04.2007), as well as the published decisions of the Hellenic Capital Market Commission and especially the Decisions of the Board of Directors of the Capital Market Commission with numbers 8/754/14.04.2016 and 1/434/03.07.2007.

The present Report contains in a brief, but substantive manner all the important units, which are necessary, based on the above-mentioned legislative frame and depicts in a truthful way all the relevant indispensable according to law information, in order to deduce a substantive and well-founded appraisal of the activity, during the time period in question, of the company "PLAISIO COMPUTERS SA" as well as of the Group. In the Group, apart from Plaisio, also the following associated companies are included:

1. Plaisio Computers J.S.C., which is located in Sofia Bulgaria, in which Plaisio participates with 100%.
2. Plaisio Estate S.A, which is located in Kiffisia Attica, in which Plaisio participates with 20%.
3. Plaisio Estate J.S.C, which is located in Sofia Bulgaria, in which Plaisio participates with 20%.

The present Report accompanies the financial statements of 2016 (01.01.2016-31.12.2016). Given that the Company also compiles consolidated financial results, the present report is single, the main point of reference is the consolidated financial figures of the Company and the associate companies, and the parent company's figures are referred to when it is considered necessary in order to better understand its content. For the above mentioned reasons, the information needed according to the case b', paragraph 3 of article 107a of the law 2190/1920, is included in the present chapter of the Report of the Board of Directors that also includes the Corporate Governance Statement.

This Report is included integral with the financial statements of the Group and the Company and the other elements that are dictated by the law elements and statements of the financial report that refers to the financial year of 2016. The units of the Report and their content are as follows:

UNIT A: IMPORTANT EVENTS DURING THE FISCAL YEAR OF 2016

The important events which took place during the fiscal year 2016 (01.01.2016-31.12.2016), for the Company and the Group, plus their impact on the financial results are the following in the order they took place:

1. Notification of the renewal of the appointment of MARKET MAKER

The Company informed the investing public, that the duration of the market making agreement signed on the 16th of February 2015 with Eurobank Equities S.A. is extended for one (1) more year and particularly by the 1st of March 2017.

It is noted, based on the aforementioned contract and according to the terms and conditions of the agreement, Eurobank Equities S.A., with its capacity as market maker of the shares of the Issuer and for the improvement of the Issuer's liquidity, will transmit to the Trading System of the Athens Stock Exchange market making orders (i.e. simultaneous buy and sell orders) for its own account on the Issuer's shares, in accordance with those rules specifically defined by law and the Issuer will pay the agreed fee to Eurobank Equities S.A. for the aforementioned service.

2. Presentation to the Hellenic Fund and Asset Management Association

During the annual presentation of Plaisio Computers to the Hellenic Fund & Asset Management Association, the activities and the financial figures of the Group of 2015 were presented on March 30th 2016. The Group, with emphasis to longevity and to the continuous resistance to the tough financial conditions, achieved not only net liquidity of 31 m. €, but also, retention of equity in high level despite the share capital return (11 m. €) in 2015. In addition to the retention of the healthy financial and capital structure in a period characterized by the capital controls and the limitation in the expenditure for consumption, the Group achieved significant earnings before taxes of 9,3 m. €. Konstantinos Gerardos, Vice President and CEO of the Company after the financial results, mentioned the below facts of 2015:

- The award of the E-RETAILER distinction for the operational and the general presence of plaisio.gr and the continuation with its total redesign,
- The market share increase in basic product categories,
- The renewed communication platform with the new marketing campaign of Tech freaks,
- The gradual entrance in a new product category, that of technology toys.

The presentation was concluded with the new store in Dafni of 2.500 sq.m., which constitutes an investment of 2,5 m. €, including the inventory.

3. Announcement for the Appointment of Chief Financial Officer

The Company announced, to the investing public, according to the Law and article 4.1.3.6 of the Rulebook of the Athens Stock Exchange, that the duties of the Chief Financial Officer of the Company were assumed by Mrs Aikaterini D. Vasilaki.

4. Announcement of the Member State of Origin

The Company, under the Law 3556/2007 by law 4374/2014 and more specifically due to the addition of article 2, par. 2 of this law, of article 3 of the law 3556/2007, announced to the investing public that Greece is the home member state of the Company.

5. Renewal of the appointment of Market Maker

The Company informed the investing public that the duration of the market making agreement signed on 11.04.2014 with BETA SECURITIES S.A. is extended for one (1) more year and particularly by the 4th of May 2017.

It is noted, based on the aforementioned contract and according to the terms and conditions of the agreement, BETA SECURITIES S.A., with its capacity as market maker of the shares of the Issuer and for the improvement of the Issuer's liquidity, will transmit to the Trading System of the Athens Stock Exchange market making orders (i.e. simultaneous buy and sell orders) for its own account on the Issuer's shares, in accordance with those rules specifically defined by law.

6. Annual Ordinary Shareholders General Assembly

On Tuesday May 10th 2016 at 17:00, the annual Ordinary General Assembly took place at the Headquarters of the Company (Municipality of Elefsina, Magoula Attica, and Location Skliri - Exit 2 of the Attica Road). The Shareholders, who attended in person or by correspondent, representing 19.630.422 common shares and equal voting rights, or 88,9% of a total of 22.080.000 shares and equal voting rights of the Company.

It is noted, the rights for representation and vote of the 2.950 common shares are suspended according to article 16, paragraph 8 of the c.l. 2190/1920, as Own Shares of the Company and these shares were not calculated to the quorum.

The annual Ordinary General Assembly of the Company approved each of the following issues of the Assembly's Agenda, according to article 10 of the law 3884/2010, which have been uploaded to the legally registered website of the Company on G.E.MI (www.plaisio.gr).

Issue 1st: The stockholders unanimously approved the Financial Report of the Company and of the Group, that refers to the 27th corporate year ended on 31.12.2015 along with the Annual Financial Statements (of the Company and of the Group) of the relevant corporate year, as well as the relevant annual Reports of the Board of Directors and of the Auditors in the exact form they published and submitted to the Supervisory and Regulatory Authorities.

Issue 2nd: The stockholders unanimously approved the disposal of results of the year ended on 31.12.2015, as well as, the distribution of the results of the 27th corporate year of 2015 (01.01.2015-31.12.2015) and especially approved the proposition of distribution of dividend of total amount 1.766.164,00 Euro (gross amount), i.e. 0,08 Euro per share of the Company (gross amount) from which the tax in force will be withheld.

Eligible to the aforementioned dividend were the shareholders that were registered in the Dematerialized Securities System (DSS) on Wednesday May 18th 2016 (record date).

The ex-dividend date was Tuesday May 17th 2016 according to article 5.2 of the ATHEX Rulebook.

Consequently, the payment of the dividend for the year 2015 began on Tuesday, May 24th 2016 and was paid according to the procedure ruled by the ATHEX Rulebook and the payment bank "Eurobank Ergasias S.A.", according to the limitations regarding the cash withdrawals and the capital transfers which were imposed since 18.07.2015 (Government Gazette: A΄ 84/18.07.2015), as it was in force.

Issue 3rd: The stockholders unanimously discharged the Members of the Board of Directors and the Auditors of the Company from every liability and indemnification deriving from their activities during the 27th fiscal year ended on 31.12.2015 as well as for the Annual Financial Statements.

Issue 4th: The stockholders unanimously approved after the relevant proposal-suggestion of the Audit Committee and of the Board of Directors the election of the Auditing Company "BDO Certified Public Accountants SA" (173) and more specifically Mr. Antonios Anastasopoulos (33821) for the position of the Regular Auditor and Mr. Nikolao Tapeino (47441) for the substitute auditor for the corporate year 2016 (01.01.2016-31.12.2016) for the auditing of the annual and semi-annual financial statements of the Company. This Auditing Company will also issue the relevant tax certificate, according to article 65A, of the law 4174/2013.

On the same time, the General Assembly by its decision empowered the Board of Directors of the Company to agree with the above-mentioned auditing company regarding with its remuneration for the auditing of the current financial year and also for issuing the relevant tax certificate. The fees for both these two services will not exceed the amount of 64.000,00 Euros plus tax, according to the relevant quotation of the Audit Company to the

Company. The acceptance of the quotation will be returned to the chosen auditing company within 5 days from its approval.

Issue 5th: The stockholders unanimously approved the remunerations of the members of the Board of Directors of the Company for their services in 2015 (01.01.2015-31.12.2015), and determined and preapproved their remunerations for the current fiscal year 2016 (01.01.2016-31.12.2016) until the next annual Ordinary General Assembly.

Issue 6th: The stockholders unanimously granted the consent regarding the participation of the members of the BoD in Board of Directors or the management of affiliated companies or subsidiaries of the Group that have similar objectives to the ones of the Company according to article 23, par. 1 of the law 2190/1920.

Issue 7th: The stockholders unanimously approved the issuance of one or more common bond loans amounting in total no more than twenty million (20.000.000,00) Euro, with private placement according to Codified Law 2190/1920 and Law 3156/2003, as they were in force. Simultaneously, with its decision the General Assembly granted permission to the Board of Directors of the Company to define the terms and conditions of the respective loans (according to par. 3 of article 1 of L. 3156/2003), to conduct and sign the related contracts as well as to conduct all the necessary and appropriate actions for the smooth implementation of the aforementioned procedure following the above-mentioned regulatory frame.

Issue 8th: The stockholders unanimously approved the expansion and supplementation of the Company's scope, in order to include more activities related to insurance services, payment and e-communication, entertainment services, and as a result the amendment of the related article for the Company's Memorandum.

Issue 9th: Other issues and announcements were made from the BoD, regarding the results of the Company and a small audio-visual presentation was made.

7. Supplemented Dividend Payment Due To Amended Regulatory Frame For Tax Withheld

The Company with the announcement of the 13th of May 2016, informed the investors that the General Assembly of the Shareholders on 10th of May 2016 approved the payment of dividend of 1.766.164,00 Euro, or 0,08 Euro per share of the Company (gross amount), from which the respective dividend tax rate of 15% would be deducted, according to article 64 of l. 4172/2013, and the net payable dividend amount per share was 0,068 Euro.

Because of the fact that, the amendment of the regulatory framework took place after the commencement date of the dividend payment, i.e. Tuesday 24th of May 2016, by the payment Bank "Eurobank Ergasias S.A." and, especially, due to the fact that the law 4389/2016 was published in Government Gazette (Government Gazette: A' 94/27.05.2016), with the article 44 par. 4 from which the article 112 par. 8 of l. 4387/2016 (Government Gazette: A' 85/12.05.2016) was amended, in order the dividend tax rate of 15% to be enforceable for income gained since 01.01.2017 and as a consequence of the clarification given by the Ministry of Finance with Circular Number 1068/01.06.2016, the Company announced to the investing public that the Issuer would proceed to the payment to the rightful shareholders of the 5% difference (from the 15% tax withheld for the dividends of 2015, to the 10% that is ultimately in force as a result of the above-mentioned amendment), which was 0,004 Euro per share.

The payment of the aforementioned amount (0,004 Euro per share) commenced on Friday 10th of June 2016 and took place through the payment bank "Eurobank Ergasias S.A.".

8. Decrease of share capital of the company PLAISIO ESTATE S.A.

The Company PLAISIO COMPUTERS SA announced to the investing public that the company "PLAISIO ESTATE SA", in which the company participates by 20%, decided during its Annual Ordinary General Assembly that took place on June 27th 2016, the decrease of its share capital by three hundred seventy thousand and four hundred (370.400,00) Euro, by decreasing the name value of each share of PLAISIO ESTATE by two (2,00) Euro, from 2,35 Euro to 0,35 Euro by returning the aforementioned amount to its shareholders.

On 28.06.2016 posted to G.E.MI. with number 694862 the aforementioned decision of the General Assembly of 27.06.2016 as well as the whole Memorandum of the company after its amendements.

As a consequence of the aforementioned decrease an amount of 74.080,00 Euro returned to the company and its participation to the share capital of PLAISIO ESTATE equally decreased.

9. Announcement for the Termination Of Share Buyback Period

The Company announced the termination of the 24-month period, during which, the Company could purchase shares of its own shares by the upper limit of six hundred sixty two thousand and four hundred (662.400) common shares, which represent 3% of the total outstanding shares of the Company, with purchase price three (3,00) Euros per share as the lowest limit and with ten (10,00) Euros per share as the upper limit, pursuant to the decision of the Annual General Meeting of Shareholders of 16 December 2014, in accordance with article 16 of Law 2190/1920.

During this 24-month period the Company purchased 4.335 of its own shares, with average price of 4,34 Euros per share, which represent 0,02% of the share capital.

UNIT B: MAIN RISKS AND UNCERTAINTIES

The risks the Group is exposed to and the potential risks may arise during the financial year 2017, are the following:

Macroeconomic Situation in Greece – Capital Controls

Since May 2010, Greece in cooperation with its Partners has undertaken and implemented significant structural reforms for the improvement of the competition and the promotion of the financial development, through a programme agreed with European Union, the European Central Bank and the International Monetary Fund ("the Institutions").

The Greek economy remained fragile in 2016, trying to balance between the problems from the unsuccessful actions in the privatizations and in other structural reforms, the limitation of flexibility in "entrepreneurship" because of the retention for second consecutive year of the capital controls even with better terms and institutional framework for their implementation, and on the other hand, the effort from some sectors of the economy to lead the improvement of the Greek macro-economic figures after a seven-year period of shrinkage of the economy. The uncertainty was significantly affected by the evolution on the negotiations for the programme of economic adjustment after 2018, which led to the investment expressed as a percentage of GDP to decrease, the decrease of fixed capital as well and, ultimately, led to negative net investment in the country. Referring to the production level, GDP demonstrated a relative stability despite the unexpected decrease in the fourth quarter. The impressive points were the higher than expected decrease of the deficit of the Government Budget and the sharp increase of the primary surplus (approximately 2,5% of GDP). These evolutions were attributed to more indirect taxes paid by the same tax base in an environment of economic stagnation. Ultimately, the reversal of the decreasing trend in the deposits in the second semester of 2016 was remarkable which is something almost completely influenced by the psychology of the individuals. Psychology was deteriorated in the beginning of 2017 and that was depicted in the fragile increase in deposits.

Regarding the financing of the entrepreneurship from the banks, the annual change in 2016 came up to -1,5%, compared to -2% at the end of the previous year and this was the fifth consecutive year of decrease in financing. It is obvious that Companies which have not got sufficient capital structure often fail to implement their investing programmes with reasonable consequences not only to their results, but also, to their capability for continuation of their operations. In contrast, Plaisio has achieved to maintain a significantly high "inventory" of cash & cash equivalents for the immediate financing of its approved investment plans, while in parallel retain a limited bank debt, which is not significant for the size of the Group.

The capital controls that were imposed at the end of July 2015, include among others approving procedures for payments abroad and, as a result, they significantly affect the transactions with foreign suppliers and creditors. After more than one and a half year since the imposition of capital controls, the approving procedures have improved and the Government has amended the respective regulatory framework by abandoning or improving some restrictive provisions. In such an environment, the Company has well-organized the application procedure and observes in real time their evolution, with an obvious target the smooth import of its products. It is estimated that the negative effects from the imposed capital controls has been smoothened, however if the capital controls would be retained for a long-term period, except for the company's cost for their observation, the non-optimum cash management and the generally non-optimum capital structure, THE CONSUMING BEHAVIOUR OF THE Group's customers with respective effects to its sales and results.

The Management of the Company evaluates in a continuous basis the new data and the potential future consequences for its activities, in order to be capable to take the appropriate actions for the safeguard of its operations, focusing its efforts to offer products with better profitability margins, lower financing needs and higher impact in the consuming groups which appear higher trend for consumption.

The main risks are analytically presented below:

1. Interest Risk

The long-term bond loans of the Company and the Group, on December 31st 2016, were 877 th. Euro (1.461 th. Euro on 31.12.2015) and the short-term bond loan was 584 th. Euro (4.184 th. Euro on 31.12.2015). From the total bond loans (1.461 th. Euro), refer to a common bond loan of fixed interest rate from NBG.

During the second semester of the financial year 2015, the Management chose to restructure its debt in a more short-term basis, with short-term bank loans, decreasing, in parallel, its long-term liabilities, taking advantage of its broad liquidity. The same policy was followed in the current year, resulted in total short-term bank loans of the Company on 31.12.2016 to amount 14.000 th. Euro, compared to 5.000 th. Euro in 31.12.2015. On 10th of February 2017, signed a contract for issuing a Common Bond Loan via private placement, of nominal value of € 6.000 th. Euro, with a duration of five (5) years. The Bond holders are Eurobank Ergasias S.A. and Eurobank Private Bank (Luxembourg) S.A.. The aim of the common Bond Loan, is the refinancing of the short-term bank loans of the Company.

The following table presents the sensitivity of both the results of the period and the net equity to a change of the interest rate of +1% or -1%. The relevant influence is presented as follows:

A) Interest Rate increase by 1%:

- the results of the period as well as the Net Equity of the Group and of the Company, in that case, would decrease by 140 th. Euro and 86 th. Euro on 31.12.2016 and 31.12.2015 respectively.

B) Interest Rate decrease by 1%:

The results of the period as well as the Net Equity of the Group and of the Company, in that case, would increase by 140 th. Euro and 86 th. Euro on 31.12.2016 and 31.12.2015 respectively.

The level of the interest rates is positively influenced in a micro-economic level by the capital structure of the Group and the stable timeless repayments of any kind of financial liabilities. In a macro-economic point of view, interests are influenced by the evolution regarding the completion of the agreement with the Institutions, by the ability of the country to finance itself by the international markets and, generally, the investing attractiveness the international investors believe that the country has.

Taking into account all the above and the estimation for increased risk of interest rates (even if implemented in a limited scale in the total asset figures of the Group) the Company, considers in detail the related evolutions and acts in order to smooth probable negative effects.

In any case cash and cash equivalents of the Group on 31.12.2016 exceed the total of the Group's borrowings.

2. Credit Risk

The Group has no significant credit risk, mainly because of the large dispersion of its customers. Retail sales are paid in cash or via credit cards, whereas for wholesales the Group has all the necessary internal procedures and policies, according to which it gives credit, examining the creditworthiness of the customer, by each case separately. Furthermore, it is a policy of the Group, that the largest amount of receivables from customers is insured. The Company has divided its customer's base to named and non-named customers. In both categories the Company participates in the credit risk by 15%. The balances of the Public Sector are not insured.

The Company and the Group form a provision for doubtful receivables, as stated analytically in Note 11 of the Annual Financial Report.

On December 31st 2016 the total balance of customers and other trade receivables (not including the subsidiary) was 20.697 th. Euro and 19.805 th. Euro, respectively, while the provision for doubtful receivables was 4.775 th. Euro and 4.700 th. Euro, for the Group and the Company, respectively.

The above mentioned bad debt provision includes:

a) a strictly defined provision for all the customers that have been characterized as doubtful,

b) a specific provision for all the customers that have overdue balances based on the ageing of their balances,

c) a provision, based on the increased level of risk because of the conditions of the economic environment taking into consideration : 1) the reduced liquidity of Greek businesses and 2) the difficult access to bank financing.

It is noted that this provision includes also non-overdue receivables. For this provision the balances of all the customers have been taken into account, with the exception of the receivables from Plaisio Computers JSC, as it is considered that there is no risk of non-collection of these particular balances,

d) the Group has already moved to a provision for the balances from the Public Sector. It is noted that this provision also includes non-overdue balances.

The percentage of the formed provision for the current period appeared lower (23,1% compared to 26,3% in 2015), but remained in a satisfactory high level, confirming the conservative policy of the Management, in an environment of increased credit fluctuations, in which the probability of creation doubtful debts has not been limited. It is estimated that provision is in such a level which minimizes the risk for higher provision and as a result any negative consequences in the future are probably limited.

In any case, the Management examines the amount of receivables; taking into account historical data and the respective market trends as well as the level of provision to be high, the related risk is controlled.

The debit balance of the company Plaisio Computers JSC to the parent company PLAISIO COMPUTERS SA on 31.12.2016 amounted to 854 th. Euro. The Management of the Company considers that, the aforementioned amount has no risk of non-collection, given that PLAISIO COMPUTERS JSC is 100% subsidiary.

3. Inventory-Suppliers Risk

The Group takes all necessary measures (insurance, safekeeping), so as to minimize the risk and contingent damages of inventory, due to physical disasters, thefts etc. Furthermore, since the Group takes activity in a sector of high technology, where the risk of technical devaluation is extremely increased, the Management reviews the net realizable value of inventory and forms the appropriate provisions, so that the value in the financial statements coincides with the real one.

On 31.12.2016, the total value of inventory was 61.997 th. Euro and 60.751 th. Euro, while the provision for devaluation was 11.260 th. Euro and 11.237 th. Euro, for the Group and the Company respectively. Relatively, on

31.12.2015 the amounts were 53.834 th. Euro and 52.781 th. Euro (inventory) and 11.004 th. Euro and 10.989 th. Euro (provision for devaluation), for the Group and the Company respectively.

The Company considers the suppliers' risk very limited, and in any case non-important for the financial results of the Group, since there is no significant dependence for the Group on any one of its suppliers by more than 11% of the total supplies. The above mentioned facts mark the fixed policy of the Management for no significant dependence from individual suppliers, and no significant change is expected concerning the conservative policy of the Company during the financial year 2017.

4. Foreign Exchange Risk

The foreign exchange risk is the risk of volatility of the value of financial assets and liabilities due to changes of exchange rates. The majority of the Group's transactions and balances conducted in Euro, but at the same time, the Group has deposits in foreign currency (Note 13). Furthermore, there are no loan liabilities in a currency other than the Euro. The Group in certain cases, hedges the foreign exchange risk, by conducting derivative contracts, but does not proceed with hedge accounting for that matter.

The Management of the Group observes at all times the foreign currency risks that may arise and evaluates the need for relevant measures. The activity of the Group in Bulgaria is not considered to enhance currency risk, as the exchange rate of the Bulgarian currency to the Euro is fixed.

