# ANNUAL FINANCIAL REPORT

## For the year from January 1st to December 31st 2015

**According to article 4, Law 3556/2007**

## CONTENTS

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

The members of the Board of Directors:
1) Panagiotis Lykos, Chairman of the Board of Directors
2) Panagiotis Spyropoulos, Vice Chairman & Group CEO
3) Ilias Karantzalis, Member of the Board of Directors

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

(a) the annual, separate and consolidated, financial statements for the year 1/1/2015-31/12/2015, which were prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of «INFORM P. LYKOS S.A.», as well as of the consolidated companies as a total.

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

Koropi Attica, 29 March 2016

The designees

| Chairman of the Board of Directors | Vice Chairman & Group CEO | Member of the Board of Directors |
|---|---|---|
| Panagiotis Lykos<br>I.D. No AB 607588 | Panagiotis Spyropoulos<br>I.D. No AI 579288 | Ilias Karantzalis<br>I.D. No K 358862 |

# B) ANNUAL REPORT OF THE BOARD OF DIRECTORS

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

Dear Shareholders,

The Board of Directors of INFORM P. LYKOS S.A. hereby presents its Report on the Annual Consolidated Financial Statements for the year ended as of December 31st, 2015.

The Consolidated Financial Statements have been prepared according to the International Financial Reporting Standards.

**A. SIGNIFICANT EVENTS WITHIN THE YEAR 2015**

After the reorganization of the Group which was successfully completed, by the sale of all shares of AUSTRIA CARD GmbH to AUSTRIACARD AG (former LYKOS AG) which took place on December 15, 2014, the new sub-group headed by INFORM P LYKOS S.A. committed to its historical values of providing services, has continued to shape the printing market and the ways in which the companies should manage their records and customer relations, by strengthening further its position in the international printing market.

After the sale of AUSTRIA CARD GmbH to AUSTRIACARD AG (former LYKOS AG) at a price of € 40.000.000, INFORM P LYKOS S.A. proceeded to the following actions:
a) Repaid the remaining existing bond loan of € 20 million on February 15, 2015,
b) Returned to the shareholders of amount € 22.6 mil. (€ 1,10 gross amount per share or € 1,06 net amount per share), as follows:
- Cash return through reduction of the share capital amounting to € 0.70 per share, during April of the year 2015, after relevant decision of an extraordinary general meeting on February 27, 2015.
- Distribution of dividend of gross amount € 0.40 per share (net € 0.36), in accordance to the decision of the annual general meeting of 2015, Which took place on May 28, 2015. The full amount was repaid during June of the year 2015.
More information on the above transaction is included in the "Information Document of the sale of AUSTRIA CARD» which is uploaded on the Group's website (www.lykos.gr) and the Athens Exchange website (www.helex.gr).

**B. FINANCIAL RESULTS OF GROUP AND PARENT COMPANY**

During the year 2015, the revenues increased significantly in Greece and Romania. The security printing market is growing and is most evident the trend of transition from the physical delivery to electronic data management, creating new opportunities for the Group. The competition in the transactional printing is more local, while market opportunities arise when financial institutions and organizations outsource their formerly internal printing services.
With the objective of improving further the competitiveness, at the end of 2015 a program was launched for developing efficiency, which will reduce the production costs and general expenses from 2016 and forward. Due to this program, the results of 2015 were affected by non-recurring expenses of € 1.7 million compared to € 0.5 million in last year. In parallel, the administrative and selling expenses have already been reduced by € 1.3 million, depreciations have been increased by € 0.6 million mainly due to changes in the useful life of new technology equipment, as well as positive deferred tax € 0.6 million was formed against tax losses.
Following the above, the key financial figures of the Group adjusted by the non-recurring expenses € 1.7 million and € 0.5 million for the years 2015 and 2014 respectively, are presented as follows:

| | 31/12/2015 | 31/12/2014 | R | % |
|---|---|---|---|---|
| Revenue | **64,9** | **59,1** | 5,8 | 9,8% |
| **EBITDA** | **2,5** | **2,6** | -0,1 | -3,0% |
| **Adjusted EBITDA** | **4,2** | **3,1** | 1,1 | 37,8% |
| EBIT | **-1,1** | **-0,5** | -0,6 | -147,9% |
| **Adjusted EBIT** | **0,6** | **0,1** | 0,5 | 3750,9% |
| Earnings/ (losses) before taxes (EBT) | **-2,3** | **-1,6** | -0,7 | -47,4% |
| **Adjusted EBT** | **-0,6** | **-1,1** | 0,5 | 44,0% |
| Earnings/ (losses) after taxes (EAT) | **-1,6** | **-1,6** | 0,0 | -1,1% |

- The consolidated sales reached € 64.9 million compared to € 59.1 million in 2014, representing an increase of 9.8% in comparison with 2014,
- Earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group, decreased by € 0,1 mil. or 3% and reached € 2.5 mil., compared to € 2.6 mil. in 2014,
- The adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group increased by € 1.1 million or 37.8% and reached € 4.2 million compared to € 3.1 million in 2014,
- Consolidated earnings before interest and taxes (EBIT), amounted to losses of € -1,1 mil. compared to losses of € -0.5 mil. In 2014, decreased by € 0.6 mil.,
- The adjusted earnings before interest and taxes (EBIT) of the Group, despite the higher depreciations by € 0.6 million , increased by € 0.5 million and reached € 0.6 million compared to € 0.1 million in 2014,

- Earnings before taxes (EBT) of the Group, amounted to losses of € -2.3 mil. from losses of € -1.6 mil. in 2014, decreased by € 0.7 mil. or 47.4%,
- The adjusted earnings before taxes (EBT) of the Group, increased by € 0.5 million and reached losses € -0.6 million compared to losses € -1.1 million in 2014,
- Consolidated earnings after taxes (EAT), amounted to losses of € -1.6 mil. from losses of € -1.6 mil. in 2014.