5. Liquidity Risk

The Group retains high level of cash and cash equivalents which exceed the total bank debt exposure while, in parallel, has pre-approved credit balances from banks in order to minimize liquidity risk. The Group, is also highly estimated by the Greek banks and its vendors, because of its 47 year dynamic course in the Greek market. The financial liabilities of the Group and the Company on 31.12.2016 are analyzed as follows:

THE GROUP 31.12.2016	**up to 12 months**	**from 1 up to 2 years**	**from 2 up to 5 years**
Suppliers & Other Short Term Liabilities	39.219	0	0
Loans & Interests	14.859	621	301
Total	**54.078**	**621**	**301**

THE GROUP 31.12.2015	**up to 12 months**	**from 1 up to 2 years**	**from 2 up to 5 years**
Suppliers & Other Short Term Liabilities	38.021	0	0
Loans & Interests	9.460	636	922
Total	**47.482**	**636**	**922**

THE COMPANY 31.12.2016	**up to 12 months**	**from 1 up to 2 years**	**from 2 up to 5 years**
Suppliers & Other Short Term Liabilities	38.670	0	0
Loans & Interests	14.859	621	301
Total	**53.528**	**621**	**301**

THE COMPANY 31.12.2015	**up to 12 months**	**from 1 up to 2 years**	**from 2 up to 5 years**

Suppliers & Other Short Term Liabilities	37.624	0	0
Loans & Interests	9.460	636	922
Total	**47.085**	**636**	**922**

The Group considers its liabilities to suppliers as short-term. In the same category, other short term liabilities and tax liabilities are included. The total debt increased by approximately five millions for the current year, due to the equally undertaking amount of short-term loans.

Taking into consideration all the above mentioned acknowledgments and the assurance of the smooth repayment of the aforementioned liquidity of the Group and the positive operating cash flows, at this moment and for the following fiscal year, this particular risk is absolutely limited.

UNIT C: IMPORTANT TRANSACTIONS WITH RELATED PARTIES

In this section the most important transactions between the Company and its related parties, as they are defined by IAS 24, are presented:

The companies that are related to the Company and are members of the Group are the following:

1. **PLAISIO COMPUTERS JSC** (Subsidiary), which is located in Sofia Bulgaria, in which the Company participates by 100%.
2. **PLAISIO ESTATE JSC** (Associate), which is located in Sofia Bulgaria, in which the Company participates by 20%.
3. **PLAISIO ESTATE S.A.** (Associate), which is located in Kiffisia Attica, in which the Company participates by 20%.

In the following table, the company BULDOZA S.A, in which shareholder by 100% is Mr. Konstantinos Gerardos, the Vice Chairman and C.E.O. of PLAISIO COMPUTERS S.A, is also included. It is specified, that this company is not consolidated, but is a related party, as defined in paragraph 9 of IAS 24.

On December 31st 2016 the receivables and liabilities of each of the above mentioned companies, as well as the income or expense which resulted from the transactions with Plaisio Computers S.A., during 2016 and according to IFRS, were the following (amounts in th. Euro):

Company	Claims of Plaisio Computers	Liabilities of Plaisio Computers	Income from transactions with Plaisio Computers	Expenses from transactions with Plaisio Computers
Plaisio Estate S.A.	0	8	1.191	6
Plaisio Computers JSC	854	0	44	4.888
Plaisio Estate JSC	0	0	0	0
Buldoza S.A.	63	0	1	179
Total	**918**	**8**	**1.237**	**5.074**

More specifically and in order to identify further the above mentioned transactions some clarifications follow:

1. Plaisio Estate S.A. invoiced Plaisio Computers S.A. 1.191 th. Euro, referring to services from rents and provision of services from leasing of buildings (1.014 & 177 th. Euro respectively).
2. Plaisio Computers S.A. invoiced Plaisio Computers JSC for sales of merchandise to the latter with 4.888 th. Euro. Plaisio Computers JSC invoiced Plaisio Computers S.A. for sales of merchandise to the latter with 44 th. Euro.

It is, furthermore, clarified that for the above mentioned period of time, Plaisio Estate JSC had income of 120 th. € from Plaisio Computers JSC, which came from rents.

3. Plaisio Computers S.A. invoiced Buldoza S.A. for services and products with the amount of 179 th. Euro.

During this particular financial year (2016), Plaisio Estate S.A. decided during its Annual Shareholder Meeting that took place on 27.06.2016, to decrease its share capital by the amount of 370 th. Euro, with decrease of nominal value of each share of the Company by 2,00 Euro, from 2,35 to 0,35 Euro. This decrease had as a result the return of 74 th. Euro to the Company by the time the above mentioned decision approved by the regulatory body on 14.07.2016. Plaisio Estate JSC paid to the Company dividend for 2015 of 10 th. Euro.

For the period 01.01.2016-31.12.2016, the transactions and remuneration of the managers and members of the Board of the Company including the social security contributions, came up to 627 th. Euro.

The aforementioned transactions are in line with the usual activities of the Company so the above mentioned transactions do not affect significantly the financial position and the results of the Company.

UNIT D: ANALYTICAL INFORMATION, ACCORDING TO ARTICLE 4 PAR. 7 OF THE LAW 3556/2007, AS IT IS VALID TODAY AND RELATIVE ANALYTICAL INFORMATION

1. Structure of the share capital of the Company

The Company's share capital amounts to seven millions two hundred eighty six thousand four hundred (7.286.400) Euro, and is divided to twenty two millions eighty thousand (22.080.000) ordinary shares with a nominal value of thirty three eurocents (0,33) Euro each, on 31.12.2016.

It is noted that the amendment of Article 5 of the Company's Memorandum which referred to the equal increase and decrease of the Company's share capital, as a result of the decision taken by the shareholders on the Annual Ordinary General Assembly on 2th April 2015 was approved by the Ministry of Development and Competitiveness with virtue number: 43554/22.04.2015.

Each share implies all liabilities and rights that are obliged by the law and by the Memorandum of the Company. The ownership of a share implies the acceptance of the Company's Memorandum and of all the decisions made by the different bodies of the Company are in compliance with the law and the Memorandum. Each share empowers the entitlement of one vote.

2. Restrictions to the transfer of shares of the Company

There are no restrictions, regarding the transfer of the Company's shares, with the exception of limitations existing in bond loan contracts that the Company has contracted (with the provision for participation majority or/and of increased percentage, sustained by Gerardos family).

All the Company's shares are listed for trading in the Athens Stock Exchange under Main Market and are transferable as the law obliges.

3. Important direct or indirect participations

The significant holdings of the Company are the following:

a) **Plaisio Computers JSC Bulgaria (Subsidiary),** in which the Company participates with 100% of the shares and voting rights,

b) **Plaisio Estate S.A. (Associate),** in which the Company participates with 20% of shares and voting rights,

c) **Plaisio Estate JSC Bulgaria (Associate),** in which the Company participates with 20% of shares and voting rights.

Furthermore the important direct or indirect participations to the share capital and to the voting rights of the Company, in the sense of articles 9 to 11 of the Law 3556/2007 are the following (31.12.2016):

- George Gerardos with 14.688.308 shares and voting rights - percentage 66,52% (direct participation).
- Konstantinos Gerardos with 3.415.524 shares and voting rights - percentage 15,47% (direct participation).

4. Shares that offer special voting rights

There are no shares that offer special voting rights.

5. Limitations in voting rights

There is no limitation on the voting right of each share of the Company.

6. Agreements among shareholders of the Company

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights.

7. Rules of appointment and replacement of the Board of Directors and of amendment of the Memorandum which differ from the c.l. 2190/1920

The rules concerning the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association of the Company do not differ from those envisaged in Laws 2190/1920 & 3016/2002, as they stand today.

8. Authority of the Board of Directors or of some members for issuance of new shares or for purchase of Company's own shares according to article 16 of c.l. 2190/1920.

There is no fixed authority of the Board of Directors or certain members of the Board to issue new shares, or to buy own shares, according to article 16 of the Law 2190/1920. The above-mentioned authority can be given to the Board of Directors by the General Assembly of Company's shareholders. During the Extraordinary General Assembly the shareholders unanimously approved the share buyback program according to the article 16 of c.l. 2190/1920, as it is in force today, and specifically it approved the purchase into a period of twenty four (24) months after the approval date of that decision - that is the 16.12.2016 - by the upper limit of six hundred sixty two thousand and four hundred (662.400) common shares, which represent 3% of the total outstanding shares of the Company, with purchase price of three (3,00) Euros per share as the lowest limit and of ten (10,00) Euros per share as the upper limit. At the same time, this General Assembly, by this decision, gave empowerment to the Company's Board of Directors to conduct the referred procedure. The procedure of implementation of the aforementioned decision started on the 4^{th} May 2015, and completed on the 16^{th} December 2016. During the above-mentioned programme, the Company bought 4.335 treasury shares, with average purchase price 4,34 Euro per share, which constitute 0,02% of the Company's share capital.

9. Agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

10. Significant agreements with members of the Board of Directors or its employees

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without reasonable cause, or in case of any other public offer.

ANALYTICAL INFORMATION, ACCORDING TO ARTICLE 4 PAR. 8 OF THE LAW 3556/2007

The numbering of this analytical information (which is formed according to article 4, par. 8 of the law 3556/2007) follows the relevant numbering of the information of article 4 par. 7 of the law 3556/2007, as is above analysed:

1. The structure and the formation of the share capital of the Company, are described analytically in article 5 of the Memorandum of the Company, the last encoding of which took place on 02.04.2015, as a result of the decision taken on the Annual Ordinary General Assembly.

2. There are no restrictions either by the law, or the Memorandum of the Company, or any other agreement to the transfer of the Company's shares.

This is with the exception of the contracts for the common Bond loans, which stipulate the following:

a) Common Bond Loan from N.B.G.: the main shareholders have to hold at least 34% of the share capital throughout the duration of the contract, and finally,

b) Common Bond Loan from Eurobank which was repaid during the current year, the main shareholders had to hold at least 51% of the share capital throughout the duration of the contract.

3. The data relevant to the number of shares and voting rights of the persons holding significant participations have been obtained from the Book of Shareholders of the Company and from all acknowledgments that have legally come to the Company.

4. There are no other shares categories that offer special voting rights. There are only common registered shares.

5. The Company has not been informed of such limitations.

6. Likewise, the Company has not been informed of such agreements.

7. For these issues the Memorandum of the Company does not differ from the obligations of the Law 2190/1920.

8. On 16.12.2014 the Extraordinary General Assembly gave to the BoD of the Company the authority to buyback shares of the Company, up to 662.400 treasury shares, under the regulatory frame of article 16 l. 2190/1920, with purchase price three (3,00) Euros per share as the lowest limit and with ten (10,00) Euros per share as the upper limit, a decision which has been activated since 04.05.2015. The above-mentioned programme completed on 16.12.2016 and during the share buyback programme, the Company purchased 4.335 common shares with average purchase price 4,34 Euro, which constitute the 0,02% of the Company's share capital.

9. There are no such agreements. Hence, no analytical information is needed.

10. Likewise, there are no such agreements. Hence, no analytical information is needed.

UNIT E: INFORMATION FOR LABOR AND ENVIRONMENTAL ISSUES

1. The Group during the period ending on 31.12.2016 employed 1.344 people and the Company 1.267 respectively, for the period ending on 31.12.2015 the relevant numbers were 1.254 and 1.187.
2. One of the main principles of the Group and the Company is the constant training of its people and the enhancement of the company's conscience on all levels of activities of the Group. A series of relevant training courses occurred during this period of 2016, since the up-to-date training is a basic target of the Group, as well as the conservation of the total of the work force to the peak of information.
3. The Group recognizes the need for constant improvement of environmental performance based on continuing growth and compliance with the law and regulations according to international standards and targets a balanced financial growth in harmony with the natural environment. Following a sustainable growth path the Group implements its activities in such a way that protects the environment and also its employee's hygiene and safety.

UNIT F: DEVELOPMENT AND PERFORMANCE OF THE GROUP - FINANCIAL INDICES AND INDICES OF PERFORMANCE

Development and Performance of the Group:

The development of the Group during the four previous financial years and 2016 are presented in the tables below:

(amounts in th. euro)	01.01.2012-31.12.2012(*)	01.01.2013-31.12.2013	01.01.2014-31.12.2014	01.01.2015-31.12.2015	01.01.2016-31.12.2016
Turnover	286.876	282.739	297.548	271.985	282.990
Gross Profit	64.425	68.789	73.069	61.192	60.471
E.B.T.	13.124	19.448	22.270	9.345	6.551
E.A.T.	10.276	14.309	16.149	6.736	4.476

At the level of percentages, the performance of the Group for the same period is presented in the following table:

	2013 vs 2012(*)	2014 vs 2013	2015 vs 2014	2016 vs 2015
Turnover	(1,4%)	5,2%	(8,6%)	4,0%
Gross Profit	6,8%	6,2%	(16,3%)	(1,2%)
E.B.T.	48,2%	14,5%	(58,0%)	(29,9%)
E.A.T.	39,3%	12,9%	(58,3%)	(33,6%)

(*) The figures of 2012 have been reformed due to the amendment of the accounting policy for the employee contributions.

Financial and Performance Indicators of the Group:

(Consolidated Figures)

Financial Indices			
	31.12.2016	**31.12.2015**	**Comments**
Current Assets / Total Assets	78,1%	76,1%	These indices display the proportion of capital which has been used for current and fixed assets
Fixed Assets / Total Assets	21,9%	23,9%	
Net Equity / Total Liabilities	141,8%	154,1%	This index shows the relationship between equity and debt financing
Total Liabilities / Total Net Equity & Liabilities	41,4%	39,3%	This index shows the dependency of the company on loans
Net Equity / Total Net Equity & Liabilities	58,6%	60,7%	
Net Equity / Fixed Assets	267,2%	254,0%	This index shows the degree of financing of the fixed assets of the company from the Net Equity
Current Assets / Short-term Liabilities	209,4%	217,6%	A liquidity ratio that measures a company's ability to pay short-term obligations.
Working Capital / Current Assets	52,2%	54,0%	This index shows the part of current assets which is financed by the working capital
Indices of Financial Performance			
	01.01-31.12.2016	**01.01-31.12.2015**	**Comments**
EBT/ Total Sales	2,3%	3,4%	This index shows the total performance of the company in comparison to total sales
EBT / Net Equity	7,6%	11,1%	This index shows the yield of the company's equity
Gross Profits / Total Sales	21,4%	22,5%	This index shows the GP in % over the sales

Turnover

The total turnover of the Group in 2016 came up to 282.990 th. Euro, having increased by 4,0%, compared to 2015. The sales were marginally decreased during the first half of the year, but in the second half the sales increased by a high one-digit percentage (8,7%), a fact which was attributed to the weaker third quarter of 2015 which was affected by the first implementation of capital controls.

The sales of personal computers and digital equipment remained almost the same compared to 2015 figures (139.750 th. Euro and 140.700 th. Euro, respectively). The sales of the office products increased by a medium one-digit percentage (5,4%). An impressive increase of 18,6% appeared in the Telephony sector, exceeding the 47 million Euro, compared to less than 40 million Euro in 2015. Finally, services came up to 1.594 th. Euro.

The above changes in the turnover in every sector brought significant changes in the participation of each sector to the total turnover of the Group. As a result, the Telephony sector contributed by 16,7% to total sales in 2016, compared to 14,6% in 2015. The Office Equipment sector marginally increased as it contributed by 33,4% in the consolidated sales, compared with 33% in 2015. Finally, the Computer & Digital Equipment decreased by 2,35% and contributed by 49,4% to the total sales, following the stability of the sales in nominal terms.

	Office Equipment	**Computer and Digital Equipment**	**Telecom Equipment**	**Other**	**Total**
Revenue 2016	94.463	139.750	47.183	1.594	282.990
Revenue 2015	89.664	140.700	39.780	1.841	271.985
% Change	5,4%	-0,7%	18,6%	-13,4%	4,0%

Gross Profit

The increase in the cost of sales by 5,6% overcame the increase rate of the sales, resulting in the gross profit of the Group to amount to 60.471 th. Euro compared to 61.192 th. Euro in 2015, lower by 1,18%. Consequently, the gross profit margin decreased by approximately one percentage unit and amounted to 21,37%.

Operational Expenses - Financial Income and Expenses and Earnings from Associates

The expenses of the Group, including the financial expenses, in 2016 came up to 54.010 th. Euro, versus 51.915 th. Euro last year, having increased by 4,0% and are analysed as follows:

in th. Euros	**01.01-31.12.2016**	**01.01-31.12.2015**
Administrative Expenses	6.920	7.064
Distribution Expenses	46.773	46.994
Other Expenses / (Income)	(920)	(2.747)
Financial Income –Expenses	1.317	695
Earnings from Associates	(79)	(92)

The aforementioned evolution is attributed, mainly, to the formation of significantly lower foreign exchange differences/evaluations (the evaluation of cash and cash equivalents in foreign currency, the evaluation of derivative contracts, and the daily transactions in foreign currency had a positive result to the Balance Sheet, decreased, by 492 th. compared to 2015) and to the decrease of the reversal of the provision for bad debt (decreased by 1.367 th. Euro). Consequently, the relevant figure ("Other Income") appeared drastically decreased by 1.826 th. Euro, an amount which corresponds to the approximately 87% of the nominal increase in total expenses. Also, operating expenses in nominal terms remained at almost the same level compared to 2015. Financial expenses presented an increase influenced in a negative way by the increase of Group's debt, mainly, in the second semester.

Earnings before Tax – Earnings after Tax

The combination of the small decrease of the gross profit, despite the increase in turnover, and, mainly, the decrease of the positive effect of Other Income and the increase in the financial expenses, led to a reduction of 29,90% in earnings before taxes of the Group which ended up to 6.551 th. Euro compared to 9.345 th. Euro in 2015. The increase of the tax rate of the Company, by approximately 370 b.p. to 31,7% led earnings after taxes of the Group to decrease by a higher percentage (33,55%) and come up to 4.476 th. Euro. Tax audit for obtaining the "Tax Certificate" is already in progress from the company "BDO Certified Public Accountants S.A". By the completion of the tax audit, it is not expected significant tax liabilities other than those posted and depicted to the financial statements.

UNIT G: ALTERNATIVE PERFORMANCE MEASURES ("APM")

As Alternative Performance Measure (APM) is considered, according to the definition of the European Capital Commission, a financial ratio which measures the historical or the future financial performance, financial position or cash flows, which is not defined by the IFRS. Even if APM are not included in IFRS, APM have to be evaluated supplementary with the figures provisioned by the IFRS and always in combination with the IFRS results.

The Group uses in a limited extent the Alternative Performance Measures during the publication of the financial performance with target the better understandability of the operating results of the Group and its financial position. Plaisio has as a general principle, the presentation of the examined performance measures to be clear, in order the measures to be suitable and useful for the decision making by the users of the financial statements.

The Group, both in the current and the previous year has not used adjusted APM,(i.e. adjustments in the figures of P&L, Balance Sheet or Cash Flow), as the Group has not implemented extraordinary actions (such as operating restructures or non-repeated revenue or expense) that are not in accordance with the main activity of the Group and which significantly affect the formation of these measures. The below amounts presented in th. Euro.

A. **Net Debt (Net Liquidity):** Consist of an APM that is used in order to estimate the capital structure of the Group. It is calculated as the difference between the total debt (long-term and short-term) and the total of cash and cash equivalents. If the result of the aforementioned difference is negative (as in the case of Plaisio) indicates the liquidity of the Company exceeds its total liabilities.

	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Total long-term debt	877	1.461	877	1.461
Total short-term debt	14.584	9.184	14.584	9.184
Total debt (A)	**15.461**	**10.645**	**15.461**	**10.645**
Minus: Cash & cash equivalents (B)	(42.792)	(41.794)	(42.051)	(41.183)
Net Debt (Liquidity) (A) - (B)	**(27.331)**	**(31.149)**	**(26.590)**	**(30.538)**

B. **Earnings before interest, taxes and depreciation/amortisation – EBITDA:** Constitutes the most used measure of operating effectiveness, because it considers only the expenses that are relative with the daily operation of the Group and the Company. EBITDA is the sum of the operating results (Earnings before taxes, interest and investing results), the depreciation and the impairment. EBITDA expressed as a percentage to sales is calculated by dividing EBITDA with the Turnover.

	THE GROUP		THE COMPANY	
EBITDA – EBITDA Margin	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Operating Results (Earnings before taxes, financing & investing results) (A)	7.789	9.948	7.826	9.877
Total Depreciation (B)	2.334	2.441	2.313	2.420
EBITDA (A) + (B) = (Γ)	**10.123**	**12.389**	**10.139**	**12.296**
Turnover (D)	282.990	271.985	279.020	267.796
EBITDA Margin (C) / (D)	**3,58%**	**4,56%**	**3,63%**	**4,59%**

UNIT H: ASSESSMENT OF THE EVOLUTION OF THE ACTIVITIES OF THE COMPANY DURING 2017

Greek economy welcomed 2017 with intensive scepticism, due to the intense variances in the negotiations between the country and the institutions for the financial planning for the following years and the respective measures that should be taken. The fact that the negotiations have not been completed, despite the expectations at the end of 2016, has as a result significant effects to the national production, the savings and the consuming behaviour of the citizens. As a result, the initial target for satisfactory recovery of GDP in 2017 by 2,5%, seems to be revised to lower levels, depending on the development of events. Also, the bank deposits have reduced by 3,5 billion Euro in the first quarter of 2017, having already lost half of the significant increase observed in 2016. Additionally, the expected effect of the already implemented tax measures (especially these which affect the indirect taxes, which influence proportionally more the weaker in financial terms), the anxiety for a further shrinkage of the net income of the working capital (even with reduction in their salary or with increase in social security contributions) and the uncertainty for new measures that may arise from the negotiations with the lenders of the country, have negatively affect the internal consumption during the first months of 2017. It is obvious that the aforementioned conditions mainly influence companies which offer their products in the Greek retail market, such a company is Plaisio. Two more conditions in the macroeconomic level that significantly influence the operation and the results of the Group are: a) the retention for more than 20 months the capital controls, a situation which despite the improvements in the approving procedures, they consist a cost factor for the companies and b) the exceptionally high tax rates, in combination with the increased social security contributions, make the Greek companies less competitive especially when they are compared with companies based in a country with significantly lower taxation and they are part of the European Union. Taking all the above into account, any provision for the evolutions of 2017, may lead to significant variances and consequently is extremely dangerous.

Plaisio relying on its flexible structure can adjust immediately to tis commercial policy in changing socioeconomic conditions and every time can achieve the optimal result. Moreover, the Company is at a very favourable position on a financial point of view, which in combination with the above allows for the rapid adjustment to new developments.

UNIT I: OTHER INFORMATION-TREASURY SHARES-EVENTS THAT TOOK PLACE AFTER THE END OF THE PERIOD

1.1. Only the Parent Company has branches in Greece and operates twenty two stores (one new in 2016) in the Provinces of Attica, Thessalonica, Heraklion, Larissa and Achaia. The subsidiary Plaisio Computers JSC operates one store in Sofia in Bulgaria.

1.2. None of the companies consolidated has such shares of paragraph 1e, article 26 of the law 4308/2014, except the Parent Company.

On 16.12.2014 the Extraordinary General Assembly gave to the BoD of the Company the authority to buyback shares of the Company, up to 662.400 treasury shares, under the regulatory frame of article 16 l. 2190/1920, with purchase price three (3,00) Euros per share as the lowest limit and with ten (10,00) Euros per share as the upper limit, a decision which has been activated since 04.05.2015. The above-mentioned programme completed on 16.12.2016 and during the share buyback programme, the Company purchased 4.335 common shares with average purchase price 4,34 Euros, which constitute the 0,02% of the Company's share capital. It is noted the voting rights of the aforementioned shares are not exercised.

1.3. On 16/03/2017 the Company received the Audit Report for any kind of tax liabilities for the years 2009 and 2010, which was completed in 2017 and the results are presented in Note 23.There are no other significant events that took place after the conduction of the financial report which could significantly affect the financial statements.

UNIT J: NON FINANCIAL POSITION

1. SHORT DESCRIPTION OF THE BUSINESS MODEL

Some general information is presented in this paragraph regarding the business model under which the Company and the Group operate and act, i.e. the whole structure from which the Company and the Group create, offer and receive value and profit.

The Company was founded in 1969 by Mr. Georgios Gerardos, and evolved into today's legal form in 1988. From the early beginning the vision was the creation of a Company with focus to every single customer and more specifically a place in which the customers could find and buy anything they need in relation with technology, telephony and office products.

The continuous promotion of innovative products and services in competitive prices, the speed of transactions, the establishment of long-term trust relationships, the reliability and the creation of a sense of intimacy to the customer with the products and services constituted the decisive factors for the creation and establishment of a strong and well-known brand name.

Plaisio express the state-of-the-art commercial approach in Greece. In order to cope with any kind of competition in the Greek market, Plaisio is not just a simple retailer with its branches but it is based on the multi-channel, multi-product and multi-customer business model.

MULTI-CHANNEL

In contrast with the other retailers, Plaisio services its customers through the following sales channels:

1. **Stores:** with 22 stores in Greece and 1 store in Bulgaria, more than 30.000 consumers visit daily the Group's stores and being highly serviced by the experienced and fully specialized personnel.
2. **Dedicated Department for B2B customers:** more than 186.000 companies trust Plaisio for their purchases and receive personalized customer service. The state-of-the-art computerized systems and an 180-member team record and explore the needs of the B2B customers and present solutions that respond to the their will, offering a perfect and immediate service with competitive terms.
3. **Catalogues:** with many different publications every single month -more than 3 million copies per year- thousands of people find solutions to their needs in a PLAISIO catalogue.
4. **Internet- e-store:** the e-store of PLAISIO is considered as one of the most successful and with the highest traffic e-stores. More than 100.000 users choose the e-store of PLAISIO in a daily basis in order to get informed for High-Tec goods, office products, school products and games/toys, and to proceed with their purchases in a user-friendly environment.

MULTI-PRODUCT

PLAISIO offers an extremely wide range of products, worthily holding the characterization of a multi-product business model.

The consumer has the possibility to browse and choose among 22.000 technology products, office products and telephony products, of the most well-known international brands or of private label brands (Turbo-X, Q-Connect, Sentio, @work, goomby etc.) which combine high quality and competitive prices. It is not a random event the fact that every single Turbo-X PC has a complete technical assistance in 22 points in Greece with response time of four hours and a twelve-hour phone assistance, while the Company offers on-site technical assistance as well.

MULTI-CUSTOMER

In contrast with the simple retail branches, PLAISIO holds a polymorphic customer base and does not offer its products and services only to domestic users. The Company adjusts in a continuous way to its customer base needs and service customers with different characteristics, i.e. individuals as well as B2B customers including: 1) free lancers, 2) small & medium companies, 3) big companies and 4) public sector.

The aforementioned multi-channel model offers significant advantages for the sustainability, the profitability and the stability of the Company and the Group:

a) provides safeguards and high resistance in competitive environments,

b) provides mechanism that service different parts of the market and as a result offers the capability to exploit chances in many aspects and finally,

c) offers synergies among the channels and as a result potentials for significant growth.

PRODUCTS AND SERVICES

The merchandise and the services offered by the Company and the Group are divided in the following sectors:

1) <u>PC & Digital Technology</u>

- Computers (desktops, operating systems, laptops, tablets and accessories, peripherals, data saving devices, services of installation, demonstration, upgrade and repair of PC, etc.)
- TVs, sound and image devices (televisions, home cinemas, projectors, TV accessories, etc.)

and

- Photography and video games (cameras and relative accessories, consoles, drones, etc.)

2) <u>Telephony Sector</u>

- Mobile phones, smartphones, accessories, wearables, Land phones, fax, etc.)

3) <u>Office Products</u>

- Stationery (calendars, accounting forms, organization of office and storage goods, school bags, design materials and drawing papers, etc.),
- Printing products (printers, scanners, photocopiers, multi-machines, consumables, printing papers, etc.),
- Furniture and office equipment (office chairs and visitor chairs, drawing equipment, offices, lockers, libraries, filing and decoration equipment, etc.),
- Toys (classic toys, board games, creative and educational toys, stem, robots, etc.).

PERSONNEL

The Group's and the Company's employed personnel on December 31st 2016 was 1.344 and 1.267 employees respectively.

2. DESCRIPTION OF THE APPLIED BUSINESS POLICIES

In this part of the non-financial position statement, are analyzed the applied business policies of the Group in relation with a wide range of business aspects, such as environmental, social and labor issues, policies that refer to human rights, to the fight against potential corruption and bribery.

Plaisio as a leading group in technology products, stationery, office products and telephony, creates value for the shareholders and provides high quality products and services to its customers, state-of-the-art technology and complete solutions for everyone.

Plaisio in order to stay in the leading position in the consumers' choices seeks today more than ever to utilize its resources, to put the basis for a continuous development with focus on the creation of added value and with target the maximization of satisfaction and trust of the customers. Plaisio cooperates with the society and adopt an innovative philosophy which makes the Group prepared for the future challenges not only in Greece but also, to the other geographical areas that has activities.

2.1. Group Policies regarding the Environment

The protection of the environment consist a basic condition for the sustainable development and basic pillar for the operation of the Group. In such a framework the Company introduces in its business activity procedures and acts in order to limit the direct and indirect effects caused by its activities. Moreover, the Group owns the certification ISO 14001:2004 referring to its environmental footprint of its headquarters. Basic actions undertaken by the Company are the following:

- Saving of energy and of natural resources, and
- Effective solid wastes management.

Energy Management

The energy management and the limitation of its consumption constitute the important parameters of the environmental responsibility of the Group. In this direction the Group performed the following actions:

- The Group began and continues the replacement of the lamps in its signs with lamps of LED technology,
- The Group began and continues the replacement of the lamps inside its stores with new lamps of LED technology, an action which also contributes to the limitation of the consumed energy.

Solid Waste Management

- Installation in the Company's stores of recycling bins for batteries and electronic appliances. In 2016, the Group collected and sent for recycling 3,8 tons of batteries and 89 tons of electronic appliances,
- Implementation of a recycling programme regarding the paper that it is used by the Company and constitutes its main produced solid waste. In 2016 the Company recycled 182,6 tons of paper and cardboards,
- Recycling of printer inks and toners. In 2016, the Company recycled 4,8 tons of cartridges and 9,1 tons of toners.

2.2. Policy of the Group regarding the Society

Under the framework of social responsibility, the Group continues to undertake actions which contribute to the society. During 2016 and despite the adverse financial environment, the Group loyal to its commitment for social contribution undertook many relevant actions.

Here are presented some actions of the Company, which began or completed in 2016:

1st Action: The organization of blood donation by the employees of the Company, promoting the principles of volunteerism and of offering to the fellow people.

2nd Action: The donation of PCs and office products to schools in Greece. In 2016, the Company in combination with the Non-Governmental Organization "PROLIPSI", decided to offer the basic "tools" to the students of 13 primary schools in Athens, Salonica, Patra and in Larissa, and to "special" schools. The voluntary team #plai_sou prepared 1.303 school bags with 17.000 of school and office products (notebooks, scissors, erasers, pens, pencils, pencilcases, etc.). Finally, we distributed 3.000 healthy school meals through the programme "DIATROFI" in co-operation with the Prolepsis Institute.

3rd Action: The participation to the 8th Marathon that was organized by "ALMA ZOIS" and took place in Zappeio for the awareness of the society regarding the breast cancer with 266 volunteers among which the CEO of the Company. The Plaisio team was one of the biggest teams of the Marathon.

4th Action: The participation to the congress "Panorama of Entrepreneurship" which constitutes the biggest congress with subject the entrepreneurship and the professional guidance of youth. In 2016, was the fifth consecutive year of Plaisio in that congress and welcomed to its headquarters 104 university students. The main target of the Company's participation to that congress is to give the opportunity to young people to know the Company, while in parallel to discuss with the CEO and to make a tour inside the Group's headquarters.

5th Action: The Company cooperated with the Non-Governmental Organization "Make a Wish", selling in its stores Easter candles. More specifically, 3.000 Easter candles were sold and part of the amount gathered, offered to the Non-Governmental Organization.

2.3. Policy of the Group regarding the Working or Labour Issues

General Information

The total personnel of the Group at the end of 2016 came up to 1.344 employees from which 56,5% were men and 43,5% women.

The distribution of the human capital on 31.12.2016 was the following:

Human Capital Sex Distribution		
Human Capital	**2016**	**Percentage %**
Male	760	56,5%
Female	584	43,5%
Total Human Capital	**1.344**	**100%**

The age distribution of the employees of the Group on 31.12.2016 is presented in the following table:

Age Groups	Number of Employees	Percentage %
Up to 25	246	18,3%
26-30	549	40,8%
31-35	291	21,7%
36-40	152	11,3%
41 +	106	7,9%
Total Human Capital	**1.344**	**100%**

It is obvious from the table above that almost 60% of the Group's employees have up to 30 years old. This distribution shows the importance of Plaisio as an employer for the age groups that appear the highest percentages of unemployment in our country.

Health and Safety in the Work Environment

The health protection and the security in any possible aspect of Plaisio's activities is of utmost importance and priority for the Group. The Management of the Group, also, takes actions in order to ensure that all fire protection rules and the rules for the protection from any emergency are followed. Actions for the training of the staff are, also, undertaken.

Benefits to the employees

The Group applies a series of benefits and policies to this direction for its employees and is summarized into the following:

- Granting loans to employees in cases of sudden and extraordinary situations and needs,
- Advance payments to employees in cases of health issues or extraordinary needs,
- The appropriate emphasis is given to the recognition and reward to the employees' success and to the organization of business events that promote the team bonding and spirit,
- School products to the employees' children and Christmas gifts for the employees and their families are given.
- Gym facilities exist in the Headquarters in Magoula of the Group and to the offices of the Company in Metamorfosi for the health and the well-being of the employees.

Training and development of the employees

The size of the Group and its rapid development, allow the employees to find a position that they would fit in by utilizing their talents, their interests and their skills. The training the Group provides is distinguished to:

- Tailor-made seminars,
- Life Long Learning,
- Leadership.

A characteristic example is that in 2016 took place trainings and seminars of total duration of 43.497 human-hours.

2.4. Policy of the Group regarding the respect of the human rights

Diversity and Equal Opportunities

The promotion of the principle for equal opportunities to everyone and the protection of the diversity constitute two basic principles of the Group. The Management of the Group does not accept the discrimination in any aspect of its operations, such as during the hiring procedure, during the determination of the benefits of each employee, during the training of each employee or during the assignment of work tasks. The only factors that are exclusively taken into account are the experience, the personality, the theoretical knowledge, the qualifications, the efficiency and the abilities of the employee. The Group urges and recommend to all the employees to respect the diversity of every single employee or supplier or customer of the Group, and not to accept any behavior that may create any kind of discrimination.

2.5. Policy of the Group regarding the fight against corruption

The Group considers of utmost importance the promotion of the transparency, the compliance with the regulatory framework that it is in force at any time and the fight against any case of corruption. For the Group the long-term and strong trust relationship with its customers, shareholders, investors, suppliers and regulatory authorities consists one of the most important assets and its safekeeping is an absolute priority. The Group has clearly stated to its employees and to the members of the Management, that in any case of corruption the Group will encounter with these cases, by taking the necessary actions.

2.6. Policy of the Company regarding bribery

The Group explicitly prohibits any kind of offer, or acceptance of gifts, grants, mainly, in cash or in any other form as well as any other external utility which is related with the implementation of the duties of its employees. The aforementioned framework is enforceable to all the employees of the Group, the members of the Board of Directors and the total of the management.

3. RESULTS OF THE APPLIED POLICIES OF THE GROUP

The results of the applied policies of the Group, are consisted in the creation and retention of a business model which achieves to produce strong financial results, to enhance its already existed co-operations and to set more solid foundations for future yield and wealth.
The consistent financial strategy, the product differentiation, the continuous investment in the human capital, the respect to the environment, the cultivation of environmental consciousness and the concern for the society ensure that the Group is developing with responsibility and strengthen its business activities, based on solid foundations. Despite, the important results of the aforementioned actions, the Group does not rest. The commitment for continuous improvement governs the whole philosophy of the Management and determines the priorities for the future, driven by the principles of sustainability. Also, the Group emphasizes to the quality of its procedures, being certified with ISO 9001:2008.

4. RISKS

In the current part of the non-financial report, a short reference takes place to the most significant risks that refer to environmental, social and labour issues as well as issues relevant to the respect of the human rights, the fight against corruption and bribery which are associated with the activities of the Group. Also, in this part of the report the way by which the Group tries to efficiently cope with those risks is presented.
Given that the Group is one of the most important companies in Greece in the sector of technology products, telephony and office products, inevitably risks arise by its business activities in relation with the environment, the society, the employees and the respect and protection of the human rights.
For the aforementioned reason the Group has adopted plenty of methods, procedures and systems, in order to operate with a sense of responsibility to the environment, the society and its employees, while through its evolution and development seeks to add value to its customers, its business partners and its shareholders and to be one of the leaders of the Greek business life.
The main risks the Group encounters during its operation is the high consumption of energy, the produced solid wastes which come from the electrical and electronic appliances, the consumables and the office products that the Group uses, the risk of working accidents which even if it is limited, is a potential risk for every single

enterprise, the risk of non-compliance with the principle of equality and in general with the rights of the employees, as well as the risk of bribery.

For the confrontation of the risks regarding the environment the Group takes all the appropriate measures that were analyzed above, takes actions that limit the direct and indirect effects as a result from the activities of the Group and adopts policies for the reduction of the environmental footprint. The saving of energy and of natural resources, the efficient management of its solid wastes and the continuous estimation of environmental risks that are provoked by the Group's operation, consist of the basic fields of action.

Regarding the labour issues, the Management of the Company and of the Group in general operates with a sense of responsibility and consistency to their employees. The Management commits in creation and maintenance of a business environment which promotes the mutual trust, the sense of security, the cooperation and the recognition, promotes equal opportunities and adopts hiring policies and the relevant valuation criteria that are based only on the qualifications, the abilities, the experience and the educational level of each employee.

The transparency in the transactions with the suppliers is an issue of utmost importance for stable and long-term cooperation of the Group and the decisions of the Group are taken with completely objective criteria.

5. NON FINANCIAL INDICATORS - RATIOS 2016

In the table below, some basic parameters are presented, regarding the financial, the environmental and human capital performance of the Group.

Financial (in th. Euro)	**2016**	**2015**
Turnover	282.990	271.985
EBT	6.551	9.345
EAT	4.476	6.736
Total Operating Expenses	52.773	51.311
Market Capitalization	83.904	94.723
Total Assets	147.326	138.692
Dividend	0,05	0,08
Taxes	2.075	2.609
Earnings per Share	0,2027	0,3051
Depreciation	2.334	2.441
Employees		
Total Employees	1.344	1.254
Women in Management Positions	17	14
Women in Board of Directors	1	1
Number of workhours (participations times training hours)	43.497	30.457
Environment (in tones)		
Recycling of batteries	3,8	3,2
Recycling of electrical appliances	89,0	54,1

Recycling of paper & cardboards	182,6	242,4
Recycling of toner	9,1	18,2
Recycling of cartridges	4,8	6,1

Finally, it is noted that the Group emphasizes to the utility that offers to the society and for that reason has quantified the performance of the promptness in issues of product services as well as the order execution speed. Regarding the first case, the Group has calculated that 80% of the cases have been solved in the first 24 hours. Also, regarding the order execution speed, all the orders have been delivered in 24 hours.

UNIT K: STATEMENT OF CORPORATE GOVERNANCE

TABLE OF CONTENTS

****

***INTRODUCTION**

The term "Corporate Governance" describes the way with which companies are managed and controlled. Corporate Governance is stipulated as a system of relationships between the management of the Company, the Board of Directors, the shareholders and other interested parts and constitutes the structure through which the targets of the company are set, the main risks are identified, the means to achieve the set targets and to control the risks are defined and the observation of the performance of the management is monitored.

Effective corporate governance holds a substantial and primary role to the advancement of competitiveness of companies, to the reinforcement of internal structure and the development of innovative actions, while the increased transparency it offers has as a result the improvement of overall transparency of economic activity of private businesses, public organizations and institutions, with obvious benefits for the shareholders, as well as the investment public.

On October 2013, the new Code of Corporate Governance was published. This Code was drafted at the initiative of the Hellenic Federation of Enterprises (SEV), and was later on amended, in the context of its first review by the Hellenic Corporate Governance Council (HCGC).

The Hellenic Corporate Governance Council, was founded in 2012 and is the result of synergy of the Hellenic Exchanges Group (HELEX) and the Hellenic Federation of Enterprises (SEV) that together recognized the contribution of corporate governance to the continuous enhancement of the Greek corporate institutional framework and broader business environment and also to the increase of reliability of the Greek market. Hence, since then HCGC works towards this direction.

***1. Code of Corporate Governance**

1.1 Disclosure of willing compliance of the Company with the Code of Corporate Governance

In our country the framework of corporate governance has been developed mainly via the adoption of mandatory legislation or regulation, according to 3016/2002 as it stands today, which mandates among others the participation of non-executives and independent non-executives on the boards of Greek listed companies, as well as the establishment of an internal control function and the adoption of internal charters. Moreover, a number of other later laws such as 3693/2008, which mandates the creation of Audit Committees and a number of significant disclosure obligations regarding the ownership and governance of companies, and Law 3884/2010 on the rights of shareholders, which includes further obligations regarding disclosure of information to shareholders, prior to General Meetings, transposed several European directives in the area of the company law, for the protection and effective updating of the whole of the shareholders. Moreover, the Law 3873/2010 incorporates into Greek legislation the EU Directive 2006/46/EC, operating as a reminder of the need for establishment of a Corporate Governance Code and being simultaneously the cornerstone of the Code.

Our company is in full compliance with the above mentioned laws (and more specifically 2190/1920, 3016/2002 and 3693/2008).

At this point the company states that it adopts as CGC the Code of Corporate Governance of the Hellenic Corporate Governance Council (HCGC) (available at http://www.helex.gr/el/eded), following the “comply or explain” approach.

1.2 Divergence from the Code of Governance and explanation of the non-compliance

The Company states that it conforms to all legal obligations (law 2190/1920, law 3016/2002). These obligations embody the minimum of any Corporate Governance Code, for listed companies.

An important addition to the new Corporate Governance Code is the adoption of the standard of non-compliance of the Company with special practices of the Code. This means that the new Code follows the rule of “comply or explain” and requires from listed companies that choose to imply it, to publish their intentions and either comply with the whole of the Code’s special practices, or explain the reasons of non-compliance with specific provisions.

Regarding the above-mentioned additional practices and rules the new CGC applies, some deviations (including the case of non-compliance) are observed in the current period, for which a short explanation follows.

- ***Part A - Board of Directors and its Members***

I. Role and Responsibilities of the Board of Directors

- The BoD has not created separate committees, to manage the procedure of nominations to the Board and for the preparation of proposals for election in the BoD concerning the remuneration of the members of the BoD and the Management Team.

*These financial statements and notes to the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document

This divergence is justified by the fact that the Company's policy regarding remuneration of members of the Bod and Management Team members is considered regular, consistent, stable and reasonable, and always adjusted to the current economic environment conditions. This policy is always sustained and applied by the BoD, in order to avoid cases of extortionate compensations, that don't coincide with the provided services and the general economic situation of the country. It is noted that there are not unstable compensations (bonus, stock options) based on the policy of the Company, so the importance of existence of such a committee is limited.

- Furthermore, the non-existence of a separate committee that manages the procedure of applying candidates for the election in the BoD members is explained by the fact that applicants, from the establishment of the Company since today, meet all the necessary prerequisites and provide all the guarantees for being elected as members of the Board of Directors. They also stand out for their high professional brilliance, their knowledge, qualifications and experience. They are also of exceptional moral and personal integrity and therefore since today, there is no need for forming such a committee.

II. Size and composition of the Board of Directors

- The BoD is not comprised by seven (7) to fifteen (15) members.

According to the Company's Memorandum and especially to article 10, paragraph 1, "The Company is directed by a Board that consists of three (3) to seven (7) members".

This deviation is justified, as the size and organization of the Company, as well as the controlled and targeted expansion of the Company, also geographically and in a Group level, does not require such a numerous BoD.

- The policy of diversity, including the genders equilibrium of the BoD members, as this has been adopted by the BoD will be available at the Company's site. In the Corporate Governance Code a special statement should be included: a) regarding the diversity policy of the Company for the composition of the BoD and the Management Team and b) the percentage of each gender's representation respectively.

The current BoD of the Company now consists by six members, five (5) of which are men and the sixth is a woman.

This deviation is justified by the inability for the current period of finding women executives, to meet the high set requirements for becoming BoD members, due to the special characteristics the Company presents. It is among the near future priorities of the Company to find and add skillful women representatives to the BoD, without being able to determine accurately though the time frame of compliance with this rule of the CGC. This is because on the one hand, a relative interest should arise, but on the other, the needed requirements should be met.

It is noted, ultimately, in a European level, the proposal for balance between men and women in the composition of the BoD is still an exhortation and there is no any registry to the European Law.

III. Role and Profile of the Chairman of the Board of Directors

- There is no specific discern between the Chairman of the BoD and the CEO.

This non-compliance is due to the fact that it is not considered as needed, given the structure and operation of the Company. If the Company's needs alter in the future, this matter of discernment of the Chairman and CEO will be re-evaluated. Furthermore the fact that the Vice-Chairman, also obtains the role of the CEO, substantially satisfies the above mentioned Code's prerequisite, since it creates a peer pole of management and representation of the Company.

- The BoD does not appoint an independent Vice-Chairman arising from its independent board members.

This divergence is counter-parted by the appointment of an executive Vice-chairman, whose contribution to the exercise of the executive duties of the Chairman is considered of utmost importance, for achieving the Company's goals in favor of the shareholders, the employees, the clients, the BoD members and the Management Team.