Specifically, regarding the business by geographical segment, excluding the intercompany sales:
In Greece, the parent company INFORM P. LYKOS S.A. recorded revenues of € 34.4 million compared to € 31.1 million in last year, growing by 10.6%. The increase is mainly related to the increasing demand of payment cards due to capital controls in June of 2015, as well as to the new contracts in printing, enveloping and mailing from the financial institutions and telecom companies. The adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of 2015, reached € 2.4 million compared to € 1.4 million, increased by € 1 million or 76.9%.
In Romania, the subsidiary INFORM LYKOS S.A. recorded revenues of € 29.6 million compared to € 27.1 million in last year, representing an increase of 9%. The increase is mainly related to the new projects in statement printing, enveloping and mailing in telecom companies, as well as in public sector projects like the transportation card and payment receipts. The adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of 2015 reached € 1.6 million compared to € 1.5 million in 2014, increased by 7.6%.
In Albania, the subsidiary ALBANIAN DIGITAL PRINTING SOLUTIONS Sh.pk, recorded revenues of € 750 thousands from € 784 thousands in 2014, representing a decrease of 4%, while the earnings before interest, taxes, depreciation and amortization (EBITDA) of 2015 increased by € 31 thousands or 28.3%, and reached € 142 thousands from € 111 thousands in 2014.

**Financial performance ratios of the Group**

Accordingly, the financial performance ratios of the Group amounted in 2015 compared to 2014 as follows:
- The margin of earnings before interest, taxes, depreciation and amortization amounted to 3.8% in 2015 from 4.3%, decreased by 0.5 basis points,
- The margin of earnings before interest and taxes amounted to -1.7% in 2015 from -0.8%, decreased by 0.9 basis points,
- The margin of earnings before taxes amounted to -3.5% in 2015 from -2.6%, decreased by 0.9 basis points,
- The performance ratio of equity amounted to -3.1% in 2015 from 2.5% in 2014, decreased by 5.6 basis points,
- The performance ratio of assets amounted to -1.9% in 2015 from 1.5% in 2014, decreased by 3.4 basis points,
- The ratio of total liabilities to equity amounted to 0.63 in 2015 from 0.65 in 2014,
- The ratio of bank debt to equity amounted to 0.28 in 2015 from 0.40 in 2014, decreased by 0.12 basis points,
- The ratio of liquidity amounted to 0.89 in 2015 from 1.49 in 2014, decreased by 0.6 basis points.

**C. SOURCES AND USES OF FUNDS**

In 2015, the investments of the Group, excluding acquisitions, amounted to € 1.4 million from € 3.1 million in 2014, of which € 0.7 million in new technology machinery, € 0.5 million in software developments and € 0.2 million in other equipment.
The bank debt of the Group, amounted to € 14.8 million in 2015 from 31.1 mil. in 2014, decreased by € 16.3 million. The bank debt for 2015 is comprised of € 2.6 million long-term and € 12.2 million short-term bank loans. It is noted that at 15th February 2015, the remaining amount of the bond loan € 20 million was fully repaid.

**D. RISK MANAGEMENT**

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

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

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

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

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

*Exchange rate risk*

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

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

*Interest rate risk*

All bank debt of the Group is connected with fluctuating interest rates, maintaining however, the option to convert into stable interest rates, in case the market conditions. With the Group's funds benchmark at 31.12.2015, in a hypothetical increase or decrease of Euribor by +/- 1%%, the Group's results will be affected negatively or positively, respectively, by an amount of about € 147 thousand.

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

*Credit risk*

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

*Liquidity risk*

The Group manages its liquidity needs through careful follow-up of debts, long-term financing obligations and payments. Liquidity needs are monitoring on a daily basis and planning of payments – on weekly and monthly basis. Special attention is paid to management of reserves, receivables and liabilities in order to achieve the highest possible liquidity for the Group.
The central financial department of the company, responsible for risk management, operates following certain rules approved by the Board of Directors.
The Board of Directors through its executives:
(a) establish and apply procedures and regulations that allow identification of risks, connected to activities, procedures and systems of operation of the Company (mainly credit risk, market risk and operational risk).
(b) determine the acceptable level of risk.
(c) ensure that the Group maintains the required capital adequacy and appropriately manages the risks arising from its operation.

**E. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES**

In thousands Euros

**31/12/2015**

| **Parent company from / to subsidiaries** | Sales of products or services | Purchases of products or services | Receivables | Liabilities |
|---|---|---|---|---|
| Lykos Paperless Solutions A.E. | 60,5 | 75,0 | 12,3 | 93,8 |
| Inform Lykos S.A. (Romania) | 599,0 | 3.515,0 | 102,6 | 66,6 |
| Albanian Digital Printing Solutions Sh.p.k. | 67,8 | 1,7 | 111,4 | 1,7 |
| **Total** | **727,3** | **3.591,7** | **226,3** | **162,1** |

The following shall be mentioned regarding the above:

**The sales of the parent company** to: (a) «Lykos Paperless Solutions S.A.» concern mainly services, (b) «Inform Lykos S.A. (Romania)» concern mainly printing items and organization, management supporting services, (c) «Austria Card GmbH» concern printing items, (d) «Albanian Digital Printing Solutions» concern mainly printing items.
**The purchases of the parent company** from: (a) «Inform Lykos S.A.(Romania)» concern mainly forms and printing items (β) «Albanian Digital Printing Solutions» concern mainly printing items.

**F. DIVIDENDS POLICY**

The closing price of the share of INFORM P. LYKOS S.A. as at 31/12/2015 was € 0.45 lower than the respective € 1.55 closing price as at 31/12/2014, or 71% lower. The decrease is mainly due to payment to the shareholders € 1.10 per share by cash return, from decrease of share capital and distribution of dividend. The highest price of the year for the company's share was € 1.78 (11/05/2015) and the lowest € 0.37 (28/08/2015). The Volume Weighted Average Price was € 0.979.
The Board of Directors of the Company intends to propose to the 34th Annual General Meeting of Shareholders, distribution of dividend of gross amount € 0.07 per share (net € 0.063).

**G. SIGNIFICANT EVENTS AFTER THE END OF THE YEAR**

With commitment to the key objective of the strategic supplier of big organizations, the Group decided to invest in two new digital printing units, to increase production capacity, strengthen the quality and reduce the production costs at the same time. The new units worth € 3.4 million, settled in Greece and is in operation by March 2016.

Apart from the afore-mentioned events, there are no other events after December 31, 2015, which can have a significant effect on the financial position or operation of the Group.