IV. Duties and Conduct of members of the Board of Directors

- The BoD has not adopted as part of its internal rules, policies to ensure that the BoD holds enough information to make decisions regarding transactions between associated parties with the diligence of a prudent businessman. These policies should also be applied during transactions of the subsidiaries of the Company with the associated parties. Corporate Governance Statement should include a special report on the policies applied by the Company, regarding all the above-mentioned.

Although such a special and specific policy, which forms the framework for provision of sufficient information from the side of the BoD, in order for decisions for transactions between associated parties to be made under the diligence of a prudent businessman, does not exist, the BoD while managing the Company's business issues and therefore during transactions between the Company and its associated parties, has the diligence of a prudent businessman. This is in order for these transactions to be absolutely transparent and in accordance with the markets terms and conditions (arm's length), but also in absolute compliance with the existing regulative law, as defined by the relevant regulations of the corporate and tax legislation. The same diligence is also shown regarding transactions of the subsidiaries of the Company with associated parties.

If it is considered necessary, in the future, the Company will proceed to the formation of a business unit that will define the procedures for guaranteeing and obtaining on behalf of the BoD, enough information, in order to base its decisions for transactions between associated parties, following the standard of the prudent businessman.

- There is no obligation for analytical disclosure of any professional bounds of the BoD members (including important non-executive bounds to companies and non-profitable organizations) before their appointment in the BoD.

This deviation is justified by the fact that the members of the BoD are distinguished for their professionalism and their concrete devotion to the Company, and therefore besides the absence of a statutory analytical disclosure of any professional bounds for the members of the BoD, prior their election to the Board they would proceed to such a disclosure, if they considered that any danger of conflict of interests existed.

V. Nomination of Board members

- BoD members' maximum service is not four (4) years.

According to article 10, paragraph 3 of the Company's Memorandum, "the service of the members of the BoD is five (5) years".

This deviation is a result of the necessity of avoiding the election of BoD in shorter period of times, because of the fact that the provision for maximum service of four (4) years, carries the risk that the elected BoD will not be able to complete all the projects, placing in danger the effective management of the Company's business and the management of the Company's property, due to the continuous alteration of management teams and also due to the many different opinions that may exist regarding the Company's interests and activities. In any case the (time) deviation is not significant.

- There is no committee for selecting candidates for the BoD.

This is justified by the size, structure and operation of the Company at the time being, which do not make necessary the existence of such a committee for selecting candidates.

Besides that, every time before the election of a new BoD member, the Management of the Company, assures the existence and appliance of a transparent procedure, evaluates the size and the composition of the BoD member to be elected, examines the qualifications, knowledge, views, skills, experience, morals and integrity of the candidates and therefore the mission of a committee for selecting candidates if that existed, is fully accomplished.

VI. Operation of the Board of Directors

- There is no specific rule for the operation of the BoD.

This is justified by the fact that the Company's Memorandum regulations are considered to be adequate for the organization and operation of the BoD and ensure the full, right and on time fulfillment of its duties and the satisfactory examination of all matters upon which the BoD makes decisions.

- The BoD at the beginning of every calendar year does not adopt a calendar of convocations and a 12month program of actions, which is eligible to alterations, according to the Company's needs.

This divergence is justified by the fact that the members of the BoD are residents of Attica and therefore the calling and convocation of the BoD is easy every time it is necessary, without the existence of a strict pre-defined program of actions.

- There is no provision for the support of the BoD during its work by a competent, specialized and experienced secretary, which will be present during the meetings.

This is justified by the fact that state of the art technology exists to record and map the convocations of the BoD, because of the nature of the Company and the segment of its operation. Furthermore all BoD members have the ability, if it is considered necessary, to ask for support from the legal consultants of the Company, in order to ensure compliance with the existent legal and regulatory legislation.

It is noted that according to the new Corporate Governance Code, a high level employee or a legal consultant, can act as a secretary, whilst the purpose of the secretary is the provision of practical support to the chairman and to the rest of the members of the BoD, in person and as a whole, with aim the total compliance of the BoD with the legal and Memorandum regulations and provisions. The Company will examine in the near future, the need for such a secretary.

- There is no provision of programs for introductory information to the new members of the BoD or the constant education of the rest of the members.

This is explained by the fact that for BoD members, only individuals with satisfactory and proven experience, high level of knowledge, as well as organizational and managerial skills, are proposed. Besides that, the Group has as a basic rule the constant education and training of its employees and managers, but also the reinforcement of the corporate consciousness in all levels, by frequently conducting educational seminars according to the sector each member is working in, or the duties it is responsible for. Therefore the constant training and education is the philosophy of the Company regarding all of its operations and is not restricted to the level of the members of the BoD.

- There is no provision for supplying sufficient resources to the committees of the BoD for the fulfillment of their obligations and for the hiring of external consultants to the degree they are needed.

This is justified by the fact that the Management of the Company examines and approves such resources for hiring of external consultants based every time on the needs of the company, for being able to control the operating expenses of the Company.

VII. Evaluation of the Board of Directors

- There is no institutional procedure that takes place every two (2) years, aiming to assess the effectiveness of the BoD and its committees. The BoD does not assess the performance of the Chairman of the BoD during a certain procedure which the independent vice-chairman directs, or if one does not exists another non-executive member does.

During the current period an institutional procedure aiming to access the effectiveness of the BoD and its committees does not exist. Also the performance of the Chairman of the BoD is not assessed, during a procedure directed by the independent vice-president, or even another non-executive member of the BoD. Such a procedure is not considered to be necessary due to the organizational structure of the Company, since there are no boundaries between the members of the BoD. Therefore whenever weaknesses or malfunctions concerning the organization and operation of the BoD are identified, meetings are conducted and analytical discussions are made, during which the problems are presented, critique is made to decisions and other actions or statements of all members of the BoD that take place. Besides, the BoD observes and re-evaluates regularly the implementation of their made decisions, based on time plans set, while the BoD is annually assessed by the Regular General Meeting of the shareholders of the Company, conducted according to the regulations and the procedures described in detail in law 2190/1920 as well as to the Memorandum of the Company.

The Company in order to comply with this particular rule, which the Corporate Governance Code has introduced, is currently examining the necessity of introducing a system of control and evaluation of the BoD, though the time frame of its completion cannot be accurately defined.

- **Part B- Audit Committee**

I. Internal Control – Audit Committee

- The audit committee does not convene at least four (4) times per year.

This is explained by the call and meeting of the audit committee when substantial matters regarding the procedure of financial information and credibility of the financial reports of the Company rise. Besides, the aim is not conducting meetings without purpose, in order to cover the required by the CGC needed number but monitoring the effectiveness of internal audit procedures and management of risks the Company faces. Also the regular examination of its internal audit system, to ensure that the main risks are defined and faced effectively, that there is management of conflict of interests while conducting transactions with associated parties occur and that enough information regarding the financial performance of the Company is obtained. However, the audit committee informs the BoD, 4 times per year according to the Law, for results of its internal control.

- There is no special and specific rule for the operation of the audit committee.

This divergence is explained by the fact that basic duties and responsibilities of the audit committee are adequately described by the existing legislation. Therefore the Company does not consider necessary at the present time the formation of such a specific internal rule for the operation of the above-mentioned committee, since what comes first is the adherence of the existing legislation.

- No specific funds are given out to the audit committee for the use of external services or consultants.

This is justified by the current composition of the audit committee and the special knowledge and experience of its members, which ensures its correct and effective operation in a sufficient way. Therefore the external service of consultants is not considered to be necessary. In any case, if it considered to be necessary in the future, in order to improve the structure and operation of the committee, it is implicit that the Company will provide the budget required.

- **Part C- Compensation**

I. Level and structure of the compensation

- There is no committee of compensation, comprising exclusively of non-executive members, independent in their majority, which aims at defining the compensation of the executive and non-executive members of the BoD and thus there are no rules for the frequency of its convocations and other issues concerning its operation.

This divergence is explained by the way the Company is structured and organized, a way that does not require the establishment of such a committee. Until today the Management of the Company redacts the procedure of defining the compensation and ensures this procedure is characterized by objectivity, transparency, professionalism and is deprived by any conflicts of interest. Regarding the specification of compensation of the BoD members, executive and non-executive ones, the Management of the Company, acts with the principle of creating a long-term company value, the sustainability of balance and meritocracy, for the shill of executives, that have the needed qualifications for the effective operation of the Company.

The BoD, while defining the compensation of the BoD members and especially of the executive ones, takes into consideration their duties and responsibilities, their performance in relation to pre-defined quantitative and qualitative criteria, the economic environment, the performance and future prospects of the Company, the level of compensation for similar services in other relative companies, as well as the level of compensation of the Company's and Group's employees.

From the above described procedure, it arises that the formation of such a specific committee is not necessary, since the duties and responsibilities of such a committee are efficiently performed by the management of the Company.

- In the contracts of the executive members of the BoD, there is no provision for the BoD to ask for part or full refund of the bonuses paid due to revised financial statements of previous years or in general wrong financial data that were used to calculate such a bonus.

This is explained by the fact that rights for bonuses rise, only after the final approval of financial statements. Also since today, because of the state of the art organization and auditing procedures, the phenomenon of a bonus calculation based on inaccurate financial statements and data has never occurred.

- The compensation of every executive member of the BoD is not approved by the BoD after the proposal of the audit committee, without the presence of its executive members.

This divergence is explained by the fact that such a committee does not exist.

- **Part D - Relationship with shareholders**

I. Communication with shareholders

- The Company has not adopted a special practice regarding communication with its shareholders that includes the policy of the Company for questions made from shareholders to the BoD.

At this particular time, an established special procedure regarding questions made by shareholders to the BoD does not exist, since every shareholder has the ability to address to the Investor's Relation Service, making requests and questions. If it is considered necessary, these are transferred in groups to the BoD for further processing and the relative answer or update is given to the interested party.
Moreover the rules of article 39 of the law 2190/1920, describe in a detailed way the procedure of participation of the shareholders of minority to the General Assemblies of the Shareholders, a procedure always followed in every General Assembly, in order to ensure the valid and on time information of the shareholders, in relation to the evolvement of the corporate issues.
Despite all the above-mentioned safeguards, the Company examines the possibility of adoption of a special policy, for upgrading the procedure for shareholders setting questions to the Company, through the Investors Relation Service, although the direct communication of shareholders with BoD members is not considered to be necessary and appropriate.

II. The General Assembly of the shareholders

- No deviation was observed.

General Note regarding the time point of release of the non-compliance of the Company with the special practices adopted by the CGC

As it was mentioned before (Introduction of Corporate Governance Statement), the new CGC, as it stands from October 2013 follows the "comply or explain" rule and demands from the listed companies that choose to apply it, to publish their intention and either comply with the whole of the special practises of the Code, either explain the reasons for non-compliance with certain special practises.
Furthermore, the relevant explanation for non-compliance, is not only restricted to a simple mention of the general principle or the special practice with which the Company does not comply, but among others the Company should disclose whether this divergence is time framed and its intentions to comply with the codes principle.
The divergences of the Company from the practices established by the new CGC are not thought to be subject to a strict time-frame, taking consideration that these practises do not correspond to the structure, organization, tradition, corporate values, ownership status and needs of the Company and maybe the compliance with these practises makes more difficult the application of the substance of the code's principles.
In any case, no code can or is supposed to substitute the context of principles, values and structure of any Company and therefore the adoption of rules not compatible with these principles is not reasonable.
Nevertheless, the Company has already formed a working group, that examines the existing divergences from the special practises of the new CGC, investigates the possibility of compliance with these and evaluates the possibility of establishment of its own Corporate Governance Code, the identity and regulations of which, will respond to the needs and specificities of the Company. This would promote the long term success and robust the competitiveness of the Company. After the resolution of the new law for Corporate Governance the conditions will be suitable for the completion of that project.

1.3 Practices for corporate governance that the company applies over the provisions of the law

The company abides to the provisions of the text as in its legal framework concerning corporate governance. There are no practices applied over the above mentioned.

***2. Board of Directors**

2.1 Composition and Services of the Board of Directors

The BoD is the highest ranking managerial body of the Company and is exclusively responsible for devising the strategy and deciding the policy for developing the Company. The intention to reinforce the long-term financial value of the Company, the protection of the general interests of the Company and of the shareholders, the assurance of compliance with the present legislation, the transparency and company's values on every aspect of the Group's operation, the monitoring and solution of conflicts of interests cases between BoD members, management team members and shareholders with the Company's interests are the main responsibilities of the BoD.

2.1.1 The company's BoD is composed, according to article 10 of the Articles of Association of the Company, of three (3) up to seven (7) members, which are elected by the General Assembly of the Shareholders by absolute majority of votes, which are represented in the Assembly. The members of the BoD may be Shareholders of the Company or other natural entities (non-shareholders). The members of the BoD are unlimitedly re-electable and freely revocable from the General Assembly irrespective of the time their service ends.

The members of the BoD when elected receive and introductory update, while during their service the Chairman, ensures the continuous broadening of their knowledge, to matters concerning the Company, in order to be familiar with these and contribute effectively and creatively to the duties of the BoD.

The service of the BoD members is five (5) years commencing the following date of the election of the BoD and expiring the relevant date of the fifth year. In case upon the expiration of their service and if a new BoD has not been elected, their service is extended up to the first ordinary General Assembly which shall be converged upon the expiration of their service, which in no case can supersede six (6) years. Each member has to participate in the deliberations of the BoD.

Each member of the BoD has to keep confidential information regarding the company, which he may know thanks to his capacity and not announce any of this confidential information to third parties.

2.1.2 The BoD convenes whenever the law, the Articles of Association, or the needs of the company demand it after the invitation of its Chairman or his replacement at the registered office of the Company or in another municipality of the district of its registered office. In the invitation the agenda has to be clearly stated, or else decisions can only be made when all the members of the BoD are present and no one controverts the decision making. The BoD can convoke outside its registered seat, in another place, in or out of the country, if in the convocation all members of the BoD are present and no one controverts the realization of the convocation and the decision making. The BoD may also convoke via tele-conference. In that case the invitation to the members of the BoD must include all necessary information concerning their participation in the convocation. In the convocations of the BoD its Chairman or his legal representative presides.

2.1.3 The BoD has quorum and dully convokes, when 50% plus one (1) of the directors is present and represented. In no case however the number of the Directors who appear in person, may not be less than three (3).

2.1.4 The BoD decides with the absolute majority of the present or represented members. In case of halved votes the vote of the Chairman dominates. Every Director has one (1) vote. Exceptionally, one may have more votes when representing another Director. The voting in the BoD is apparent, unless by its decision is defined that for a specific matter secret voting will be conducted. In that case, voting is conducted via ballot.

2.1.5 The discussions and decisions of the BoD are kept in the minutes which are registered in a special book of minutes and are signed by the Chairman or lawful representative, and the members which are present during the meeting. Each member is entitled to request the Chairman, to have his opinion mentioned in the minutes. In the book also a list of the present directors during the convocation of the Board is posted. The signature of the minutes by all the members of the BoD is equal to a decision of the BoD even if convocation has not proceeded.

2.1.6 The BoD may appoint some or all of its powers and jurisdictions (apart from those requiring collective decision) as well as the internal audit of the company and its representation to one or more persons, that may or may not be members, also defining the extent of this appointment.

2.1.7 In reservation of the l. 3016/2002 for the independent members of BoD, if possibly any member of the BoD departs or deceases or is declared fallen for any reason before the expiration of its service, the remaining directors of the BoD, as long as they are at least three (3), are obliged to elect a replacer for the remaining of the service of the member who is to be replaced only under the condition that the replacement is not possible with the substitute members.. The said election is submitted for approval in the first General Assembly of the shareholders, upon the election and the decision of the said election is published according to article 7b of the c.l. 2190/1920.

2.1.8 In reservation of the l. 3016/2002 for the independent members of BoD, if possibly any member of the BoD departs or deceases or is declared fallen for any reason before the expiration of its service, the remaining members may continue the management and representation of the company without replacing the fallen members, according to the previous paragraph, with the prerequisite that they are over the half members, as they were before these facts. In any case the members cannot be less than three (3).

2.2 Information concerning the members of the Board of Directors

2.2.1 The BoD of the Company consists of six (6) members, which are the following:

i) George K. Gerardos, President of the BoD and CEO of the Company (executive member)

ii) Konstantinos G. Gerardos, Vice-President of the BoD and CEO of the Company (executive member)

iii) George C. Liaskas, member of the BoD (non-executive member)

iv) Nikolaos K. Tsiros, member of BoD (independent, non-executive member)

v) Antiopi-Anna I. Mavrou, member of BoD (non-executive)

vi) Ilia G. Klis, member of BoD (independent, non-executive)

The above mentioned BoD was elected by the annual Shareholder Meeting of the Company, which took place on April 2nd 2015 and its service is five year long ending on April 2nd 2020.

The decision taken on 02.04.2015 by the Annual Ordinary General Assembly of the Shareholders of the Company regarding the election of the new BoD and its constitution as a body, posted into G.E.MI. on 05.05.2015 with virtue numbers 356903 and 356904, respectively.

2.2.2 The brief resumes of the members of the BoD are:

i) George Gerardos: born 1946 in Palaio Faliro. He is a licensed Civil Engineer of the National Technical University. He is the founder of the Company.

ii) Konstantinos Gerardos: Born in 1977 in Athens, is a graduate of the College of Athens. He has a BA in International Business from Eckerd College in USA. He works in the company since 1995.

iii) George Liaskas: Born in 1949 in Arta. He is a licensed Foreman of Structural Projects and worked in the company as Manager of Development of stores from 1989 until 2007, when he was retired.

iv) Nikolaos Tsiros: Born in 1946 in Athens. He has a BA and MSc in Business Administration from universities in USA. He was a member of the BoD of Alpha AEDAK and participated investing committee of the mutual funds of Alpha

v) Antiopi Anna Mavrou: Born in 1946, she graduated from the Law School of the University of Athens in 1969 with post graduate studies in the Law School of Sorbonne. She is member of the Law Association of Athens.
vi) Ilias Klis: Born in Athens in 1946. In 1965 he graduated from the College of Athens and continued his studies in the University of Athens, getting a Law degree. After a prominent career in the diplomatic services of the Ministry of Foreign Affairs, he left the Diplomatic Services in October 2008, having completed 35 years of service.

2.3 Audit Committee

2.3.1 The company in compliance with the Law 3693/2008 elected during its General Shareholders Meeting on April 2nd 2015 an Audit Committee including comprising of the following non-executive members:

1) Antiopi-Anna I. Mavrou
2) Nikolaos K. Tsiros
3) Ilias G. Klis.

It is noted that the last two members are independent non-executive members of the Board of Directors.

2.3.2 In 2017, the Law 3693/2008 was replaced by the Law 4449/2017 (Government Gazzette A 7/24.01.2017) "Obligatory Audit of the annual and of the consolidated financial statements, public supervision regarding the auditing and other provisions". According to the new Law, the Audit Committee and its members are independent from the Company, according to the definition for independency that is recorded in the Law 3016/2002 for the Corporate Governance and the supervision of the aforementioned committee is done by the Capital Market Committee. The Company is expected to be immediately in line with the provisions of the new Law, wherever these adjustments should be done.

2.3.3 The authorities and obligations of the Audit Committee, according to article 44 of the Law 4449/2017, are the following:

a) Informing the BoD of the Company for the results of the obligatory audit and explain to the BoD how the obligatory audit contributed to the integrity of the financial information and what was the role of the audit committee to the aforementioned procedure,

b) Observing the procedure of financial information and submit suggestions for the integrity of the information,

c) The observation of the efficient operation of the system of internal control and the system of risk management, as well as the observation of the correct operation of the internal auditors of the Company, regarding the financial information of the Company, without any violation of its independency,

d) The observation of the course of the obligatory check of the annual financial statements of the Company and of the Group, taking into account any findings and conclusions of the authorities,

e) Survey and observe the independency of the auditors or the audit company and especially the appropriateness of offering non audit services to the Company and

f) The Audit Committee is responsible for the selection procedure of the auditors or of the audit companies and propose the auditors of the audit company that will be appointed.

2.3.4 The audit committee during 2016 (01.01.2016-31.12.2016) convened two (2) times.

2.3.5 It is also clarified that the Auditor of the company who audits the annual and interim financial statements, does not offer any other auditing or other service to the Company, or is connected to the Company so his objectivity, impartiality and independence is assured. This with the exception of special tax auditing, that is required by article 65A 4174/2013 upon which, the "Tax Certificate" is issued.

***3. General Assembly of Shareholders**

3.1 Way of operation of the General Assembly and its basic Authorities

3.1.1 The General Assembly is the supreme body of the Company and is entitled to decide for any Company matter and to conclude upon all matters, which are submitted or said.

More specifically it is exclusively competent to decide upon:

a) The amendments of the articles of association.

As amendments are meant also the increases or decreases of the capital share, apart from the cases mentioned in article six (6) paragraph 1 and 2 of the Articles of Association and other cases that are enforced by law,

b) The election of Auditors

c) The approval of the balance sheet and the annual financial statements of the Company

d) The distribution of annual profits

e) The merge, fracture, conversion, revival of the Company

f) The conversion of shares of registered

g) The extension or abbreviation of the duration of the Company

h) The dissolution of the Company and the appointment of liquidators

i) The appointment of members of the BoD, apart from the case of article 11 of the present and

j) The approval of the election according to article 10 of the Articles of Association, the temporary members replacing the members that resigned, passed away or have fallen out.

3.1.2 The decisions of the General Shareholders Meeting are obligatory for the shareholders that are absent or object.

3.1.3 The General Assembly is always convened by the BoD and convenes regularly at the seat of the Company or in the district of the seat of the Company, at least once in every business year and always in the first semester after the expiration of each business year The General Assembly may convene in the district of the municipality where the seat of the Athens Stock Exchange is.

The BoD may convene an extra ordinary Shareholders Meeting when it considers it is necessary or if the shareholders representing the required (by the law or the Articles of Association and Memorandum) percentage.

3.1.4 The decisions of the General Assembly are taken by absolute majority of votes, which are represented.

Exceptionally, when it concerns decisions regarding: a) the alteration of the Company's nationality, b) the alteration of the Company's registered office, c) the alteration of the purposed or object of the Company's business, d) the alteration of the Company's shares to registered, e) the increase of the obligations of shareholders, f) the increase of share capital with some exceptions, g) the decrease of share capital, h) the issuance of Bond Loans according to articles 3a and 3b of 2190/1920, i) the alteration of the mode of distribution of profits, j) the merging, dispersion, alteration, revival of the Company, ja) the Company's dissolution, jb) the giving or renewing of authority to the BoD for increase of share capital according to par. 1art. 6 of the Articles of Association, and jc) every other case for which the law determines, the General Assembly has a quorum and duly convokes when shareholders representing two thirds (2/3) of the paid share capital are represented.