**H. PROSPECTS FOR 2016**

The Group having extensive experience and know-how in integrated solutions-services has developed long term customer relationships, offering high level products and services at competitive prices, so as to be considered a strategic supplier of banking institutions, telecommunications and other organizations either in the private sector or in the public sector.
Group's main objective focus on creating further value added intently into 4 main pillars:

- New markets and new customers

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

- New Products

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

- Efficiency Improvement

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

- Potential strategic co-operation opportunities

It will continue to search potential opportunities for strategic partnerships, aiming at a further strengthening of its position in the broader region of Central and Eastern Europe.
Due to the challenging market environment, it is expected that for the period 2016 revenues will be stable compared to 2015. As a result of the improving efficiency program which was launched at the end of 2015 and includes reduction in production costs and general expenses, improvement is expected on the operating result in 2016.

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

**(a) Share capital structure**

The Company's share capital as at December 31st 2015, amounted to € 12.758.591,88 divided by 20.578.374 common nominal shares of nominal value 0.62 euro each.
According to the shareholders registry as at December 31st, 2015 the share capital structure of the company was the following:

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

All (100%) shares of the Company are common, nominal and undivided and there are no special categories of shares. Rights and obligations related to the shares are those set by Law 2190/1920.
According to the shareholders registry as at March 29th, 2016, the share capital structure of the company was the following:

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

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

Finally, the main rights and obligations arising from shares, according to the Company's Memorandum of Association and Law 2190/1920, are the followings:
1. Each share, offers a right to the distribution of the company's earnings and the result of liquidation of the company's assets, in case of termination by the rate of paid capital of the share divided by total paid share capital.

2. In every case of share capital increase, not paid (a) by contribution of items or (b) by bonds issue bearing rights to convert in shares or (c) by Stock Option Plan for acquiring shares, according to paragraph 13 of article 13 of Law 2190/1920, a right of preference is offered to the total new capital or bond loan in favour of the existing shareholders at the time of share issue, proportional to their participation to the current share capital.

3. After an inquiry of any shareholder, the Board of Directors is obliged to offer to the General Meeting all the required information about the company's affairs to the extent necessary for the real evaluation of the issues raised.

4. After an inquiry of shareholders, representing one twentieth (1/20) of paid share capital (a) the Board of Directors is obliged to call for a special General Meeting, (b) the Board of Directors is obliged to include additional issues in the schedule of the General Meeting, (c) the Board of Directors provides the shareholders before the date of General Meeting with drafts of decisions for issues have been included in daily agenda, (d) the President of the Meeting is obliged to postpone only once the decisions of the General Meeting, regular or not, for all or certain matters, (e) the Board of Directors is obliged to announce at the General Meeting of shareholders the amounts which over the last two years have been

paid for any reason by the Company to the members of the Board of Directors or the managers or other employees and also every other benefit to these individuals or every existing contract of the company with them of any kind, (f) the decision on a matter in the General Meeting is taken by nominal vote. Shareholders representing one twentieth (1/20) of paid share capital have the right to ask for audit of the company by the local court of the domicile of the company in case there are indications of illegal actions or against the company's Memorandum of Association or decisions of the General Meeting.

5. After an inquiry of shareholders, representing one fifth (1 / 5) of paid share capital, the Board of Directors is obliged to provide to the General Meeting information on the company course of development and its property status. Furthermore, the shareholders of the Company, representing one fifth (1 / 5) of the share capital may request from the First Instance Court of the area of the Company's registered office to conduct audit of the Company if in the cause of the Company development it is believed that the management of the corporate affairs was not exercised as required by sound and prudent management.

6. In the above cases 3, 4 and 5, the requiring shareholders ought to prove that they own the shares offering the above (3, 4 and 5) rights.

7. Shareholders who wish to participate and vote at the General Meeting of shareholders, ought to maintain their shares deposited.

8. Responsibility of shareholders is limited to their contribution, which is the nominal capital of their shares.

**b) Limitations on shares transfer**

1. There are no limitations according to the Company's Memorandum of Association on the transfer of its shares.
2. According to article 4 of Law 3016/2002, as effective, the independent not executive members of the B.of.D. of the Company cannot at the same time own company's shares higher than 0,5% of the share capital.

**c) Significant direct or indirect participations according to P.D. 51/1992**

As at March 29th, 2016, AUSTRIACARD AG (former LYKOS AG) and Mrs Olga Lykos owned a percentage of 70,79% and 9,42% respectively of the Company's share capital. Mr. Nikolaos Lykos holds a percentage 96,14% of the share capital of AUSTRIACARD AG (former LYKOS AG) .
The company is not aware of any other shareholders, who own directly or indirectly a percentage higher than 5% of the share capital of INFORM P. LYKOS S.A.
It is noted that, as at March 29th, 2016, INFORM P. LYKOS S.A. does not participate in the share capital of any other company listed in the Athens Stock Exchange.

**(d) Shareholders possessing special control rights**

There are no company shares offering special control rights.

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

There are no limitations on voting rights.

1. According to the Company's Memorandum of association the ownership of a share offers one voting right.

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

3. Under the provisions of CL 2190/1920, in the General Meeting is entitled to participate a person, registered as a shareholder in the records of the organization, where are kept records of the securities (shares) of the Company (i.e. Dematerialized Securities System, operated by "Hellenic Exchanges S.A."). The proof of shareholder status is relevant to the presentation of written certification of that institution or, alternatively, by direct electronic connection with the Company's records of that institution. The status of the shareholder must exist as at the beginning of the fifth (5th) day before the day of the General Meeting (record date) and the relevant written confirmation or electronic certification of the shareholder status must reach the Company no later than as at the third (3rd) day before the meeting of the General Meeting. Participation in the repeated General Meeting is regulated under the same conditions as above, provided for in paragraph 4, article 28a, CL 2190/1920. Only those in the capacity of shareholders as at the relevant record date are regarded as those entitled to participating in the General Meeting and exercising voting right. Failure to comply with the provisions of Article 28 a of the Law 2190/1920, results in the shareholder participation in the General Meeting only following the Meeting's permission. The exercise of these rights (participation and rights)

does not require commitment of shares or of any other similar process, which limits the ability to sell and transfer the shares during the interval between the record date and the date of the General Meeting.
Twenty-four (24) hours prior to each General Meeting, there shall be displayed, at a conspicuous place in the Company quarters, a table registering the names of those holding the voting rights vote with any potential indication of their representatives and the number of shares and votes each of them holds, as well as the addresses of shareholders and representatives.
Any objection against that registration table is announced at the beginning and before the Meeting discusses the agenda.