3.1.5 The Chairman of the BoD, or when he is hindered his lawful replacer presides temporarily in the General Assembly and defines as secretary one of the Shareholders or their representatives who are present, until the list of shareholders is certified by the General Assembly, who are entitled to participate in the said and elects the ordinary presiding office.

3.2 Shareholder Rights

3.2.1 Rights to participate and vote

3.2.1.1 The shareholders exercise their rights, concerning the management of the Company, only in General Assemblies and according to the law and the Articles of Association. Each share gives the right for one (1) vote in the General Assembly according to article 16 of the Codified Law 2190/1920 as it stands today.

3.2.1.2 In the General Assemble anyone who appears as a shareholder in the Dematerialized Securities System which is managed by Athens Stock Exchange S.A. has the right to participate. The proof of shareholders identity is established by the relevant written assurance of the above mentioned organization or by direct electronic connection of the Company with the organization. The person must be a shareholder five (5) days before the General Assembly (record date), and the relevant receipts or the electronic receipts concerning the shareholding capacity must come to the Company at the latest the third (3^{rd}) day before the General Assembly.

3.2.1.3 In the General Assembly only those who are shareholders in the said date have a right to participate in the General Assembly. In case of noncompliance to article 28a of the law 2190/1920, the said shareholder participates in the General Assembly only after its license.

3.2.1.4 The fulfilling of the above mentioned rights does not require the prior bound of the shareholders΄ shares or any other procedure that limits the possibility of selling or transferring shares in the time between the record date and the date of the General Assembly.

3.2.1.5 The shareholder participates in the General Assembly and votes either in person or via proxies. Each shareholder may appoint up to three (3) proxies. Legal entities may participate in the General Assembly appointing as proxies up to three natural entities. If the shareholder however, owns shares of the company that appear in more than one account, he may appoint different proxies. A proxy that acts on behalf of different shareholders may vote differently for each shareholder. The proxy must inform the Company before the beginning of the General Assembly, any fact that may be useful to assess the risk that the proxy may cater to interests other than the represented shareholder. A conflict of interests regarding this paragraph may rise when the proxy:

a) is a shareholder controlling the Company, or another legal entity controlled by the particular shareholder

b) is a member of the BoD, or the management team of the Company, or a shareholder that controls the Company, or another legal entity controlled by a shareholder, which controls the Company

c) is an employee or auditor of the Company, or a shareholder that controls the Company, or another legal entity controlled by a shareholder

d) is a spouse or a first degree relative with one of the entities that are mentioned above in cases (a) to (c)

The appointment and reverse of a proxy takes place in writing and is announced to the Company at least three (3) days before the date of the general Assembly.

***4. System of Internal Control and Risk Management**

4.1 Main characteristics of the Internal Control

4.1.1. The Internal Control of the Company is conducted by the Service of internal control according to the control program included in the Internal Rulebook of the Company.

It is a basic goal of the Management Team of the Company, to ensure that through the right systems of internal control the whole organization of the Group, will have the ability to face quickly and effectively the rising risks and in any case take the needed measures to reduce consequences of these risks.

It is noted that the control on the base of which the relevant report is drawn up, within the law 3016/2002 as it stands, and more specifically to articles 7 and 8 of the referred Law.

4.1.2 During the auditing the Service of Internal Control takes into account all the necessary books, files, bank accounts and portfolios of the Company and asks for the complete and constant cooperation of the Management to ensure that all necessary information and data is provided, with the purpose to reach conclusions in their Report that do not entail substantial inaccuracies. This control does not include any evaluation of the appropriate accounting principles that were adopted as well as of estimations made from the management, as these are a matter of the legal auditor of the Company.

4.1.3 The scope of control is the evaluation of the general level of the procedures of the system of internal control. In any controlled period several scopes of control are chosen, while the organization and operation of the BoD is constantly controlled as well as the Service of Servicing Shareholders and Investor Relations that operate based on the law 3016/2002.

4.1.4 It is noted though, that the Internal Control and Risk Management systems, provide reasonable and not absolute security, due to the fact that they are designed to restrict the possibility of upcoming risks, without being able to completely eliminate them.

4.2 Risk management concerning the conduction of financial statements

The Group has invested in the development and maintenance of advanced MIS infrastructure that ensures the correct display of figures. At the same time an analysis of the results is made on a daily basis covering all the important fields of business activity. The actual, historical and budgeted figures are compared with adequate explaining of all the important deviations.

***5. Other managerial or supervisory committees of the Company**

No other managerial or supervisory committees exist at the time. According to all the above mentioned and in the context of creating its own Corporate Governance Code, the Company examines the case of establishing such committees that will help substantially and not typically the BoD.

***6. Additional Informative data**

6.1 Article 10, par. 1 of the Guidance 2004/25/EK of the European Parliament and Committee of April 21st 2004, relevant to the public offerings for the titles of companies that are negotiated in organized markets, lays down rules concerning whose shares are traded on a regulated market.

"Countries, members of the EU, make sure that companies mentioned in article 1 paragraph 1, publish analytical information regarding":

a) capital structure, including titles that are not listed in regulated markets and in some cases
b) all the restrictions regarding titles conveyance, as restrictions in titles possession or the obligation for receiving approval from the Company, or other title owners, according article 46 of guidance 2001/34/EK
c) important direct or non-direct participation in share capital, according to article 85 of guidance 2001/34/EK
d) the owners of any kind of titles, that provide special control rights and description of these rights
e) a control mechanism that maybe exists in a system of participation of the employees, if control rights are not exerted directly by employees

f) every kind of restrictions regarding voting right, like restrictions to owners of certain amount or percentage of votes, deadlines of exerting voting rights, or systems to which with the Company's cooperation, financial rights coming from titles are dissociated by titles ownership

g) agreements between shareholders, that are known to the Company and might entail restrictions to titles conveyance or voting rights according to guidance 2001/34/EK

h) rules regarding appointment or replacement of the BoD members and also regarding alterations of the Memorandum

i) authorities of the BoD members, especially regarding the ability of issuing or re-purchasing shares

j) every important agreement in which the Company participates and starts to apply, alters or ends in case of a change to the control of the Company after a public offer for a buyout and the results of such an agreement, unless such an acknowledgment would cause a serious problem to the Company. This exception is not valid when the Company is expressly obligated to announce relevant information due to other law obligations

k) every agreement the Company has made with the members of its BoD, or with its personnel that predicts compensation in case of resignation or discharge without any arguable reason or even if the cooperation is terminated due to a public offer of buyout.

6.2 Relevant to points c, d, f, h and i of paragraph 1 of article 10 the company states the following:

• concerning point c: the significant direct or indirect participations of the Company are:

a) Plaisio Computers JSC (Subsidiary), located in Sofia Bulgaria, in which the Company participates with 100% of the shares and voting rights

b) Plaisio Estate S.A. (Associate), located in Kiffisia Attica, in which the Company participates with 20% of shares and voting rights

c) Plaisio Estate JSC (Associate), located in Sofia Bulgaria, in which the Company participates with 20% of shares and voting rights

Moreover, the important participations to the share capital of the Company based on articles 9 and 11 of the l. 3556/2007 are:

George Gerardos with 14.688.308 shares and sharing rights (66,52%) of the Company's shares and

Konstantinos Gerardos with 3.415.524 shares and voting rights, (15,47%) of the Company's shares.

• concerning point d: no such titles exist

• concerning point f: There is no limitation on the voting right of each share of the Company.

Concerning the exercise of voting rights during the General Assembly a detailed report is provided in unit 3 of the Statement of Corporate Governance.

• concerning point f: concerning the appointment and replacement of the members of the BoD as well as the alteration of the articles of Association of the Company, there are no rules that differ from what is stated in Law 2190/1920. These rules analyzed in unit 2.1 of the present Statement of Corporate Governance.

• concerning point i: there are no special authorities to members of the Board of Directors regarding the issuance or the buyback of Company's shares. However, the Extraordinary General Assembly on 16.12.2014 approved the purchase into a period of twenty four (24) months after the approval date of that decision - that is the 16.12.2016 by the upper limit of six hundred sixty two thousand and four hundred (662.400) common shares, which represent 3% of the total outstanding shares of the Company, with purchase price three (3,00) Euros per share as the lowest limit and with ten (10,00) Euros per share as the upper limit. The implementation of the share buyback programme of the Company started after the decision of the Board of Directors of 4th May 2015 and completed on

16th of December 2016. During the share buyback programme the Company purchased 4.335 treasury shares, with average purchase price 4,34 Euro which constitute 0,02% of the Company's share capital. It is noted that the voting rights of the aforementioned purchased shares are not exercised.

This Corporate Governance Statement is indispensable special part of the Annual Report of the Board of Directors of the Company.

Magoula, March 30th, 2017

The Board of Directors

CHAPTER 3: INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Shareholders of "PLAISIO COMPUTERS S.A."

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of «PLAISIO COMPUTERS S.A.», which comprise the separate and consolidated statement of financial position as at December 31, 2016 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and statement of cash flow 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 controls as management determines are 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 incorporated into the Greek Legislation (Government Gazette /Β΄/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 separate and consolidated 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 entity'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 «PLAISIO COMPUTERS S.A.» and of its subsidiary as at December 31, 2016, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

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

a) The Management Report of the Board of Directors includes a statement of corporate governance which presents the sets of information required by article 43bb of Codified Law 2190/1920.

b) In our opinion, the Management Report of the Board of Directors has been prepared according to the effective legal requirements of articles 43a and 107a and of paragraph 1 (cases c' and d') of article 43bb of Codified Law 2190/1920, whereas its contents correspond to the attached separate and consolidated financial statements of the fiscal year ended on 31/12/2016.

c) According to our opinion formulated during the audit process, with regard to «PLAISIO COMPUTERS S.A.» and its environment, we have not detected any material inaccuracies in the Management Report of the Board of Directors.

Athens, March 30, 2017

The Certified Public Accountant

ANTONIOS ANASTASOPOULOS

SOEL Reg. N. 33821

BDO Certified Public Accountants S.A.

449, Mesogion Avenue

Athens, Greece, 153-43

SOEL Reg. Number: 173

CHAPTER 4: ANNUAL FINANCIAL STATEMENTS

COMPREHENSIVE INCOME STATEMENT 01.01 – 31.12.2016
(Figures in thousand €)

	Note	THE GROUP		THE COMPANY	
		01.01- 31.12.16	01.01-31.12.15	01.01-31.12.16	01.01- 31.12.15
Turnover	*5*	282.990	271.985	279.020	267.796
Cost of Sales		(222.519)	(210.792)	(220.237)	(208.198)
Gross Profit		**60.471**	**61.192**	**58.783**	**59.598**
Other operating income	*22*	91	67	60	58
Distribution expenses		(46.773)	(46.994)	(45.510)	(45.849)
Administrative expenses		(6.920)	(7.064)	(6.427)	(6.678)
Other (expenses)/income		920	2.747	920	2.747
EBIT		**7.789**	**9.948**	**7.826**	**9.877**
Finance Income		150	239	160	324
Finance Expense		(1.467)	(934)	(1.438)	(906)
Share of profit of Associates		79	92	-	-
Profit before tax		**6.551**	**9.345**	**6.548**	**9.294**
Income tax	*23*	(2.075)	(2.609)	(2.074)	(2.587)
Profit after tax		**4.476**	**6.736**	**4.473**	**6.707**
Equity holders of the parent		4.476	6.736	4.473	6.707
Non-controlling interests		0	0	-	-
Other Comprehensive Income:					
Items that will not be reclassified to Comprehensive Income Statement:					
Actuarial loss	*18*	(596)	(66)	(596)	(66)
Deferred Tax	*18*	173	34	173	34
Total Comprehensive Income after taxes		**4.053**	**6.704**	**4.050**	**6.675**
Profit of the period attributable to:					
Equity holders of the parent		4.053	6.704	4.050	6.675
Non-controlling interests		0	0	-	-
Profit per share from continuing operations attributable to the shareholders of the parent (expressed in €/share):					
Basic earnings per share	*27*	**0,2027**	**0,3051**	**0,2026**	**0,3038**
Diluted earnings per share	*27*	**0,2027**	**0,3051**	**0,2026**	**0,3038**
Proposed Dividend per share	*28*	-	-	**0,0500**	**0,0800**
EBITDA		**10.123**	**12.389**	**10.139**	**12.296**

STATEMENT OF FINANCIAL POSITION as at 31st December 2016

(Figures in thousand €)

		THE GROUP		THE COMPANY	
Assets	**Note**	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Tangible Assets	6	26.019	26.869	25.972	26.830
Intangible Assets	6	725	535	693	527
Advance Payments for Fixed Assets		0	30	0	30
Investments in subsidiaries	7	0	0	4.072	4.072
Investments in associates	7	1.167	1.172	225	299
Other investments	8	54	54	54	54
Deferred tax asset	17	3.681	3.888	3.672	3.878
Other non-current assets	9	683	568	641	530
Non-Current assets		**32.329**	**33.115**	**35.330**	**36.219**
Inventories	10	50.737	42.830	49.514	41.792
Trade receivables	11	15.922	14.420	15.959	14.172
Other receivables	12	5.546	6.532	5.454	6.463
Cash and cash equivalents	13	42.792	41.794	42.051	41.183
Current assets		**114.997**	**105.577**	**112.978**	**103.610**
Total Assets		**147.326**	**138.692**	**148.307**	**139.829**
Shareholders' Equity and Liabilities					
Share capital	14	7.286	7.286	7.286	7.286
Share Premium	14	844	844	844	844
Own Shares		(19)	(8)	(19)	(8)
Other Reserves	15	24.880	25.272	24.602	25.015
Retained earnings		53.401	50.723	55.210	52.513
Shareholders' Equity		**86.393**	**84.118**	**87.924**	**85.651**
Non-current borrowing	16	877	1.461	877	1.461
Provision for employee benefits	18	1.820	1.154	1.820	1.154
Other non-current provisions	19	782	782	782	782
Deferred Income	20	2.531	2.661	2.531	2.661
Non-current Liabilities		**6.009**	**6.058**	**6.009**	**6.058**
Trade payables	21	25.957	25.710	25.664	25.485
Tax liabilities		3.474	2.103	3.283	1.969
Current borrowing	16	14.584	9.184	14.584	9.184
Current provisions	19	1.120	1.312	1.120	1.312
Other current liabilities	21	9.788	10.208	9.723	10.171
Current Liabilities		**54.923**	**48.517**	**54.374**	**48.120**
Total Shareholders' Equity and Liabilities		**147.326**	**138.692**	**148.307**	**139.829**

STATEMENT OF CHANGES IN NET EQUITY

(Figures in thousand €)

THE GROUP

	Share Capital	Share Premium	Other Reserves and Retained Earnings	Own Shares	Total
Equity at the beginning of the period (01.01.2015)	**7.066**	**11.961**	**69.434**	**0**	**88.461**
Total Comprehensive Income after Tax	0	0	6.704	0	6.704
Increase of Capital	11.261	(11.117)	(144)	0	0
Return of Share Capital	(11.040)	0	0	0	(11.040)
Purchase of Own Shares	0	0	0	(8)	(8)
Distributed Dividend	0	0	0	0	0
Equity at the end of the period (31.12.2015)	**7.286**	**844**	**75.995**	**(8)**	**84.118**
Equity at the beginning of the period (01.01.2016)	**7.286**	**844**	**75.995**	**(8)**	**84.118**
Total Comprehensive Income after Taxes	0	0	4.053	0	4.053
Increase of Capital	0	0	0	0	0
Return of Share Capital	0	0	0	0	0
Purchase of Own Shares	0	0	0	(11)	(11)
Distributed Dividend	0	0	(1.766)	0	(1.766)
Equity at the end of the period (31.12.2016)	**7.286**	**844**	**78.281**	**(19)**	**86.393**

THE COMPANY

	Share Capital	Share Premium	Other Reserves and Retained Earnings	Own Shares	Total
Equity at the beginning of the period (01.01.2015)	**7.066**	**11.961**	**70.997**	**0**	**90.024**
Total Comprehensive Income after Tax	0	0	6.675	0	6.675
Increase of Capital	11.261	(11.117)	(144)	0	0
Return of Share Capital	(11.040)	0	0	0	(11.040)
Purchase of Own Shares	0	0	0	(8)	(8)
Distributed Dividend	0	0	0	0	0
Equity at the end of the period (31.12.2015)	**7.286**	**844**	**77.528**	**(8)**	**85.651**
Equity at the beginning of the period (01.01.2016)	**7.286**	**844**	**77.528**	**(8)**	**85.651**
Total Comprehensive Income after Taxes	0	0	4.050	0	4.050
Increase of Capital	0	0	0	0	0
Return of Share Capital	0	0	0	0	0
Purchase of Own Shares	0	0	0	(11)	(11)
Distributed Dividend	0	0	(1.766)	0	(1.766)
Equity at the end of the period (31.12.2016)	**7.286**	**844**	**79.812**	**(19)**	**87.924**

CASH FLOW STATEMENT

(Figures in thousand €)

	THE GROUP		THE COMPANY	
	01.01- 31.12.2016	**01.01- 31.12.2015**	**01.01- 31.12.2016**	**01.01- 31.12.2015**
Operating Activities				
Profit before tax	**6.551**	**9.345**	**6.548**	**9.294**
Adjustments for:				
Depreciation / amortization	2.534	2.740	2.513	2.719
Amortization of subsidies	(200)	(299)	(200)	(299)
Provisions	(108)	288	(108)	288
Foreign Exchange differences	(622)	689	(622)	689
Results (income, expenses, profit and loss) from investing activities	(79)	(92)	0	0
Interest expenses and related costs	1.317	695	1.278	582
Plus/less adjustments for changes in working capital or related to operating activities				
Decrease / (increase) in inventories	(7.907)	(3.339)	(7.722)	(3.265)
Decrease / (increase) in receivables	(430)	4.594	(688)	4.455
(Decrease) / increase in liabilities	417	2.558	321	2.589
Less:				
Interest expenses and related expenses paid	(1.534)	(949)	(1.505)	(921)
Income tax paid	(325)	(8.959)	(382)	(8.943)
Total inflows / (outflows) from operating activities (a)	**(385)**	**7.270**	**(566)**	**7.188**
Investing Activities				
Acquisition of subsidiaries, affiliated companies, joint ventures and other investments	(15)	(10)	(15)	(10)
(Increase)/ Decrease of Share Capital of Subsidiaries, Affiliated Companies, Joint Ventures &f Other Investments	74	200	74	200
Purchase of property, plant, equipment and intangible assets	(1.875)	(649)	(1.823)	(633)
Received interests	141	239	141	238
Received dividends	19	10	19	86
Total inflows / (outflows) from investing activities (b)	**(1.656)**	**(210)**	**(1.604)**	**(119)**
Financing Activities				
Decrease from return of share capital	0	(11.040)	0	(11.040)
Proceeds from issued borrowings	6.908	5.000	6.908	5.000
Acquisition of own shares	(11)	(8)	(11)	(8)
Re-payments of borrowings	(2.092)	(4.334)	(2.092)	(4.334)
Dividends paid	(1.766)	0	(1.766)	0
Total inflows / (outflows) from financing activities (c)	**3.038**	**(10.382)**	**3.038**	**(10.382)**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**998**	**(3.321)**	**868**	**(3.312)**
Cash and cash equivalents at the beginning of the period	**41.794**	**45.115**	**41.183**	**44.495**
Cash and cash equivalents at the end of the period	**42.792**	**41.794**	**42.051**	**41.183**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. General information

These financial statements include the annual financial statements of the company PLAISIO COMPUTERS S.A. (the "Company") and the consolidated annual financial statements of the Company and its subsidiaries (together "the Group"). The names of the subsidiary and of the related companies are presented in Note 7.

PLAISIO COMPUTERS S.A. was founded in 1988 and is listed in Athens Stock Exchange since 1999. The Company's headquarters are located in Location Skliri, Magoula, Attica 19018 (Num. M.A.E 16601/06/B/88/13).

The Company assembles and trades PCs, Telecommunication and Office Equipment.

The Board of Directors of PLAISIO COMPUTERS S.A. approved the financial statements for the period ending on December 31st 2016 on March 30th 2017.

2. Summary of significant accounting policies

2.1. Basis of Preparation of Financial Statements

These Company and consolidated financial statements have been prepared by management in accordance with the International Financial Reporting Standards (IFRS) and Interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union and IFRS that have been issued by the International Accounting Standards Board (IASB).

The accounting principles that have been used in the preparation and presentation of the annual financial statements are in accordance with those used for the preparation of the Company and Group financial statements as of December 31, 2015 as were published on the website of the Company for information purposes.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property at fair value.

The preparation of the Financial Statements in conformity with IFRS requires the use of certain estimates and assumptions, which affect the balances of the assets and liabilities, the contingencies disclosure as at the balance sheet date of the financial statements and the amounts of income and expense relating to the reporting year.

These estimates are based on the best knowledge of the Company's and Group's management in relation to the current conditions and actions. Any differences between amounts in the primary financial statements and similar amounts detailed in the explanatory notes are due to rounding of figures.

2.2. New standards, amendments to standards and interpretations:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

<u>Standards and Interpretations effective for the current financial year</u>

IAS 19 (Amendment) "Employee Benefits"

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and 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.

IFRS 11 (Amendment) "Joint Arrangements"

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation"

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 16 and IAS 41 (Amendments) “Agriculture: Bearer plants”

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

IAS 27 (Amendment) “Separate financial statements”

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements.

IAS 1 (Amendments) “Disclosure initiative”

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendments) “Investment entities: Applying the consolidation exception”

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

Annual Improvements to IFRSs 2012

The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB’s 2010-12 cycle of the annual improvements project.

<u>IFRS 2 “Share-based payment”</u>

The amendment clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’**.**

<u>IFRS 3 “Business combinations”</u>

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 “Financial instruments: Presentation”. It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

<u>IFRS 8 “Operating segments”</u>

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

<u>IFRS 13 “Fair value measurement”</u>

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

<u>IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”</u>

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 "Related party disclosures"

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2014

The amendments set out below describe the key changes to four IFRSs.

IFRS 5 "Non-current assets held for sale and discontinued operations"

The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 "Financial instruments: Disclosures"

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 "Employee benefits"

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 "Interim financial reporting"

The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently investigating the impact of IFRS 15 on its financial statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017)

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

IAS 7 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2017)

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been endorsed by the EU.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018)

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

IFRS 4 (Amendments) "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts" (effective for annual periods beginning on or after 1 January 2018)

The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise 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; and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39. The amendments have not yet been endorsed by the EU.

IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018)

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018)

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle) (effective for annual periods beginning on or after 1 January 2017)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 12 "Disclosures of Interests in Other Entities"

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information.

IAS 28 "Investments in associates and Joint ventures"

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

2.3. Consolidated financial statements

a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern, directly or indirectly, the financial and operating policies.

Subsidiaries are fully consolidated (full consolidation) from the date on which control is transferred to the Group and they are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group' share of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

When the Group increases its shareholding in a subsidiary, the difference between the price paid and the book value of the net assets of that subsidiary is recorded directly in equity.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The Company accounts for its investment in subsidiaries, in its stand-alone accounts, on the cost less impairment basis.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted by using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition, (net of any accumulated impairment loss).

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless it has incurred obligations or has made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed to ensure consistency with the policies adopted by the Group.

Investments in associates are accounted for in the Company financial statements at the cost less impairment basis.

2.4. Segment reporting

The operational segments are defined as a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. The results of operational segments are regularly evaluated by the decision makers in order to make decisions relative to distribution of resources to the segment and assessing its performance.

2.5. Conversion of foreign currency

(a) Operating currency and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the operating currency").

The consolidated financial statements are presented in Euros, which is the Company's operating and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the operating currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and

iii. All resulting exchange differences are recognised as a separate component of equity and transferred in Income Statement with the sale of those entities.

Exchange differences arising from the translation of the net investment in foreign entities are recognised in equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6. Tangible fixed assets

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group higher than the initially expected according to the initial return of the financial asset and under the assumption that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Costs required for development and improvement of the computer software programmes are capitalised.

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, in order to write down the cost in its residual value. The expected useful life of property, plant and equipment is as follows:

- Buildings:	30 - 50 years
- Vehicles & mach. equipment:	5 – 10 years

- Other equipment: 3 – 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the income statement.

In case of sale of property, plant and equipment, the difference between the sale proceeds and the carrying amount is recognized as profit or loss in the income statement.

2.7. Intangible Fixed Assets

Computer Software

Software licences are evaluated at cost minus depreciation and any impairment cost. The software depreciation is calculated using the straight-line method and within a period of 3 - 5 years.

Expenses that are required for the development and repair of software are recognized as expenses when they are realized. Expenses for the development of specific software, controlled by the Group are recognized as intangible assets, when:

a. there is the technical possibility to complete the software so that it is available for use or sale,

b. there is the intention to complete and sell or use the item,

c. there is the possibility to sell or use the item,

d. the asset is going to produce future benefits. There has to be evidence that there is a market for the item or its production or if it is going to be used internally to prove the usefulness of the item in other segments of the entity,

e. it is certain that adequate technical, financial and other resources will be available to ensure the completion and sale or use of the item,

f. there is the possibility to measure reliably the expenses directly attributed.

Expenses that are capitalized comprise of the cost of material and services used or are consumed as well as the cost of the benefits to the employees that comes about directly from the production of the item.

2.8. Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or whenever events or changes indicate that the carrying amount may not be recoverable.

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use. Impairment losses are recognised as an expense to the Comprehensive Income Statement, when they occur.

2.9. Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale, investment in subsidiaries, derivative financial instruments and hedging activities. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category has three sub-categories: financial assets held for trading, those designated at fair value through profit or loss at inception and derivatives. Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. Also, the derivative financial instruments are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the above categories. They are included in non-current assets, unless management intends the disposal of investment within 12 months of the balance sheet date.

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses from changes in the fair value of the "financial assets at fair value through profit or loss" category are recognised in the income statement in the period in which they arise. Financial expenses are not included in acquisition cost of inventories.

Unrealized gains or losses from changes in fair value of financial assets that are classified as available for sale are recognized in revaluation reserves. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.10. Derivative financial instruments and hedging activities

The Group designates certain derivatives as cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in Group's results (income statement).

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (when the forecast sale that is hedged takes place).

Certain derivative instruments not qualified as hedging instruments and no longer meet the criteria for hedge accounting, are classified as derivatives available for sale and accounted for at fair value through profit or loss. Changes in the fair value of any of these derivative instruments are recognized immediately in the income statement within 'Other operating income / (expenses) - net'.

The Group designates certain derivative financial instruments as:

1) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge), or

2) derivatives at fair value through the income statement.

Changes in the fair value of derivatives that are not attributable to hedging are recognized immediately in the income statement within 'Other operating income / (expenses) – net'.

2.11. Inventories

Inventories are stated at the lower of cost and net realisable value. Differences between cost and net realisable value are recognised as losses in the income statement when they arise.

Cost is determined using the weighted average method. It excludes financial costs. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses. Certain provisions are formed for devaluated, not usable and with a very low turnover inventories. The decrease in the cost of inventories to the net realizable value and all other damage to the inventories are posted in the P&L of the period in which they appear.

2.12. Trade receivables and other receivables

Trade receivables are recognized initially at fair value (invoice value) and are then valuated in their un-depreciated cost, using the real interest rate, deducting any impairment losses. The impairment losses are recognized when there is objective evidence that it is not going to collect all the amount owed to it, based on the selling terms less provisions for non-receivables (bad debt). Provision for doubtful receivables is conducted when there is objective evidence that the Group or the Company will not be able to collect all amounts due, according to the terms of receivables. The doubtful receivables (bad debt) are written off against the formatted bad debt provision. Significant financial difficulties, probability that the debtor will enter bankruptcy or financial reorganization and the delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized as expense in the income statement within 'Other operating income / (expenses) – net'. The amount of the impairment loss is posted as expense in the "Other Expenses" of the P&L. When a trade receivable is characterized as "not-to-be-collected" it is written off, using the account for provisions. In case a receivable which was written off is collected, the other expenses are credited in "the Other Expenses" of the P&L.

2.13. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, short-term bank deposits and other short-term highly liquid investments with maturity dates of three (3) months or less and insignificant risk.

2.14. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown after the reduction of the relative income tax in reduction to the product of issue. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are included in the cost of acquisition of the new company.

The acquisition cost of own shares is presented as decreasing in equity until the own shares are sold or cancelled. Any profit or loss from the sale of own shares, net of direct to the transaction other expenses and taxes is presented as a reserve in Equity.

2.15. Trade and other payables

The trade and other payables are recognized initially in their fair value and after that in their undepreciated value based on the method of effective interest rate.

2.16. Debt

Banking loans are recognized initially at fair value, decreased by any transaction costs incurred. Subsequently, they are stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss statement over the borrowing period using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.17. Income Tax (Current and Deferred)

The income tax of the subsidiaries and associates of the Group is calculated based on the relevant laws that apply at the date of the Balance Sheet in the countries where they act and where the taxable income occurs. The management periodically checks the calculations of the tax and in cases where the relevant tax law can be interpreted in different ways; it forms a relevant provision for the surplus amount that is expected to be paid to the local tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business merger that at the time of the transaction affects neither the period's income tax includes the current tax, the deferred tax and the provisions for unaudited tax periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked to equity accounting nor taxable profit or loss. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.18. Employee Benefits

(a) Current benefits

Current employee benefits, monetary and in items, are recognized as an expense when they accrue.

(b) Benefits for employee compensation

According to the Greek Laws 2112/20 and 4093/2012, the Company pays the employees compensations for dismissals or resignations due to pensions. The aforementioned payments depend on the years of working experience, the remunerations, and the way of leaving the company (dismissal or resignation). The compensations for pensions and dismissals fall under the defined benefit plans according to the IFRS 19 «Employee benefits». The above obligations are calculated based on an actuarial projected unit credit method. A program of specific benefits that operates taking into consideration various factors such as age, years of experience, remuneration and other specific obligations.

The provisions that concern the fiscal year, are included in the relative personnel cost in the attached consolidated financial statements and consist of the current and previous personnel cost, the relative financial cost, the actuarial profits or losses and any other possible charges. According to the non-recognized actuarial profits or losses, the amended IAS 19 is applied, which includes a series of amendments regarding the accounting of defined benefit plans among others:

1. Actuarial gains and losses will be recognized in other comprehensive income and they will be definitely excluded from the results of the year.

2. The net interest on the net defined benefit liability during the reporting period that arises from passage of time and is determined by multiplying the need defined benefit liability by the discount rate

3. Past service costs are recognized in the income statement in the period when a plan is amended.

4. Other changes include extended disclosures, as quantitative sensitivity analysis

2.19. Subsidies

State subsidies are recognized at their fair value when there is the certainty that the subsidy is going to be collected and the Group will comply with all the terms.

State Grants that refer to expenses, are deferred and are recognized in the results so that they are matched by the expense they are going to subsidize.

State subsidies that refer to the purchase of fixed assets are included in the long term liabilities as deferred state subsidies and are transferred as income to the Statement of Comprehensive Income throughout the duration of the expected lifetime of the relevant assets.

2.20. Provisions

Provisions are recognized when:

i. There is present legal or constructive obligation as a result of past events

ii. It is probable that an outflow of resources will be required to settle the obligation

iii. The amount can be reliably estimated

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.21. Revenue recognition

Revenue includes the fair value of the sales of goods and services, net of VAT, deductions and returns. The intercompany revenue of the Group is fully eliminated.

The Group recognizes the income when the amount can be measured reliably, when the Group expects future inflows and when the criteria that are mentioned below, for each separate category, are met. The amount of the sale is not considered to be measured reliably if any contingent obligations are related to the income. The Group bases its estimations on historical data, taking into consideration the category of the customer, the type of transaction and the specific terms of the contract.

Revenue is recognized as follows:

a) Sales of goods

Revenue from sale of goods is recognized when the Group delivers the Goods to the customers, the goods are accepted by them and the collection of the receivable is assured.

b) Provided Services

Income from services is recognized in the accounting period in which the services are rendered, based on the stage of completion of the services provided in relation to the total services to be provided.

c) Interest income

Interest income is recognized in the income statement on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Afterwards, interests are calculated by using the same rate on the impaired value (new carrying amount).

d) Dividend income

Income from dividends is recognized when the right to receive payment is established.

2.22. Leases

Leases of property, plant and equipment which the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term if classified as tangible assets, while if classified as investment properties they are not depreciated but presented in their fair value.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.23. Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements when the dividend distribution is approved by the Company's General Assembly.

3. Risk management policies

3.1. Factors of financial risk

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The main risks are:

(a) Market risk

i) Foreign exchange risk

The foreign exchange risk is the risk of volatility of the value of financial assets, of assets and liabilities due to changes in the exchange rates. The majority of the Group's transactions and balances are in Euro. However, given the fact that the Group transacts in an international level and as a result is exposed to foreign exchange risk resulting, mainly, be the U.S. dollar. The Group holds deposits in foreign currency (Note 13). Furthermore, there are no loan liabilities in a currency other than the Euro. The Group in certain cases, outweighs the foreign exchange risk, by awarding derivative contracts, but does not use with hedge accounting.

The Management of the Group observes at all times the trends in the foreign exchange market and the potential risks that may arise from its fluctuations and evaluates the need for relevant measures. The activity of the Group in Bulgaria is not considered to enhance currency risk, as the exchange rate of the Bulgarian currency to the Euro is fixed.

ii) Cash flow and fair value interest rate risk

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

The policy of the Company is to keep loans at a low level, assuring at the same time that there is a financing capability from the banks that PLAISIO cooperates with, to satisfy without problems the planned development of the Group.

The long-term bond loans of the Company and the Group, on December 31st 2016, were 877 th. Euro (1.461 th. Euro on 31.12.2015), the short-term bond loans were 584 th. Euro (4.184 th. Euro on 31.12.2015). The total bond loans (1.461 th. Euro), refer to a common bond loan of fixed interest rate from NBG.

During the second semester of the financial year 2015, the Management chose to restructure its debt in a more short-term basis, with short-term bank loans, decreasing, in parallel, its long-term liabilities, taking advantage of its broad liquidity. The same policy was followed in the current year, resulted in total short-term bank loans of the Company on 31.12.2016 to amount 14.000 th. Euro, compared to 5.000 th. Euro in 31.12.2015. On 10th of February 2017, signed a contract for issuing a Common Bond Loan via private placement, of nominal value of € 6.000 th. Euro, with a duration of five (5) years. The Bond holders are Eurobank Ergasias S.A. and Eurobank Private Bank (Luxembourg) S.A.. The aim of the common Bond Loan, is the refinancing of the short-term bank loans of the Company.

The following table presents the sensitivity of the results of the period as well as the net equity to a change of the interest rate of +1% or -1%. The relevant influence is presented as follows:

A) Interest Rate increase by 1%:

The results of the period as well as the net equity of the Group and of the Company, in that case, would decrease by 140 th. Euro and 86 th. Euro on 31.12.2016 and 31.12.2015 respectively.

B) Interest Rate decrease by 1%:

The results of the period as well as the net equity of the Group and of the Company, in that case, would increase by 140 th. Euro and 86 th. Euro on 31.12.2016 and 31.12.2015 respectively.

The level of the interest rates is positively influenced in a micro-economic level by the capital structure of the Group and the timeless stability in the repayment of any kind of financial transactions. In a macro-economic point of view, interests are influenced by the evolution regarding the completion of the agreement with the Instutions, by the ability of the country to finance itself by the international markets and, generally, the investing attractiveness the international investors believe that the country has.

Taking into account all the above and the estimation for increased risk of interest rates (even if implemented in a limited scale in the total asset figures of the Group) the Company, considers in detail the related evolutions and acts in order to smooth probable negative effects.

Ultimately, it is noted that cash and cash equivalents of the Group on 31.12.2016, exceeds its total bank debt.

(b) Credit risk

Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and credit exposures to customers, including outstanding receivables and committed transactions.

Sales are made mainly to customers with an assessed credit history and credit limits. Also, certain sales and collection terms are applied. Whenever possible, further securities are requested for outstanding receivables.

The Management, on the one hand because of the large dispersion of the Group’s customers, and on the other hand because of the significant provision it has formed for doubtful receivables, given that its environment is one of increased credit risk, evaluates the risk as controlled. Retail sales are paid in cash or via credit cards. For wholesales the Group has the necessary policies in order to give credit, by examining the creditworthiness of the customers in every single case separately. Furthermore, it is a policy of the Group that the largest amount of its receivables is insured.

The concentration of credit risk relative to customers is presented in Note 11.

(c) Liquidity Risk

The tables that follow analyze the financial liabilities of the Company and the Group, grouped to certain dates they expire, which are calculated according to their remaining time from the date of the financial results to their conventional expiring date.

The amounts depicted in the tables, are not discounted. The within 12 months expiring amounts, are depicted in their fair value, since the effect of discounting is not considered to be significant.

	up to 12 months	**from 1 up to 2 years**	**from 2 up to 5 years**
THE GROUP 31.12.2016			
Suppliers & Other Short Term Liabilities	39.219	0	0

Loans & Interests	14.859	621	301
Total	**54.078**	**621**	**301**

THE GROUP 31.12.2015	**up to 12 months**	**from 1 up to 2 years**	**from 2 up to 5 years**
Suppliers & Other Short Term Liabilities	38.021	0	0
Loans & Interests	9.460	636	922
Total	**47.482**	**636**	**922**

THE COMPANY 31.12.2016	**up to 12 months**	**from 1 up to 2 years**	**from 2 up to 5 years**
Suppliers & Other Short Term Liabilities	38.670	0	0
Loans & Interests	14.859	621	301
Total	**53.528**	**621**	**301**

THE COMPANY 31.12.2015	**up to 12 months**	**from 1 up to 2 years**	**from 2 up to 5 years**
Suppliers & Other Short Term Liabilities	37.624	0	0
Loans & Interests	9.460	636	922
Total	**47.085**	**636**	**922**

The Group considers that the total liabilities to suppliers are short-term, while in the same category includes other short-term liabilities, as well as the tax liabilities. The total loans for the current year increased by approximately five millions Euro due to the undertaking of equal short-term debt.

Taking into account all the above and the security of the repayment of the aforementioned liabilities through the broad liquidity of the Group, and the positive cash flows, for the current and the next year, the examined risk is absolutely controlled.

3.2. Capital risk management

The Group's and Company's objective when managing capital is to safeguard the ability to continue as a going concern and in parallel to maximize the yield for the shareholders and the utility for other stakeholders through the optimization of the capital structure (debt and equity).

In order to maintain the effective capital structure for the shareholders, the Management propose to the General Assembly the adjustment of the dividend yield depending the conditions, or the return of the share capital to the shareholders (this happened based on the results of 2014), and in case of need for working capital, the increase of share capital with cash.

In the following two tables information for the net borrowing of the Group and the Company is given.

THE GROUP	31.12.2016	31.12.2015
Total Loans	15.461	10.645
Minus: Cash & cash equivalents	(42.792)	(41.794)
Net Borrowing	**(27.331)**	**(31.149)**

THE COMPANY	31.12.2016	31.12.2015
Total Loans	15.461	10.645
Minus: Cash & cash equivalents	(42.051)	(41.183)
Net Borrowing	**(26.590)**	**(30.538)**

Cash and cash equivalents are almost four times more than the total loans, eliminating the need for targeted policy regarding the management of the examined risk.

4. Critical accounting estimates and judgments of the Management

Estimates and judgments of the Management are continuously evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances.
For the Annual Financial Statements of December 31st 2016 the basic accounting principles and assumptions of the Balance Sheet of December 31st 2015 apply.

5. Segment information
(figures in th. Euro)

The Management of the Group recognizes three main segments of its operation (the product categories): a) Office products, b) PCs & Digital Technology products and c) Telecommunications products), as its main operation segments. The before mentioned operation segments are those used by the management team for observation of sector evolutions and the strategic decisions are thus made, taking into consideration the results, efficiency and productivity of each one separately. There are two more segments of a less importance and are included in the category “other”. The main source of revenue for these two segments is the provision of service for the PCs and the provision of transportation services.

The segment results for the year ending 31 December 2016 were as follows:

			Segment Reporting		
01.01.2016 - 31.12.2016	**Office Products**	**PCs & Digital Technology**	**Telecommunications**	**Other**	**Total**
Total Gross Sales per segment	95.767	142.506	48.056	1.594	**287.923**
Inter company Sales	(1.303)	(2.756)	(873)	0	**(4.933)**
Net Sales	94.463	139.750	47.183	1.594	**282.990**
EBITDA	4.394	3.948	1.532	249	**10.123**
% EBITDA / Net Sales	4,65%	2,82%	3,25%	15,62%	**3,58%**
Operating profit / (loss) EBIT	3.381	3.038	1.178	192	**7.789**
Finance cost					(1.238)
Income tax expense					(2.075)
Earnings After Taxes					**4.476**

The segment results for the year ending on 31st December 2015 were as follows:

01.01.2015 - 31.12.2015	**Segment Reporting**				
	Office Products	**PCs & Digital Technology**	**Telecommunications**	**Other**	**Total**
Total Gross Sales per segment	90.918	143.257	40.332	1.841	**276.348**
Inter company Sales	(1.254)	(2.557)	(552)	0	**(4.364)**
Net Sales	89.664	140.700	39.780	1.841	**271.985**
EBITDA	4.825	5.328	1.893	343	**12.389**
% EBITDA / Net Sales	5,38%	3,79%	4,76%	18,65%	**4,56%**
Operating Profit / (Loss) EBIT	3.874	4.278	1.520	276	**9.948**
Finance cost					(603)
Income tax expense					(2.609)
Earnings After Taxes					**6.736**

CHANGES	**Office Products**	**PCs & Digital Technology**	**Telecommunications**	**Other**	**Total**
Net Sales	5,4%	(0,7%)	18,6%	(13,4%)	4,0%
EBITDA	(8,9%)	(25,9%)	(19,1%)	(27,5%)	(18,3%)
% EBITDA / Net Sales	(0,7)	(1,0)	(1,5)	(3,0)	(1,0)
Operating Profit / (Loss) (EBIT)	(12,7%)	(29,0%)	(22,5%)	(30,5%)	(21,7%)
Finance Cost					**105,2%**
Income Tax Expense					**(20,5%)**
Earnings / (Loss) After Taxes					**(33,6%)**

The total turnover of the Group in 2016 came up to 282.990 th. Euro, having increased by 4,0%, compared to 2015. The sales were marginally decreasing during the first half of the year, but the decreasing trend was reversed in the second half of 2016 leading to a high one-digit increase (8,7%), a fact which was attributed to the imposed capital controls in the third quarter of 2015.

The sales of personal computers and digital equipment remained almost the same compared to the sales of 2015 (139.750 th. Euro and 140.700 th. Euro, respectively). The sales of the office products came up to 94.463 th. Euro, increased by a medium one-digit percentage (5,4%). Impressive was the increase in the telephony sector sales (18,6%), exceeding the forty seven million Euro, compared with less than forty million Euro of 2015. The aforementioned fluctuations in the turnover of every sector had as a result significant rearrangements in the participation of each sector to the total sales of the Group. As a result, the Telephony sector attributed 16,7% of the total sales compared to 14,6% in 2015. Marginal was the increase in the sector of Office Products as it attributed 33,4% to the consolidated sales, compared to 33% in 2015. Ultimately, the contribution of the PC & Digital Technology sector decreased by 2,35% to 49,4%, following the stability in sales in nominal terms. The sales of the services came up to 1.594 th. Euro.

The distribution of consolidated assets and liabilities for 31.12.2016 and 31.12.2015 per segment is analyzed as follows:

31.12.2016	**Office Products**	**PCs & Digital Technology**	**Telecommunications**	**Total**
Assets of the Sector	22.251	33.294	11.114	66.659
Non distributed Assets	-	-	-	80.667
Consolidated Assets				**147.326**

31.12.2016	**Office Products**	**PCs & Digital Technology**	**Telecommunications**	**Total**
Liabilities of the Sector	8.665	12.965	4.328	25.957
Non distributed Liabilities	-	-	-	121.369
Consolidated Liabilities				**147.326**

31.12.2015	**Office Products**	**PCs & Digital Technology**	**Telecommunications**	**Total**
Assets of the Sector	18.873	30.004	8.373	57.250
Non distributed Assets	-	-	-	81.442
Consolidated Assets				**138.692**

31.12.2015	**Office Products**	**PCs & Digital Technology**	**Telecommunications**	**Total**
Liabilities of the Sector	8.476	13.474	3.760	25.710
Non distributed Liabilities	-	-	-	112.982
Consolidated Liabilities				**138.692**

The home-country of the Company –which is also the main operating country–, is Greece. The Group's turnover is produced mainly in Greece by 99%, while the Group has, also, activities in Bulgaria.

	Sales	**Total Assets**
	01.01.2016 - 31.12.2016	**31.12.2016**
Greece	279.020	148.307
Bulgaria	8.903	3.019
Consolidated Sales / Assets (after the necessary omissions)	**282.990**	**147.326**

	Sales	**Total Assets**
	01.01.2015 - 31.12.2015	**31.12.2015**
Greece	267.796	139.829
Bulgaria	8.552	2.583
Consolidated Sales / Assets (after the necessary omissions)	**271.985**	**138.692**

Sales refer to the country where the customers are located. Assets refer to their geographical location.