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

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

**g) Rules of placement / replacement of members of the B.o.D and adjustment of memorandum of Association when different from those under provisions of Law 2190/1920**

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

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

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

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

**(h) Authority of the B.o.D. for issue of new shares / acquisition of own shares according to article 16 of Law 2190/1920**

1. During the first five years from the establishment of the company, the Board of Directors can decide by a majority of two thirds (2/3) of total members, to increase share capital partly or totally by issuing new shares. The amount of these increases cannot exceed the initial share capital. The above decision of the Board of Directors is subject to publicity requirements of article 7b of Law 2190/1920. The above authority of the Board of Directors, can be renewed by General Meeting, for a period not exceeding five years each time and is effective after the expiration of the five years period. This decision of the General Meeting of the shareholders is subject to publicity requirements of article 7b of Law 2190/1920. The above authority has not been assigned to the Board of Directors by the General Meeting.
As an exception, in case the Company's reserves exceed one fourth (1/4) of the paid share capital, then the increase of share capital is always subject to the approval of the General Meeting.

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

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

4. The company is forbidden to acquire own shares, except for the cases and conditions approved by the provisions of the legislation effective. The General Meeting of the Company's shareholders, at June 27rd, 2014 approved the acquisition by the Company of 28.000 own shares according to article 16 of Law 2190/1920 within a period of twelve months, at a price from 0,20 to 2 euro, for the purposes of their remaining with the company personnel. This decision has not been implemented by the Company until currently.

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

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

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

There are no agreements of compensation of members of the B.o.D or employees for any reason.

Koropi, March 29th, 2016

Panagiotis Lykos
President of the Board of Directors

## CORPORATE GOVERNANCE STATEMENT

### General

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

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

### Voluntary Compliance of the Company with the Corporate Governance Code

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

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

### Deviation from the Corporate Governance Code and explanations

The Company states that it faithfully and strictly implements the provisions of the Greek legislation (Law 2190/1920, Law 3016/2002 and Law 3693/2008) which form the minimum requirements to be met by any Corporate Governance Code applied by companies, whose shares are traded on a regulated market.
These minimum requirements are incorporated in this Corporate Governance Code (SEV) to which the Company is subject; however, this Code contains a number of additional (beyond the minimum requirements) specific practices and principles. In connection with such additional practices and principles, there are effective, at present, some deviations (including the cases of non-implementation), which are briefly analyzed and explained. Reference to non-application of certain provisions is also made in the Corporate Governance Code (SEV) concerning companies, not belonging to FTSE-20 and FTSE-40.
On case basis, the company diverges from or does not apply as a total several provisions of the Code recorded in the current document *in italics*.

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

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

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

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

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

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

- Regarding nomination of the Board of Directors members:

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

- Regarding the functioning of the Board of Directors:

a) there is no particular operating regulation of the BoD, since the provisions of the effective Interior Regulations of the Company are assessed as sufficient regarding the organization and functioning of the BoD *A.VI (6.1)*
b) at the beginning of every calendar year, the BoD does not adopt a calendar of meetings and a 12-month agenda to ensure that it properly, fully and timely fulfils its responsibilities, since the Company considers that the functioning of BoD is sufficiently covered by the provisions of the effective Interior Regulations. Moreover, the BoD meetings can be easily held, due to objective reasons, when imposed by the Company needs or legislation without and programmed activities *A.VI (6.1)*
c) there are no provisions for the BoD being assisted by a competent, suitably qualified and experienced company secretary, since there is

effective the required structure facilitating correct recording of the BoD meetings and the required good information flows between the board members A.VI *(6.2, 6.3)*
d) there is no obligation for ensuring that an induction programme is established for new board members and that continuing professional development programmes are available to other board members, since all the relative issues pertaining to the fees are clearly defined by the effective Interior Regulations and any potential deviation is discussed in front of all the BoD members A.VI *(6.5)*
e) there is no provision for existence of a program of regular briefings on business developments, and changes in the risk profile of the company and professional training, since there are nominated as BoD members the executives who have competence and experience in – managerial duties A.VI *(6.6)*
f) There is no special provision for sufficient resources to BoD committees to undertake their duties and employ outsource consultants. However, all the requests from any department regarding recruitment of external consultants are examined by the Management and approved on case basis in compliance with the company needs A.VI *(6.9,6.10).*

- Regarding BoD evaluation:

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

- Regarding Internal Control System:

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

The Internal Audit Department is accountable to the Audit Committee of the BoD that was re-established following the Regular General Meeting as at 23/05/2011. The basic responsibilities of the Audit Committee are those recorded in the provisions of the Law 3693/2008 and international practices without the existence of special operating regulations *B.I (1.7).*

- Regarding the level and structure of remuneration:

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

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

- Regarding the General Meeting of the Shareholders:

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

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

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

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

1. INTRODUCTION
    - 1.1. GENERAL
    - 1.2. STRUCTURE AND CONTENT
2. GENERAL DATA AND INFORMATION ON « INFORM – P. LYKOS S.A. »
    - 2.1. GENERAL INFORMATION
    - 2.2. COMPANY MANAGEMENT – ADMINISTRATION
    - 2.3. COMPANY PERSONNEL
    - 2.4. AUDIT OF FINANCIAL STATEMENTS
3. ORGANIZATIONAL CHART – STRUCTURE OF THE COMPANY
    - 3.1. ORGANIZATIONAL STRUCTURE OF THE COMPANY
4. CORPORATE GOVERNANCE

4.1. PRINCIPLES OF CORPORATE GOVERNANCE
4.2. FUNCTIONING OF THE BOARD OF DIRECTORS
4.3. INTERNAL CONTROL SYSTEM
4.4. CORPORATE ANNOUNCEMENTS AND SHAREHOLDERS SERVICES

5. OPERATION AND PROCEDURAL REGULATIONS OF THE COMPANY
5.1. ETHICS CODE OF THE COMPANY
5.2. ADMINISTRATIVE SERVICES
5.3. INTERNAL AUDIT SERVICES
5.4. FINANCIAL SERVICES
5.5. IT
5.6. PERSONNEL
5.7. SALES SERVICES
5.8. INVOICING & DISTRIBUTION

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

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

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

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

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

**a) Control systems at corporate level**

*Recognition, assessment, measurement and management of risks:*

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

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

*Planning and monitoring / Budget:*

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

*Sufficiency of Internal Control System:*

The Management has designed and performs on-going supervisory activities, which are incorporated into the operation of the Company and which ensure that the Internal Control System maintains its effectiveness over time. The Company carries out regular individual assessments of the adequacy of Internal Control System, carried out primarily by the Internal Control Services.
The Company has an independent Internal Control Service, which among other things ensures that the identification procedures and risk management systems implemented by management are sufficient to ensure effective functioning of the Internal Control System and the quality and reliability of the information provided by the Management to the Board of Directors regarding the Internal Control System. The preparation of the Plan (or Manual) of Control Service is based on the risk assessment carried out for these purposes as well as the issues identified by the Management and the Audit Committee. The Plan (or Manual) shall be submitted for approval to the Audit Committee. The

risk assessment process is conducted annually and takes into account the risk assessment carried out under the responsibility of the Board within the framework of risk management of the Company.

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

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

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

*Roles and responsibilities of the BoD:*

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

*Prevention and control of financial fraud:*

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

*Internal Operation Regulations:*

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

**b) Control systems in IT systems**

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

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

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

**Organization – Allocation of Duties**

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

**Accounting monitoring and preparation of financial statements procedures**

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

**Asset safeguarding procedures**

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

**Approval limits of transactions**

- Existence of Chart of Authorities, depicting the assigned authorities to various executives of the company to carry out specific transactions or transactions (e.g. payments, receipts, legal acts, etc.).

**General Meeting and Rights of the Shareholders**

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

**a. Functioning of the General meeting and its basic authorities**

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

a) Change in national capacity of the company.

b) Change in the company objective.

c) Increase in shareholders' obligations.

d) Share Capital increase apart from cases under Article 5, par. 2 and 3 hereof or imposed by legal provisions or made under capitalization of reserves.

e) Share Capital decrease.

f) Change in the way of distribution of profit.

g) Mergers, division, modification, revival, extension of its term of duration or liquidation of the company.

h) Provision or renewal of authority granted to the Board of Directors regarding Share Capital increase.

i) Issue of bond loan, providing bond conversion option to shares or participating interest in profit.

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

The Board of Directors may convene an extraordinary meeting of the shareholders, if deemed appropriate or if requested by shareholders legally and according to the Articles of Association representing the required percentage.
The General Meeting, apart from repetitive Meetings treated as such, is convened twenty (20) days before the date projected for the meeting. It shall be clarified that non-working days are also counted. The day of publication of the invitation and the date of the meeting are not counted. The invitation of shareholders to the General Meeting shall include the date, time and location of the general meeting, issues on the agenda, shareholders that are entitled to participate and precise instructions on how shareholders will be able to attend the meeting and to exercise their rights in person or by proxy, or possibly remotely. Invitation to convene the General Meeting is not required in cases when present or represented shareholders represent the entire share capital and none of them objects to realization and decision making.
The General Meeting is in quorum and convenes validly on the items on the agenda when there are present or represented shareholders representing at least one-fifth (1 / 5) of the paid-up capital.
If such a quorum fails to be formed, the General Meeting shall meet again within twenty (20) days from the date of the invitation for meeting cancellation at least the ten (10) days before. At the repetitive meeting on the issues of the initial Meeting agenda, there must be a quorum whatever part of the paid-up share capital is represented at it.

The decisions of the General Meeting are made by an absolute majority of votes represented therein.
As an exception, for decisions regarding:
a) change of the national capacity of the Company,
b) change of the Company's headquarters,
c) change in the Company's objective or scope of operations,
d) conversion of the Company's shares to nominal shares,
e) increase in the shareholders' obligations,
f) share capital increase (except those imposed by laws or provisions made by capitalization of reserves), share capital decrease, except those in accordance with paragraph 6 of Article 16 of Law 2190/20,
g) issue of bond loan within the provisions of Articles 3a and 3b of the Law 2190/1920 as currently effective
h) merger, division, conversion, revival of the Company,
i) extension or reduction in the Company's term of operation,
j) the Company's liquidation,
k) in any other case when the legislation defines that making several decision by the General Meeting requires the quorum under this paragraph, the Meeting is in quorum and convenes validly on the issues on the agenda when there are present or represented the shareholders representing two-thirds (2 / 3) of the paid up share capital.
The General Meeting is provisionally chaired by the Chairman of the Board of Directors or, if he is incapacitated, the legal deputy, and there is appointed a Secretary as one of the shareholders or their representatives present, till there ratified by the General Meeting the list of hareholders entitled to participate in the meeting and the statutory chairman is elected. The chairing body comprises the Chairman and the

Secretary, the latter acting as a teller.
The discussions and decisions of the General Meeting are limited to the issues on the agenda. The agenda is prepared by the Board of Directors and includes the proposals of the Board of Directors to the Meeting and any suggestions of auditors or shareholders representing one twentieth (1 / 20) of the issued share capital. The discussions and decisions of the General Meeting are recorded in a special book (book of minutes) and the minutes are signed by the Chairman and the Secretary of the Meeting. At the beginning of the minutes, there is recorded the list of the shareholders present or represented at the General Meeting.
At the request of a shareholder, the President of the Meeting shall record in the minutes of the opinion of the shareholder requesting it.
If at the General Meeting there is present only one (1) shareholder, there is mandatory the presence of a notary, who endorses the minutes of the meeting.

**Rights of shareholders and way of their exercise**

**a. Participation and voting right**
The shareholders exercise their rights in relation to the Company's management, only at the General Meeting and in accordance with the provisions of the law and the Articles of Association. Each share entitles the holder to one vote at the General Meeting, except for those provided for in Article 16 of law 2190/1920, as amended.
The General Meeting shall be participated by those presented as shareholders, registered in the records of DSS kept by "Greek Exchanges SA" (HELEX), which holds securities (shares) of the Company. Proof of membership is conducted under the presentation of the relevant written acknowledgment of that body or alternatively, under online Company connection with the relevant authority. The shareholder capacity must exist on the record date, i.e. in the beginning of the fifth (5th) day before the day of the General Meeting and the relevant certificate or the electronic certification of the shareholder status should reach the Company not later than on the third (3rd) day before the date of the General Meeting.
Only those in the capacity of shareholders as at the relevant record date are regarded as those entitled to participating in the General Meeting and exercising voting right. Failure to comply with the provisions of Article 28 a of the Law 2190/1920, results in the shareholder participation in the General Meeting only following the Meeting's permission.