6. Tangible and Intangible Assets

(Figures in thousand €)

The tangible and intangible assets of the Group and the Company are analyzed as follows:

THE GROUP

Tangible & Intangible Assets	Land & Buildings	Furniture & Other Equipment	Under construction Assets	Intangible Assets	Total
Acquisition Value					
Book Value on January 1st 2016	**43.900**	**14.300**	**53**	**5.381**	**63.636**
Additions	242	244	1.021	368	**1.875**
Disposals	0	(665)	0	(9)	**(674)**
Transfers	1.012	58	(750)	(320)	**0**
Book value on December 31st 2016	**45.154**	**13.936**	**325**	**5.421**	**64.836**
Depreciation					
Book Value on January 1st 2016	**(18.644)**	**(12.742)**	**0**	**(4.847)**	**(36.232)**
Additions	(1.462)	(890)	0	(183)	**(2.534)**
Disposals	0	665	0	9	**674**
Transfers	0	0	0	0	**0**
Book value on December 31st 2016	**(20.106)**	**(12.966)**	**0**	**(5.021)**	**(38.092)**
Net Book value on December 31st 2016	**25.048**	**970**	**325**	**400**	**26.744**
Net Book value on December 31st 2015	**25.256**	**1.559**	**53**	**535**	**27.403**

THE GROUP

Tangible & Intangible Assets	Land & Buildings	Furniture & Other Equipment	Under construction Assets	Intangible Assets	Total
Acquisition Value					
Book Value on January 1st 2015	**43.898**	**16.002**	**0**	**5.748**	**65.649**
Additions	2	559	53	5	**619**
Disposals	0	(2.260)	0	(372)	**(2.632)**
Transfers	0	0	0	0	**0**
Book value on December 31st 2015	**43.900**	**14.300**	**53**	**5.381**	**63.636**
Depreciation					
Book Value on January 1st 2015	**(17.227)**	**(13.877)**	**0**	**(5.021)**	**(36.125)**
Additions	(1.417)	(1.091)	0	(197)	**(2.740)**
Disposals	0	2.260	0	372	**2.632**
Transfers	0	0	0	0	**0**
Book value on December 31st 2015	**(18.644)**	**(12.742)**	**0**	**(4.847)**	**(36.232)**
Net Book value on December 31st 2015	**25.256**	**1.559**	**53**	**535**	**27.403**
Net Book value on December 31st 2014	**26.671**	**2.126**	**0**	**727**	**29.524**

THE COMPANY

Tangible & Intangible Assets	Land & Buildings	Furniture & Other Equipment	Under construction Assets	Intangible Assets	Total
Acquisition Value					
Book Value on January 1st 2016	**43.900**	**14.003**	**53**	**5.329**	**63.286**
Additions	242	220	1.021	341	**1.823**
Disposals	0	(624)	0	0	**(624)**
Transfers	1.012	58	(750)	(320)	**0**
Book value on December 31st 2016	**45.154**	**13.656**	**325**	**5.350**	**64.485**
Depreciation					
Book Value on January 1st 2016	**(18.644)**	**(12.484)**	**0**	**(4.802)**	**(35.930)**
Additions	(1.462)	(872)	0	(179)	**(2.513)**
Disposals	0	624	0	0	**624**

Transfers	0	0	0	0	**0**
Book value on December 31st 2016	**(20.106)**	**(12.732)**	**0**	**(4.982)**	**(37.819)**
Net Book value on December 31st 2016	**25.048**	**925**	**325**	**369**	**26.666**
Net Book value on December 31st 2015	**25.256**	**1.520**	**53**	**527**	**27.356**

THE COMPANY

Tangible & Intangible Assets	**Land & Buildings**	**Furniture & Other Equipment**	**Under construction Assets**	**Intangible Assets**	**Total**
Acquisition Value					
Book Value on January 1st 2015	**43.898**	**15.695**	**0**	**5.697**	**65.290**
Additions	2	546	53	1	**603**
Disposals	0	(2.237)	0	(369)	**(2.606)**
Transfers	0	0	0	0	**0**
Book value on December 31st 2015	**43.900**	**14.003**	**53**	**5.329**	**63.286**
Depreciation					
Book Value on January 1st 2015	**(17.227)**	**(13.612)**	**0**	**(4.978)**	**(35.817)**
Additions	(1.417)	(1.108)	0	(194)	**(2.719)**
Disposals	0	2.237	0	369	**2.606**
Transfers	0	0	0	0	**0**
Book value on December 31st 2015	**(18.644)**	**(12.484)**	**0**	**(4.802)**	**(35.930)**
Net Book value on December 31st 2015	**25.256**	**1.520**	**53**	**527**	**27.356**
Net Book value on December 31st 2014	**26.671**	**2.082**	**0**	**719**	**29.472**

There are no mortgages or collateral on the tangible fixed assets of the Group and the Company. Intangible assets include mainly software and licenses for software (SAP R3, BW, CRM etc.).

The total acquisition of fixed assets of the Group and the Company for 2016 amounted to 1.875 th. Euro and 1.823 th. Euro respectively. The total acquisition of fixed assets of the Group and the Company for 2015 amounted to 619 th. Euro and 603 th. Euro respectively. The disposals appeared above for the current period concern fully depreciated fixed assets. The approximately one million Euro difference between the two periods is attributed mainly to the investment for the new store in Dafni. The under construction assets relate to a new web platform for the e-commerce and the digital marketing, which was not used as at the date of the balance sheet.

The Company on the 31.12.2012, has re-evaluated the value of its fixed assets according to Law 2065/1992, only in its tax base, since the Company applies IFRS and observes the rules of the IFRS (Ministry of Economics 1226/24.12.2012). On 31.12.2016, the Company did not proceed to re-evaluation due to the fact that the relevant liability abolished according to 4308/2014.

7. Group Structure and Method of Consolidation

(Figures in thousand €)

The companies that are included in the annual financial statements are the following:

Company	Activity	Country	% Percentage	Connection	Consolidation Method
Plaisio Computers S.A.	Trade of PCs and Office Products	Greece	Parent	Parent	-
Plaisio Computers JSC	Trade of PCs and Office Products	Bulgaria	100%	Direct	Total Consolidation
Plaisio Estate S.A.	Development and Management of Real Estate	Greece	20%	Direct	Net Equity
Plaisio Estate JSC	Development and Management of Real Estate	Bulgaria	20%	Direct	Net Equity

Participation in subsidiaries is the participation of the parent company PLAISIO COMPUTERS S.A. in the share capital of the fully consolidated PLAISIO COMPUTERS JSC. The percentage of participation of the parent company is 100% and no minority rights arise.
In the Company's financial statements the participation in subsidiaries is displayed in cost. In the consolidated financial statements participation in subsidiary Plaisio Computers JSC is omitted. The value of participation in subsidiaries on December 31st 2016 and December 31st 2015 was:

PARTICIPATION OF PARENT COMPANY IN SUBSIDIARIES

	31.12.2016	31.12.2015
Plaisio Computers JSC	4.072	4.072

The participation in affiliated companies on December 31st 2016 and December 31st 2015 is analyzed as follows:

PARTICIPATION IN AFFILIATED COMPANIES	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Plaisio Estate S.A.	924	929	13	87
Plaisio Estate JSC	243	243	212	212
Total participation in affiliated companies	**1.167**	**1.172**	**225**	**299**

The participation in affiliated companies is presented at acquisition cost in the Company's financial statements.
The company with the name Plaisio Estate S.A., to which the company participates by 20%, given its decision of June 27th 2016, of the Annual Shareholders Meeting, decided to decrease its share capital by 370 th. Euro, by decreasing the nominal value of each share from 2,35 Euro to 0,35 Euro and by returning the aforementioned amount to its shareholders. This decrease had as a result the return of 74 th. Euro to the Company and also the Company's participation to the share capital of Plaisio Estate S.A., affected by the same amount. The above

mentioned decrease took place after the approval of the alteration of article 5 of the Memorandum of Plaisio Estate S.A. from the Regulatory Authority, on 14.07.2016. Plaisio Estate JSC, also paid dividend of 10 th. Euro to the Company, for the financial year of 2015.

The changes in participations that are consolidated via net equity are analyzed as follows:

	2016	2015
1st January	**1.172**	**1.290**
Capital Increase / (Decrease)	(74)	(200)
Percentage of results from participations accounted with the method of Net Equity	79	92
Dividend from participations accounted with the method of Net Equity	(10)	(10)
31st December	**1.167**	**1.172**

8. Other Investments

(Figures in thousand €)

Other investments consist of portfolio investments in companies not listed in organized stock markets. According to IAS 32 and 39, these investments are displayed in the financial statements at their acquisition cost less any provision for devaluation.

Other long-term investments on December 31st 2016 and December 31st 2015 are analyzed as follows:

OTHER INVESTMENTS	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
High-tech Park Acropolis Athens S.A.	454	454	454	454
High-tech Park Technopolis Thessalonica S.A.	30	30	30	30
Interaction Connect S.A.	14	14	14	14
Pancretan Cooperative Bank	10	10	10	10
	509	**509**	**509**	**509**
Impairement High-tech Park Acropolis Athens S.A.	(454)	(454)	(454)	(454)
Total other long-term investments	**54**	**54**	**54**	**54**

The participation of the Company in the above companies on December 31st 2016 was:

	Percentage of Participation	Country of Incorporation
High-tech Park Acropolis Athens S.A.	3,46%	Greece
High-tech Park Technopolis Thessalonica S.A.	2,18%	Greece
Interaction Connect S.A.	14,30%	Luxembourg
Pancretan Cooperative Bank	0,02%	Greece

Interaction Connect S.A. paid dividend to the Company of 9 th. Euro.

9. Other non-current assets

(Figures in thousand €)

Other non-current assets include, mainly, long-term guarantees and receivables that are going to be collected after the end of the following period. In particular, other non-current assets on December 31st 2016 and December 31st 2015 are analyzed as follows:

OTHER NON-CURRENT ASSETS	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Long-term guarantees	683	568	641	530
Total	**683**	**568**	**641**	**530**

10. Inventories

(Figures in thousand €)

The Group and Company's inventories on December 31st 2016 and December 31st 2015 are analyzed as follows:

INVENTORIES	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Inventories of merchandise	56.818	46.719	55.572	45.666
Inventories of finished products	727	12	727	12
Inventories of raw materials	11	14	11	14
Inventories of consumables	599	446	599	446
Down payments to vendors	3.842	6.642	3.842	6.642
	61.997	**53.834**	**60.751**	**52.781**
Minus: Provision for devaluation	(11.260)	(11.004)	(11.237)	(10.989)
Net realizable value of inventories	**50.737**	**42.830**	**49.514**	**41.792**

The Group takes all the necessary precautions (insurance, security) in order to minimize the risk and contingent damages from loss of inventory from natural disasters, thefts etc. The group is activated in the high technology area, where the danger of technological devaluation is increased; the management examines constantly the net realizable value of stock and forms all the necessary provisions so that the value in the financial statements matches the true value.

On 31.12.2016 the total inventory was 61.997 th. Euro and 60.751 th. Euro, while the provision for devaluation was 11.260 th. Euro and 11.237 th. Euro for the Group and for the Company respectively.

The increase in inventory is attributed, mainly, to the estimation of the Company for increase in the purchase prices of some components which led the Management to decide to stock high quantities in lower purchase prices. On 31.12.2016 the provision for inventory devaluation formed to 18,2% compared to 20,4%.

The Management evaluates in continuous basis the optimal level of inventories as well as the level of related provisions taking into account the inventory turnover.

11. Trade and other receivables

(Figures in thousand €)

The Group and the Company's trade and other receivables on December 31st 2016 and December 31st 2015 are analyzed as follows:

TRADE AND OTHER RECEIVABLES	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Receivables from customers	18.130	17.298	17.238	16.488
Cheques and bills receivables	2.567	2.259	2.567	2.259
Receivables prior to Impairments	**20.697**	**19.557**	**19.805**	**18.747**
Minus: Impairment	(4.775)	(5.137)	(4.700)	(5.062)
Net Receivables customers	**15.922**	**14.420**	**15.105**	**13.685**
Receivables from subsidiaries	0	0	854	486
Receivables from associates	0	0	0	0
Total trade and other receivables	**15.922**	**14.420**	**15.959**	**14.172**

The Group, despite the disperse of credit risk in a large amount of customers, due to its operation in a very high credit risk environment in relation to receivables from customers, continues to make high provision of bad-debts despite the fact that this year's provision is reduced compared to last year's one (23,1% of the total receivables, in relation to 26,3% in 2015).

The changes in provisions of bad-debts are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
Provision of Doubtful Receivables 01/01	5.137	6.865	5.062	6.794
Net change of Provision	(362)	(1.729)	(362)	(1.732)
Provision of Doubtful Receivables 31/12	**4.775**	**5.137**	**4.700**	**5.062**

The above mentioned bad-debt provision includes:

a) a strictly defined provision for all the customers that have been characterized as doubtful

b) a specific provision for all the customers that have overdue balances based on the ageing of their balances

c) a provision, based on the increased level of risk because of the conditions of the economic environment, taking in consideration: 1) the reduced liquidity of Greek businesses and 2) the difficult access to bank financing

It is noted that this provision includes also non-overdue receivables. For this provision the balances of all the customers have been taken into account, with the exception of the receivables from Plaisio Computers JSC, as it is considered that there is no risk of non-collection for these particular balances.

d) the Group has already moved to a provision for the balances from the Public Sector.

The receivables from customers are analyzed as follows:

	2016			2015		
THE GROUP	**Receivables before Impairment**	**Impairment**	**Receivables after impairment**	**Receivables before Impairment**	**Impairment**	**Receivables after impairment**
Receivables from Associates	0	0	0	0	0	0
Less than 90 days	19.442	(3.521)	15.922	18.164	(3.743)	14.420
Delayed 91-180 days	211	(211)	0	207	(207)	0
Delayed 181 + days	1.044	(1.044)	0	1.186	(1.186)	0
Total	**20.697**	**(4.775)**	**15.922**	**19.557**	**(5.137)**	**14.420**

	2016			2015		
THE COMPANY	**Receivables before Impairment**	**Impairment**	**Receivables after impairment**	**Receivables before Impairment**	**Impairment**	**Receivables after impairment**
Receivables from Subsidiaries	854	0	854	486	0	486
Receivables from Associates	0	0	0	0	0	0
Less than 90 days	18.610	(3.506)	15.105	17.422	(3.736)	13.685
Delayed 91-180 days	207	(207)	0	203	(203)	0
Delayed 181 + days	987	(987)	0	1.123	(1.123)	0
Total	**20.659**	**(4.700)**	**15.959**	**19.233**	**(5.062)**	**14.172**

It is noted that as in a fixed manner the Company does, every delayed receivable of more than 90 days is impaired.

12. Other receivables

(Figures in thousand €)

The other receivables of the Group and the Company on 31.12.2016 and 31.12.2015 are analyzed as follows:

OTHER RECEIVABLES	**THE GROUP**		**THE COMPANY**	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Income Tax Assets	1.735	3.482	1.735	3.482
Deferred expenses	615	600	598	595
Other receivables	3.195	2.451	3.121	2.387

	5.546	**6.532**	**5.454**	**6.463**

All the above receivables are short-term and there is no need to discount them at the date of the balance sheet. Other receivables refer to down payments, accommodation money to personnel, vendor's advance payments and pre-calculated purchase discounts. Receivables from Public Sector concern the debit balance of the account "Income Tax", due to the fact that down-payment for 2014 exceeded the respective liability for 2015 and was sufficient to cover the tax liability of 2016 and consequently, it should be presented in accounting terms. The Group proceeds to impairment tests and forms the relevant provisions regularly at each balance sheet date.

13. Cash and cash equivalents

(Figures in thousand €)

Cash and Cash equivalents for the Group and the Company on 31.12.2016 and 31.12.2015 are analyzed as follows:

CASH AND CASH EQUIVALENTS	**THE GROUP**		**THE COMPANY**	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Cash in hand	4.803	4.471	4.752	4.424
Short-term bank deposits	37.989	37.323	37.299	36.759
Total	**42.792**	**41.794**	**42.051**	**41.183**

The composition of cash and cash equivalents per currency is the following (all amounts are in the euro € currency)

	THE GROUP		**THE COMPANY**	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Euro	29.747	29.193	29.734	29.173
Other Currencies	13.045	12.601	12.317	12.010
Total	**42.792**	**41.794**	**42.051**	**41.183**

The Group amended the ratio of Euro to other currencies to its cash and cash equivalents (from 69,9% to 69,5%). The Management examines the cash and cash equivalents structure regarding the distribution of the cash to the currencies in a continuous basis and restructure it whenever it is needed. The above mentioned amounts are presented in the cash flow statement.

14. Share capital and difference above par

(Figures in €)

The share capital of the Company is analyzed as follows:

	Number of shares	**Par Value**	**Share capital**	**Above par**	**Total**

1st January 2016	22.080.000	0,33	7.286.400	844.185	8.130.585
31st December 2016	22.080.000	0,33	7.286.400	844.185	8.130.585

The shares of the Company are traded at the Athens Stock Exchange.

During the examined year, the Company purchased 2.835 own shares with average purchase price of 3,99 €, of total value 11 th. €. As at the date of conduction of the financial statements the Company held 4.335 own shares with average purchase price of 4,34 €, while the share buyback programme completed on 16.12.2016, according to the relevant decision of the Extraordinary General Assembly of 14.12.2014.

The annual Ordinary General Assembly of the 2nd of April 2015, decided amongst others: a) the increase of the Company's share capital by the total amount of 11.040 th. €, by capitalization of part of the account "Special Reserves from issuance of shares above par", which (increase) will be done with the increase of the nominal value of all the Company's shares by 0,50 Euro, or from 0,33 to 0,83 Euro and b) the decrease of the Company's share capital by the total amount of 11.040 th. €, which (decrease) will be done with the decrease of the nominal value of all the Company's shares by 0,50 Euro, or from 0,83 to 0,33 Euro and return-distribution of the respective amount to the shareholders of the Company. Following the aforementioned increase and decrease of the share capital of the Company with the respective increase and decrease of the nominal value of each share, the fully paid-up share capital of the Company amounts to 7.286 th. €, divided into 22.080.000 common shares, of 0,33 Euro final nominal value each. On 22.04.2015, the decision of the Ministry of Development and Competitiveness was registered in the General Commercial Register Office (G.E.MI.), through which the amendment of Article 5 of the Company's Article of Association was approved. The Stock Markets Steering Committee of Hellenic Exchanges was informed during its meeting on 23.04.2015 for the equal increase and decrease of the Company's share capital with corresponding increase and decrease of the nominal value of Company's shares and the capital return in cash to the shareholders amounting to 0,50 Euro per share.

Consequently, since 27.04.2015 the Company's shares are traded in the Athens Stock Exchange with their new nominal value of 0,33 Euro per share.

15. Reserves

(Figures in thousand €)

The rest of the reserves of the Group and the Company on 31.12.2016 and 31.12.2015 are analysed as follows:

	Legal Reserves	**Special Reserves**	**Other Reserves**	**Actuarial Losses Reserves**	**Total**
THE GROUP					
1 January 2015	**4.703**	**20.263**	**670**	**(367)**	**25.268**
Changes during the year	17	76	(58)	(32)	3
31 December 2015	**4.721**	**20.338**	**612**	**(400)**	**25.272**
1 January 2016	**4.721**	**20.338**	**612**	**(400)**	**25.272**
Changes during the year	22	0	10	(423)	(391)
31 December 2016	**4.743**	**20.338**	**622**	**(823)**	**24.880**

	Legal Reserves	Special Reserves	Other Reserves	Actuarial Losses Reserves	Total
THE COMPANY					
1 January 2015	**4.644**	**20.159**	**670**	**(367)**	**25.105**
Changes during the year	0	0	(58)	(32)	(90)
31 December 2015	**4.644**	**20.159**	**612**	**(400)**	**25.015**
1 January 2016	**4.644**	**20.159**	**612**	**(400)**	**25.015**
Changes during the year	0	0	10	(423)	(413)
31 December 2016	**4.644**	**20.159**	**622**	**(823)**	**24.602**

(a) Statutory reserve

A legal reserve is created under the provisions of Greek law (Law 2190/20, articles 44 and 45) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the paid share capital. The legal reserve can only be used, after approval of the Annual General meeting of the shareholders, to offset retained losses and therefore cannot be used for any other purpose.

(b) Special reserves

The special reserves includes a) a reserve that was created following a decision of the Annual General meeting in prior periods. This reserve was not created for any specific purpose and can therefore be used for any reason following approval from the Annual General Assembly and b) reserves which were created under the provisions of Greek law. The before-mentioned reserves have been created by already taxed profit and therefore are not taxed furthermore in case they are distributed or capitalized. In the special reserves, an amount of 4.894 th. Euro is included, which refers to Reserves formed with the first adoption of IFRS that was realized on January 1st 2005.

(c) Other Reserves

Other reserves are created under the provisions of tax law from tax free profits, income, or profits taxed under special provisions.

The above-mentioned reserves can be capitalized or distributed, after the approval of the Annual General meeting, after taking into consideration the restrictions which will apply at each time. The Group does not intend to distribute or capitalize these reserves and therefore has not calculated the income tax that would apply in this case.

With article 72 of the law 4172/2013, the non-distributed or capitalized tax free reserves of entities as stated in the last financial statement before 01.01.2014 are taxed with a tax rate of 19%. From 01.01.2015, it is not allowed to keep special accounts for tax-free reserves.

The Extraordinary General Assembly which took place on 16/12/2014 decided the capitalization of the tax-free reserves that have been formed based on the c.l. 2238/1994, according to article 72 of c.l. 4172/2013, of amount 144 th. Euro (net amount which remains after the deduction of the taxes (19%) to the total amount of tax-free reserves which were 178 th. Euro). The taxation of the reserves took place in 2014, while the capitalization of these reserves approved by the decision of the Ministry of Development with virtue number K2-7315/21-01-2015.

(d) Actuarial Losses Reserves

As a consequence of adopting the amended IAS 19, the Group changed the accounting policy regarding the recognition of actuarial losses and profits, arising from the before mentioned benefit plan of employees. An analytical presentation of the way of formation of this particular reserve and also of the effect of this change of policy is presented in Note 18.