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

Every shareholder may appoint up to three (3) representatives. Legal entities participate in the General Meeting as representatives up to three (3) natural persons. However, if a shareholder holds shares of the Company, which appear in more than one securities account, this restriction does not prevent the shareholder from appointing different representatives for the shares held in each account in relation to the General Meeting. The representative, acting on behalf of more shareholders, may vote differently for every shareholder. The representative of a shareholder must notify the Company prior to the General Meeting, of every specific event, which may be useful to shareholders for assessment of the risk of representative serving other interests that those of the principal shareholder. Within the meaning of this paragraph, there may arise conflict of interests, particularly when the representative:
a) is a shareholder who has control of the Company or other legal person or entity controlled by that shareholder,
b) is a member of the Board of Directors or the overall management of the company or shareholder that has control of the Company, or other legal person or entity controlled by a shareholder who has control of the Company
c) is an employee or statutory auditor of the company or shareholder that has control of the Company, or other legal person or entity controlled by a shareholder who has control of the Company
d) a spouse or first degree relative to one of the individuals mentioned in the above cases (a) to (c).
The appointment and dismissal of the shareholder representative is made in writing and is notified to the Company in the same way at least three (3) days before the date of the General Meeting.

**b. Other shareholders' rights**
Ten (10) days before the Regular General Meeting, every shareholder may take from the Company copies of annual financial statements and Board of Directors and Auditor's Reports. These documents must be timely submitted by the Board in Company office. At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board of Directors is obliged to convene an Extraordinary General Meeting of shareholders, announcing the date of the meeting, which should not be more than forty-five (45) days from the date of submission of the request to the Chairman of the Board of Directors. The request contains the subject on the agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the date of submission of the request, the meeting can be convened by the requesting shareholders, following a decision of the First Instance Court of the registered office of the Company area, issued in the process of injunctive measures. This decision specifies the place and time of the meeting and the agenda.
At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board of Directors is obliged to include in the agenda of the General Meeting, which has been convened, additional issues, if the request is received by the Board of Directors fifteen (15 ) days before the General Meeting.
Additional issues shall be published or disclosed under the responsibility of the Board, within Article 26 of the Law 2190/1920, seven (7) days before the General Meeting. If these issues are not published, the applicants are entitled to ask shareholders to postpone the General Meeting in accordance with paragraph 3 of Article 39 of the Law 2190/1920 and to proceed to publication themselves, as defined in the preceding paragraph, at the expense of the At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board makes available to shareholders, as stipulated in Article 27 paragraph 3 of the Law 2190/1920, six (6) days before the date of the General Meeting, the draft resolutions on items included in the original or the revised agenda, if the request is received by the Board seven (7) days before the date of the General Meeting.
At a request of any shareholder submitted to the Company five (5) full days before the General Meeting, the Board shall provide the General Meeting with the required specific information about the affairs of the Company, provided that they are useful for appraisal of the issues on the agenda.
At a request of a shareholder or shareholders representing one twentieth (1 / 20) of the issued share capital, the Chairmen of the Meeting is obliged to postpone decision making by the General Meeting, Annual or Extraordinary, for all or some issues, defining the dates the meeting is

to be continued, as specified in the request of shareholders, but not more than thirty (30) days from the date of postponement. The following after postponement General Meeting is a continuation of the previous one and does not require repetition of the formalities of publication of invitation to the shareholders, while new shareholders that meet the requirements of Article 27 paragraph 2 and 28 of the Law 2190/1920 can participate.
At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, which must be submitted to the Company five (5) calendar days before the Annual General Meeting, the Board is obliged to announce at the General Meeting the amounts paid over the last two years for any reason by the Company to every member of the Board Directors or Company executives and any payment made to such persons for any reason or the effective agreement between them and the Company. In all these cases the Board of Directors may refuse to provide information, disclosing the significant reason behind the refusal, which is recorded in the minutes. Such reason may be circumstances under the representation of the requesting shareholders to the Board pursuant to paragraphs 3 or 6 of article 18 of Law 2190/1920.
At a request of shareholders representing one-fifth (1 / 5) of the paid up share capital, submitted to the Bank within the period mentioned in the previous paragraph, the Board of Directors shall provide to the General Meeting the information on the course of corporate affairs and the property position of the Company. The Board of Directors may refuse to provide information, disclosing the significant reason behind the refusal, which is recorded in the minutes. Such reason may be circumstances under the representation of the requesting shareholders to the Board pursuant to paragraphs 3 or 6 of article 18 of Law 2190/1920, provided these Board members have received the relevant information in a sufficient manner.

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

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

*Board of Directors (BoD)*

General

The elected Board of Directors on June 03, 2013 by the Regular General Meeting consists of eight (8) members, three of which (3) are executive members, three (3) members are non-executive, and the rest two (2) members are non-executive and independent Their term of office is three years (3 years), expiring on 03/06/2016. In particular, after the reconstruction of the board of directors at 18/07/2014, the Board members and their respective properties at the end of 2015 were as follows:

| Num. | Name - surname | Capacity | Date of undertaking duties (most recent | End of term of office |
|---|---|---|---|---|
| 1 | Nikolaos Lykos, father’s name - Panagiotis | Chairman of the BoD – Executive member | 03/06/2013 | 03/06/2016 |
| 2 | Panagiotis Spyropoulos, father’s name – Ioannis | Vice Chairman of the BoD & Managing Director – Executive member | 03/06/2013 | 03/06/2016 |
| 3 | Georgios Triantafyllidis, father’s name – Ioannis | Member of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 4 | Konstantinos Lagios, father’s name – Charalampos | Member of the BoD – Executive member | 03/06/2013 | 03/06/2016 |
| 5 | Ilias Karantzalis, father’s name - Georgios | Member of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 6 | Panagiotis Lykos, father’s name – Nikolaos | Member of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 7 | Spyridon Manias, father’s name – Panos | Member of the BoD – Independent Non-executive member | 03/06/2013 | 03/06/2016 |
| 8 | Eleftherios Chiliadakis father’s name - Argiris | Member of the BoD – Independent Non-executive member | 03/06/2013 | 03/06/2016 |

After the reconstruction of the board of directors at 08/03/2016, the Board members and their respective properties are as follows:

| Num. | Name - surname | Capacity | Date of undertaking duties (most recent | End of term of office |
|---|---|---|---|---|
| 1 | Panagiotis Lykos father's name - Nikolaos | Chairman of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 2 | Panagiotis Spyropoulos, father's name – Ioannis | Vice Chairman of the BoD & Managing Director – Executive member | 03/06/2013 | 03/06/2016 |
| 3 | Georgios Triantafyllidis, father's name – Ioannis | Member of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 4 | Konstantinos Lagios, father's name – Charalampos | Member of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 5 | Ilias Karantzalis, father's name - Georgios | Member of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 6 | Spyridon Manias, father's name – Panos | Member of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 7 | Emmanouil – Evagelos Lekakis father's name - Nikolaos | Member of the BoD – Non-executive member | 08/03/2016 | 03/06/2016 |

BoD meetings

The Board met eighty five (85) times in 2015 and the meetings, at the legal quorum, were attended by the members in Person or through proxy.

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

Roles and responsibilities of the Board of Directors

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

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

**Election and electability of Board of Directors members**
The Board is elected by the General Meeting (regular or extraordinary).
The Board members shall be persons fully able to perform their responsibility. Inability to perform the duties leads to inability to exercise company management and hence be a member of the Board of Directors of the company.
Board of Directors members exclude:

- Members of Parliament
- Prosecutors, judges, assistants of judges, magistrates, secretaries of the courts
- Civil servants

Brokers, who cannot exercise delegation of limited company whose shares are listed

**Withdrawal of Board of Directors Members**
Members of the Board are freely withdrawn by the General Meeting. The withdrawal, even not stated explicitly, can arise indirectly following

the General Meeting appointing the new Board of Directors before the end of its term of office. The withdrawal can be made by Regular or Extraordinary General Meeting.
In case of withdrawal, a Board member is not entitled to compensation as in the capacity of the Board member.
The withdrawal of Members shall not have any consequences in respect of termination the relationship of the members with the company, which is based on separate contract or salaried service. Therefore, if the withdrawal is accompanied by contingent termination of the labour contract, the non-elected consultants may demand compensation in accordance with the provisions of labour law.
The withdrawal of the Board automatically entails the withdrawal of the member or third persons, entrusted, under the Board decision, with total or partial management or representation of the company.

**Resignation of Board of Directors members**
Members of the Board of Directors of the Company may freely resign. The resignation is effective as soon as it is disclosed to the company. The disclosure to the company is made under written notification to the Chairman of the Board.

**Replacement of Board of Directors members**
Following establishment of a vacancy (due to resignation or death) on the Board, a successor shall be elected by the Board.
The election must be ratified by the first General Meeting of Shareholders, following the event.
If the election of a successor is not ratified by the General Meeting, then it elects another person for the vacant position, but the acts, conducted prior to the decision of the General Meeting, are regarded as valid.

**Authority and responsibilities of the Board of Directors**
The Board manages the company as a collective body, taking decisions in accordance with the provisions of Law 2190/20
The Board of Directors is responsible for the company legal and practical representation. All members have one vote and all responsibility for decisions taken.
The responsibilities of the Board are defined by law or in the Articles of Association.
The Board is accountable to the General Meeting of the company shareholders and has the following authorities:

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

**Responsibilities - Duties of Board of Directors members**
The foremost obligation and duty of members is the enhancing long-term financial value of the company and protection of general corporate interests.
Due to the increased dispersion of the share capital among the investment public, there is imposed protection of minority shareholders and making decisions that are free from any other motivation than the company interests.
The Board members must not only pursue short-term reinforcement of the market value of shares and shall not be pursuing interests contrary to those of the company.
Every Board member shall be liable to the company under managing the corporate affairs for any fault. He is also held responsible if the balance sheet contains false statements or omissions that conceal the true condition of the company.
Every Board member is obliged to strictly keep the confidential information regarding the company.
The members of the Board of Directors shall not be permitted to perform, on occasion or by profession, without the authorization of the General Meeting of shareholders of the company, either on their own behalf or on behalf of third parties, acts falling within the object of the company. When such an issue arises, an Extraordinary General Meeting shall be convened, which is authorised to provide the permission in question. In case of violation of this prohibition, the company is entitled to claim damages from the members who carried out the violation or to require the benefit be provided to it.
Members of the Board and any third party entrusted with responsibilities, must disclose to the other Board members their own interests that may arise from transactions within the company, and any other conflict of interests with those of the company or its affiliated companies (within the meaning of Article 42e, par. 5 of Law 2190/20) which arise in the course of their duties.
The Board of Directors annually prepares reports detailing the company's transactions with affiliates.

**Meetings of the Board of Directors**
The Board meets at regular intervals in accordance with the Articles of Association, and when required by extraordinary circumstances, at the headquarters of the company.
The Board of Directors shall meet at the headquarters of the company.
The Board is in quorum and convenes validly when there are present or represented one more than half the number of members.

A member of the Board may, following a written authorization that can be authenticated, simple or plain paper fax validly represent only one member thereof. The representative appointed may not be a person, who is not a member of the Board.
Unless otherwise provided by law, the Board of Directors shall take its decisions by absolute majority of the members present or represented.
For following procedures are effective regarding the Board meetings:

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

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

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

There are strictly prohibited loans to the company's Board members or relatives up to the third degree by blood or marriage or spouses as well as provision of credit in any way or provision of guarantees for third parties.
This prohibition applies to loans or credits granted by subsidiaries in which the company has participating interest. The company is designated as dependent on another company (principal), when the shares representing more than ½ of the outstanding capital, are owned by it (principal).

**Fees on profits**
The Executive Board members, subject to decision of the General Meeting, depending on the time of their participation in the management and representation of the company and the financial outcome of the company, are entitled to receive remuneration as a percentage of annual net profits of the company.
The calculation of fees on the profits of the year requires a decision of the Board while the right of a member of the Board of Directors to the fees is based upon specific approval thereof by the General Meeting. Non-approval by the Annual General Meeting of the above fees constitutes non-approval of annual financial statements.
Any fees awarded to members of the Board on the profits will be received from the balance of net profit remaining after the deductions of statutory reserve and first dividend equal to at least 6% of the issued share capital (Article 24, Law 2190/20).
The above fees are not subject to judicial limitation.