16. Loans

(Figures in th. euro)

The liabilities for loans for the Group and the Company on 31.12.2016 and 31.12.2015 are analyzed as follows:

LOANS	**THE GROUP**		**THE COMPANY**	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Long Term Loans				
Bond Loans	877	1.461	877	1.461
Total Long Term Loans	**877**	**1.461**	**877**	**1.461**
Short Term Loans				
Bank Loans	14.000	5.000	14.000	5.000
Bond Loans	584	4.184	584	4.184
Total Short Term Loans	**14.584**	**9.184**	**14.584**	**9.184**
Total Loans	**15.461**	**10.645**	**15.461**	**10.645**

The changes in the amounts of the Loans are analyzed as follows:

Movements of Loans	**THE GROUP**	**THE COMPANY**
Balance 01.01.2015	**9.979**	**9.979**
Bank Loans	5.000	5.000
Repayments	(4.334)	(4.334)
Balance 31.12.2015	**10.645**	**10.645**
Balance 01.01.2016	**10.645**	**10.645**
Bank Loans	9.000	9.000
Repayments	(4.184)	(4.184)
Balance 31.12.2016	**15.461**	**15.461**

The expiring dates of the long-term loans of the Group and the Company are the following:

EXPIRATION DATES OF THE LOANS	**THE GROUP**		**THE COMPANY**	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Between 1 and 2 years	584	584	584	584
Between 2 and 5 years	293	877	293	877
	877	**1.461**	**877**	**1.461**

During the second semester of the financial year 2015, the Management chose to restructure its debt in a more short-term basis, with short-term bank loans, decreasing, in parallel, its long-term liabilities, taking advantage of its broad liquidity. The same policy was followed in the current year, resulted in total short-term bank loans of the Company on 31.12.2016 to amount 14.000 th. Euro, compared to 5.000 th. Euro in 31.12.2015.

On 10th of February 2017, signed a contract for issuing a Common Bond Loan via private placement, of nominal value of € 6.000 th. Euro, with a duration of five (5) years. The Bond holders are Eurobank Ergasias S.A. and Eurobank Private Bank (Luxembourg) S.A.. The aim of the common Bond Loan, is the refinancing of the short-term bank loans of the Company.

The level of the interests is influenced by many factors which have been analysed on the unit "Cash flow and fair value interest rate risk". Estimating the increased risk of the interest rates the Management, carefully, considers the related evolutions and acts in order to smooth any negative effects. It is noted that cash and cash equivalents of the Group on 31.12.2016, exceed the total of bank debt.

The long term bank loans that appear in the financial statements of the Group and the Company refer to:

- 12-year common Bond Loan, non-convertible to stocks of remaining balance 877 th. Euro (initial amount 6.426 th. Euro) from the National Bank of Greece S.A.

The level of the interest rates is positively influenced in a micro-economic level by the capital structure of the Group and the timeless stability in the repayment of any kind of financial transactions. In a macro-economic point of view, interests are influenced by the evolution regarding the completion of the agreement with the Instutions, by the ability of the country to finance itself by the international markets and, generally, the investing attractiveness the international investors believe that the country has.

On 31.12.2016 and 31.12.2015 the Company has complied with the above mentioned covenants of the Company's financial statements.

17. Deferred Income Tax

(Figures in th. euro)

The deferred income tax for the Group and the Company on 31.12.2016 and on 31.12.2015 is analyzed as follows:

	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Deferred tax liabilities	1.915	1.559	1.915	1.559
Deferred tax assets	5.596	5.446	5.587	5.436
	3.681	**3.888**	**3.672**	**3.878**

The change in the deferred tax liabilities and deferred tax assets for the Group and the Company on 31.12.2016 and 31.12.2015 without taking into account the offsetting of balances of the same period is analyzed as follows:

DEFERRED TAX LIABILITIES

THE GROUP	Difference in depreciation	Valuation of Derivative Contracts	Total

1-Jan-15	**1.264**	**41**	**1.304**
Debit/(Credit) in the P&L Statement	112	143	254
31-Dec-15	**1.375**	**184**	**1.559**
1- Jan -16	**1.375**	**184**	**1.559**
Debit/(Credit) in the P&L Statement	54	302	356
31- Dec -16	**1.429**	**486**	**1.915**

THE COMPANY	**Difference in depreciation**	**Valuation of Derivative Contracts**	**Total**
1-Jan-15	**1.264**	**41**	**1.304**
Debit/(Credit) in the P&L Statement	112	143	254
31-Dec-15	**1.375**	**184**	**1.559**
1- Jan -16	**1.375**	**184**	**1.559**
Debit/(Credit) in the P&L Statement	54	302	356
31- Dec -16	**1.429**	**486**	**1.915**

DEFERRED TAX ASSETS

THE GROUP	**Provision for Receivables**	**Provision for personnel compensation**	**Provision for devaluation of stock**	**Other Provisions**	**Tax Losses**	**Actuarial Profits Reserve**	**Total**
1-Jan-15	**845**	**148**	**3.058**	**676**	**24**	**129**	**4.880**
(Debit)/Credit in the P&L Statement	244	23	130	157	(22)	0	**532**
Credit in Equity	-	-	-	-	-	34	**34**
31-Dec-15	**1.089**	**171**	**3.188**	**833**	**2**	**163**	**5.446**
1-Jan-16	**1.089**	**171**	**3.188**	**833**	**2**	**163**	**5.446**
(Debit)/Credit in the P&L Statement	(59)	20	73	(56)	(2)	0	**(23)**
Credit in Equity	-	-	-	-	-	173	**173**
31-Dec-16	**1.030**	**192**	**3.260**	**776**	**0**	**336**	**5.596**

THE COMPANY	**Provision for Receivables**	**Provision for personnel compensation**	**Provision for devaluation of stock**	**Other Provisions**	**Tax Losses**	**Valuation of FX Forwards**	**Actuarial Profits Reserve**	**Total**
1-Jan-15	**839**	**148**	**3.057**	**676**	**0**	**0**	**129**	**4.849**
(Debit)/Credit in the P&L	245	23	130	156	0	0	0	554

Statement								
Credit in Equity	-	-	-	-	-	-	34	34
31-Dec-15	**1.083**	**171**	**3.187**	**832**	**0**	**0**	**163**	**5.436**
1-Jan-16	**1.083**	**171**	**3.187**	**832**	**0**	**0**	**163**	**5.436**
(Debit)/Credit in the P&L Statement	(58)	20	72	(57)	0	0	0	(23)
Credit in Equity	-	-	-	-	-	-	173	173
31-Dec-16	**1.025**	**192**	**3.259**	**775**	**0**	**0**	**336**	**5.587**

The Deferred tax assets and receivables are offset when there is a legal right that makes it applicable to offset current net tax assets over liabilities and when the Deferred Taxes refer to the same tax authority.

Deferred tax liabilities and assets are presented offset in the figure "Deferred Tax Assets" in the statement of financial position as at 31.12.2016, given that the financial statements of the subsidiary company Plaisio Computers JSC, do not present Deferred Tax Liability but only asset.

18. Provisions for pensions and similar commitments

(Figures in thousand €)

According to the labor law, employees are entitled of compensation in case they are dismissed or retired, the amount of which differs according to the wage, the years of experience and the way of their leave (dismissal or retirement). Employees that resign or are rationally dismissed are not entitled to any compensation. In Greece, employees that retire are entitled to 40% of such compensation according to the Law 2112/1920. Those schemes are not financed and are the part of specified compensation schemes according to IAS 19.

The Group had an independent actuarial study done on personnel compensation according to IAS 19.

The evolvement of the net liability, in the Statement of Financial Position, after the adoption of the amended IAS 19, is analyzed below:

	THE GROUP		**THE COMPANY**	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Net Liability at beginning of the year	1.154	1.067	1.154	1.067
Benefits paid by the Group	(211)	(421)	(211)	(421)
Expense recognized in the income statement	281	442	281	442
Actuarial loss / (gain)	596	66	596	66
Net Liability at year-end	**1.820**	**1.154**	**1.820**	**1.154**

The details and basic principles of the actuarial study for the periods ending on 31.12.2016 and 31.12.2015 are analyzed as follows:

	THE GROUP		**THE COMPANY**	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Service Cost	119	113	119	113

Amended Past Service Cost	0	0	0	0
Interest Cost	24	22	24	22
Termination Benefits/ Impact of Curtailments / Settlements	138	307	138	307
Total Charge to Income Statement	**281**	**442**	**281**	**442**

	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
MAIN ACTUARIAL PRINCIPLES				
Discount rate	1,7%	2,1%	1,7%	2,1%
Rate of compensation increase	2,25%	2,5%	2,25%	2,5%

	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Actuarial (gains)/losses of commitment for defined benefit plans due to empirical adjustments	(70)	(69)	(70)	(69)
Actuarial (gains)/losses of commitment for defined benefit plans due to change of admissions	(526)	3	(526)	3
Actuarial (Gains)/Losses of the period	**(596)**	**(66)**	**(596)**	**(66)**
Corresponding Deferred Tax	173	19	173	19
Deferred Tax due to change of the Tax Rate	0	15	0	15
Total	**(423)**	**(32)**	**(423)**	**(32)**

The actuarial losses of commitment for defined benefit plans due to change of admissions appeared increased because of the update in the admissions and the decrease in the discount rate.

The effect on the present value of the commitment for certain benefits when we have a variation of the discount exchange rate of +/- 0,5%, is +/- 2% on 31.12.2016.

19. Provisions

(Figures in thousand €)

The balances of accounts of provisions for the Group and the Company on December 31st 2016 and December 31st 2015 are analyzed respectively as follows:

OTHER PROVISIONS		THE GROUP		THE COMPANY	
	Note.	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Long-term provisions					
Provision for un-audited tax periods	**(a)**	564	564	564	564
Provision for bringing the stores in their primary condition according to the lease contracts	**(b)**	218	218	218	218
Total Long-term provisions		**782**	**782**	**782**	**782**
Short-term provisions					
Provision for computer guarantees	**(c)**	1.120	1.312	1.120	1.312
Total short-term provisions		**1.120**	**1.312**	**1.120**	**1.312**
Total Provisions		**1.902**	**2.093**	**1.902**	**2.093**

(a) The Company has formed a cumulative provision of 564 th. Euro, in order to cover the event of additional taxes in case of audit from the tax authorities for the un-audited periods of 2009 and 2010. The tax audit for the aforementioned years was completed by the tax authorities in 2017 and the results are presented in Note 23. Concerning the other companies of the Group, no such provision has been formed on the basis that any extra burden will be non-material. The un-audited tax periods of the companies of the Group are presented in Note 25.

(b) The Company has formed a provision for restoring the stores in their primary condition according to the lease contracts and their ending period.

(c) The Company has formed provision of total amount of 1.120 th. Euro for computer guarantees given to its customers. This provision is revaluated at the end of each fiscal year.

20. Deferred Income

(Figures in thousand €)

The investment that took shape in Magoula Attikis, came under the provisions of the development law 3299/2004 (subjection decision 32278/YPE/4/00513/N.3299/2004). Part of government grant amounted to € 2.153 th., received by the company during 2010, is included in short and long-term liabilities and acts deductive to the relative cost of depreciations. Moreover, with 18420/ΥΠΕ/4/00513/Ε/Ν.3299/28.4.2011 decision of the undersecretary of competitiveness and shipping (Government Gazette, issue B, 1078/1.6.2011) the completion of the investment was certified and the cost and commencement of the productive operation of the investment was finalized. With the above mentioned decision the remainder of the subsidy was approved, amounting to 2.259 th. Euro. It is noted that the total amount of the subsidy came up to 4.412 th. Euro.

State grants are posted in their value when there is the certainty that the grant will be collected and the Group will comply to all the relevant terms.

The state grants that are intended for the purchase of tangible assets are posted under long term liabilities and are posted in the Income Statement through the method of depreciation based on remaining lifetime of the fixed assets that the grant refers to. For this year 01.01.2016-31.12.2016 the depreciation of grants came up to 200 th. Euro.

The state grants that concern expenses are deferred and posted directly in Income Statement, when the granted expense is posted, so that the expense and the income is matched.

STATE GRANTS	**THE GROUP**		**THE COMPANY**	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Long-Term	2.531	2.661	2.531	2.661
Short-Term (Note 21)	130	200	130	200
	2.661	**2.861**	**2.661**	**2.861**

21. Suppliers and related current liabilities

(Figures in thousand €)

Suppliers and related current liabilities for the Group and the Company on 31.12.2016 and 31.12.2015 are analyzed as follows:

SUPPLIERS AND RELATED CURRENT LIABILITIES	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Trade payables	25.957	25.710	25.664	25.485
Advance payments of clients	1.048	826	997	800
Payable Dividends	25	24	25	24
Liabilities to insurance companies	1.275	1.215	1.275	1.215
Deferred Income (Note 20)	130	200	130	200
Creditors	4.683	4.812	4.669	4.800
Other current liabilities	2.627	3.131	2.627	3.131
	35.745	**35.918**	**35.387**	**35.655**

All the aforementioned liabilities are short-term and there is no need to be discounted at the date of the Balance Sheet. There are not any significant changes between the balances of 2016 and 2015.

22. Other Income

(Figures in thousand €)

The Other Income of the Group and of the Company for 2016 and 2015 are analyzed as follows:

OTHER INCOME	THE GROUP		THE COMPANY	
	01.01-31.12.2016	01.01-31.12.2015	01.01-31.12.2016	01.01-31.12.2015
Sales of waste material	27	19	27	19
Other income	52	31	22	21
Reimbursements and other grants	11	18	11	18
Total	**91**	**67**	**60**	**58**

23. Income tax expense

(Figures in thousand €)

The income tax expense comes from the deduction out of the profits, of the non-deductible expenses that include provisions and expenses, not recognized from the tax legislation. These expenses are recalculated at each Balance Sheet date. The income tax, according to the existing tax rates on the 31st of December 2016 (29%) and 2015 (29%) respectively, is analyzed as follows:

INCOME TAX	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Income tax expense	1.696	2.886	1.696	2.886
Taxation of Reserves	0	0	0	0
Deferred income tax	379	(277)	378	(299)
Total	**2.075**	**2.609**	**2.074**	**2.587**

Since the 2011 financial year and on, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 65A of L.4174/2013. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days of the date of approval of the financial statements by the General Meeting of Shareholders.

On 16/03/2017 the Company received the Audit Report for any kind of tax liabilities for the years 2009 and 2010, which was completed in 2017. The additional tax and surcharges resulting from the tax audit and the implementation of c.l. 4446/2016, amounts to 613 th. Euro. The Company has provisioned in the corresponding years a total amount of 564 th. Euro and as a result the difference of 49 th. Euro will impact the results of the current year 2017.

For the financial year of 2016, the tax auditing for issuing the "Tax Compliance Report", has already started and is being conducted by "BDO Certified Public Accountants S.A". The management team of the Company does not expect important tax liabilities to arise, other than those appearing to the financial statements.

24. Related party transactions

(Figures in thousand €)

The intra-company transactions of the Company on 31.12.2016 and 31.12.2015 can be analyzed as follows

Intra-company transactions 31.12.2016

	PURCHASING COMPANY					
INTRA-COMPANY SALES	**Plaisio Computers S.A.**	**Plaisio Estate S.A.**	**Plaisio Computers JSC**	**Plaisio Estate JSC**	**Buldoza S.A.**	**Total**
Plaisio Computers S.A.	-	6	4.888	0	179	**5.074**
Plaisio Estate S.A.	1.191	-	0	0	0	**1.191**
Plaisio Computers JSC	44	0	-	0	0	**44**
Plaisio Estate JSC	0	0	120	-	0	**120**
Buldoza S.A.	1	0	0	0	-	**1**
Total	**1.237**	**6**	**5.008**	**0**	**179**	**6.431**

Intra-company transactions 31.12.2015

	PURCHASING COMPANY					
INTRA-COMPANY SALES	**Plaisio Computers S.A.**	**Plaisio Estate S.A.**	**Plaisio Computers JSC**	**Plaisio Estate JSC**	**Buldoza S.A.**	**Total**
Plaisio Computers S.A.	-	6	4.140	0	173	**4.319**
Plaisio Estate S.A.	1.193	-	0	0	0	**1.193**
Plaisio Computers JSC	224	0	-	0	0	**224**
Plaisio Estate JSC	0	0	122	-	0	**122**
Buldoza S.A.	1	0	0	0	-	**1**
Total	**1.417**	**6**	**4.262**	**0**	**173**	**5.858**

Intra-company receivables – liabilities 31.12.2016

	COMPANY THAT HAS THE LIABILITY					
COMPANY THAT HAS THE RECEIVABLE	**Plaisio Computers S.A.**	**Plaisio Estate S.A.**	**Plaisio Computers JSC**	**Plaisio Estate JSC**	**Buldoza S.A.**	**Total**
Plaisio Computers S.A.	-	0	854	0	63	**918**
Plaisio Estate S.A.	8	-	0	0	0	**8**
Plaisio Computers JSC	0	0	-	0	0	**0**
Plaisio Estate JSC	0	0	0	-	0	**0**
Buldoza S.A.	0	0	0	0	-	**0**
Total	**8**	**0**	**854**	**0**	**63**	**926**

Intra-company receivables – liabilities 31.12.2015

	COMPANY THAT HAS THE LIABILITY					
COMPANY THAT HAS THE RECEIVABLE	**Plaisio Computers S.A.**	**Plaisio Estate S.A.**	**Plaisio Computers JSC**	**Plaisio Estate JSC**	**Buldoza S.A.**	**Total**
Plaisio Computers S.A.	-	0	486	0	83	**569**
Plaisio Estate S.A.	8	-	0	0	0	**8**
Plaisio Computers JSC	0	0	-	0	0	**0**
Plaisio Estate JSC	0	0	0	-	0	**0**
Buldoza S.A.	0	0	0	0	-	**0**
Total	**8**	**0**	**486**	**0**	**83**	**578**

The transactions with the members of the Board of Directors and the Management from the beginning of the period are analyzed as follows:

TRANSACTIONS WITH MEMBERS OF THE BOARD OF DIRECTORS AND KEY MANAGERS	**01.01.2016 - 31.12.2016**	
	THE GROUP	**THE COMPANY**
Transactions with members of the Board of Directors and Key Managers	627	627
Claims to members of the Board of Directors and Key Managers	0	0
	627	**627**

TRANSACTIONS WITH MEMBERS OF THE BOARD OF DIRECTORS AND KEY MANAGERS	**01.01.2015 - 31.12.2015**	
	THE GROUP	**THE COMPANY**
Transactions with members of the Board of Directors and Key Managers	619	619
Claims to members of the Board of Directors and Key Managers	1	1
	620	**620**

25. Litigations

The Group has contingent liabilities and assets in relation to banks, other guarantees and issues that arrive from its normal operation, from which no important additional charges are expected to arise.
There are no litigations or other forms of commitments for the fixed assets which expected to significantly affect the companies of the Group.
The un-audited tax periods of the companies of the Group are presented as follows:

COMPANY	**UN-AUDITED TAX PERIODS**
Plaisio Computers S.A.	2009 - 2010
Plaisio Computers JSC	2004 – 2016
Plaisio Estate JSC	2004 – 2016
Plaisio Estate S.A	2010

On 16/03/2017 the Company received the Audit Report for any kind of tax liabilities for the years 2009 and 2010, which was completed in 2017 and the results are presented in Note 23. The provision for un-audited tax periods is presented in Note 19.
For 2016 (01.01.2016-31.12.2016), Plaisio Computers S.A. and Plaisio Estate S.A. are undergoing the procedure of issuing a Tax Compliance Report (par. 5, article 65A, Law 4174/2013). For 2015 (01.01.2015-31.12.2015) regarding Plaisio Computers S.A. and also Plaisio Estate S.A., a Tax Compliance Report has already been issued.

26. Obligations

(Figures in thousand €)

Capital Liabilities

There are no capital expenses that have been taken up but have not been executed on 31.12.2016.

Operating Leasing Liabilities

The Group leases non-current assets, mainly, buildings and means of transportation via leasehold contracts. The future payables that stem from these leases, taking into consideration the yearly adjustments, are presented below:

	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Up to 12 months	5.260	5.059	5.056	4.855
From 13-60 months	19.786	17.162	19.007	16.353
Over 60 months	19.341	20.972	17.007	18.463
Total	**44.387**	**43.193**	**41.070**	**39.672**

27. Profit per Share

Basic Earnings per share are calculated by dividing the net profit that is distributed to the shareholders of the parent company, to the weighted average number of shares during the period, without taking into consideration the weighted average of own shares.

During the examined period, the Company purchased 2.835 treasury shares with average acquisition price of 3,99 Euro and the weighted average number of shares for the period ended up to 22.076.868. Diluted earnings per share are calculated by adjusting the average number of shares to the effects of all the potential titles convertible to common shares.

The company has no potential titles convertible to common shares, so the diluted earnings per share are equal to the basic earnings per share.

PROFIT PER SHARE	THE GROUP		THE COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit/(Loss) attributable to equity holders of the Company (in th. €)	4.476	6.736	4.473	6.707
Weighted Avg. No of shares (in th. €)	22.077	22.079	22.077	22.079
Basic Earnings per share (in €)	**0,2027**	**0,3051**	**0,2026**	**0,3038**

28. Dividend per Share

(Figures in thousand €)

On March 30th 2017, the Board of Directors of the Company, decided to propose to the General Assembly of the Shareholders, the distribution of dividend of 5 eurocents per share (gross amount) or of total amount of € 1.104 th. According to article 112 par. 8 of c.l. 4387/2016 (Government Gazzette: A' 85/12.05.2016) in combination with article 44, par. 4 of c.l. 4389/2016 (Government Gazzette: A' 94/27.05.2016) there is a 15% with-held tax to the incomes distributed from companies as dividends, since 01.01.2017.

On 17th of March 2017, the Board of Directors of the Company decided on the annual General Assembly of the Shareholders the distribution of dividend of 8 eurocents per share (gross amount) or of total amount of € 1.766 th. According to 4172/2013 (up to 2015), there was a 10% with-held tax for the dividend and the payment took place on the 24th of May 2016 by the bank "Eurobank S.A.".

29. Number of personnel

The Group's and the Company's employed personnel on December 31st 2016 was 1.344 and 1.267 employees respectively. Accordingly, on December 31st 2015 the Group's and the Company's employed personnel was 1.254 and 1.187 employees respectively.

30. Post balance sheet events

On 16/03/2017 the Company received the Audit Report for any kind of tax liabilities for the years 2009 and 2010, which was completed in 2017 and the results are presented in Note 23.

There are no significant events that took place from the ending of this year and until the publication of the financial statements, that have an important consequence on the financial results of the Group and the Company.

Magoula, March 30th 2017

The Chairman of the BoD & CEO	The Vice President & CEO	A' Class License Holder
George Gerardos	Konstantinos Gerardos	Aikaterini Vasilaki
AI 597688	AM 082744	AB 501431