**Fees for attending the Board meetings**
The **Executive** and **Non Executive Board members** attending meetings of the Board are entitled to receive remuneration for their participation in Board meetings, provided that they are approved (in amount and payee) by the Annual General Meeting of the company.
The payment of such fees is subject to a prior decision of the Board while the right of a member of the Board of Directors to such fees is based upon specific approval thereof by the General Meeting. Therefore if the General Meeting does not approve these fees, the beneficiaries of these fees will return them to the company.
These fees may be reduced by the court decision and in case there is a decision of the Annual General Meeting by shareholders representing 1 / 10 of the corporate capital.
These fees can be provided within the years when the company has no profits.

**Fees for Directors' services**
**Executive Members**
The Executive Members of the companies subject to the relative decision of the Annual General Meeting are entitled to fees for services for management and representation of the company.
The payment of such fees is subject to a prior decision of the Board, while the right of a member of the Board of Directors to such fees is based upon specific approval thereof by the General Meeting. Therefore if the General Meeting does not approve these fees, the beneficiaries of these fees will return them to the company.
The Regular General Meeting may approve these fees, only regarding the specific purpose.
These fees may be reduced by the court decision and in case there is a decision of the Annual General Meeting by shareholders representing 1 / 10 of the corporate capital.

**Non-Executive Members**
The Non-Executive Board members entrusted with specific responsibilities, within the meaning of the Law 3016/02, subject to the decision of the Annual General Meeting, are entitled to fees for the performance of those duties.
The fees will be commensurate with the time they devote to fulfil their duties and the amount will be predetermined by the decision of the Board. The right of non-executive members of the Board of Directors to such fees is based upon specific approval thereof by the General Meeting. Therefore, if the General Meeting does not approve these fees, the beneficiaries of these fees will return them to the company.
The Regular General Meeting may approve these fees, only regarding the specific purpose.
These fees may be reduced by the court decision and in case there is a decision of the Annual General Meeting by shareholders representing 1 / 10 of the corporate capital.
All fees and compensations of non-executive directors are recorded in the Financial Statements of the company.

**Fees based on contractual rewards**
The executive members of the company may render the company additional to services apart from those rendered as directors.

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

The remuneration of the Board Members for the year 2014 is recorded in note 40 to the annual financial report for the year 2014.

Chairman of the Board

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

CEO

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

It should be noted that for administrative purposes, it has been chosen by the company's management that the person exercising the duties of the Chairman of the board is identical to that of CEO.

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

*Audit Committee*

The Company has established the Audit Committee, appointed by the General Meeting of the shareholders. The Audit Committee consists of three (3) non-executive members who as at 31/12/2015 were as follows:

| Num. | Name –Surname | Capacity | Date of undertaking duties (most recent) | End of term of office |
|---|---|---|---|---|
| 1 | Ilias Karantzalis father's name - Georgios | Member of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 2 | Spyridon Manias, father's name – Panos | Member of the BoD – Independent Non-executive member | 03/06/2013 | 03/06/2016 |
| 3 | Eleftherios Chiliadakis father's name - Argiris | Member of the BoD – Independent Non-executive member | 03/06/2013 | 03/06/2016 |

After 08/03/2016 the audit committee's restructuring is as follows:

| Num. | Name –Surname | Capacity | Date of undertaking duties (most recent) | End of term of office |
|---|---|---|---|---|
| 1 | Ilias Karantzalis father's name - Georgios | Member of the BoD – Non-executive member | 03/06/2013 | 03/06/2016 |
| 2 | Spyridon Manias, father's name – Panos | Member of the BoD – Independent Non-executive member | 03/06/2013 | 03/06/2016 |
| 3 | Emmanouil – Evagelos Lekakis father's name - Nikolaos | Member of the BoD – Non-executive member | 08/03/2016 | 03/06/2016 |

The Audit Committee held four (4) meetings in 2015, attended by all its members.

The Audit Committee has the following responsibilities:

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

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

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

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

- Share Capital Structure

On December 31, 2015, the Company's share capital amounted to 12.758.591,88 euro divided into 20.578.374 ordinary shares of nominal value of 0,62 each.

| Shareholder | Number of shares | % |
|---|---|---|
| AUSTRIACARD AG (former LYKOS AG) | 14.568.053 | 70,79 |
| LYKOU OLGA father's name PANAGIOTIS | 1.937.856 | 9,42 |
| Shareholders < 5% | 4.072.465 | 19,79 |
| Total | **20.578.374** | **100,00** |

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

- Restrictions on transfer of securities and agreements between shareholders

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

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

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

- Securities providing special control rights

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

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

On March 28, 2016, AUSTRIACARD AG (former LYKOS AG) and Mrs. Olga Lykos held 70,79% and 9,42% respectively of the share capital of the Company. Mr. Nikolaos Lykos held 96,14% of AUSTRIACARD AG.
There are no other shareholders who hold directly or indirectly more than 5% of the share capital of INFORM P. LYKOS SA and the Company is aware of.
It is noted that on March 28, 2016, the INFORM P. LYKOS SA does not participate in the share capital of any company listed on the ASE.

- Restrictions on voting rights

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

- Rules regarding appointment and replacement of Directors

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

- Specific authorities of the Board of Directors members

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

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

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

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

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

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

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

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

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

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

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

## C) INDEPENDENT AUDITOR'S REPORT

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

**Report on the separate and consolidated financial statements**

We have audited the accompanying separate and consolidated financial statements of the Company INFORM P. LYKOS S.A. and its subsidiaries, which comprise separate and consolidated statement of financial position as at December 31, 2015, separate and consolidated income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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

**Auditor's responsibility**
Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**
In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company INFORM P. LYKOS S.A. and its subsidiaries as at December 31, 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

**Report on other legal and regulatory requirements**
a) The Board of Directors' Report includes the corporate governance statement that provides the information items defined in paragraph 3d, Article 43a of the Law 2190/1920.

b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned separate and consolidated financial statements, in the context of the requirements of Articles 43a, 108 and 37 of the Law 2190/1920.

Athens, March 31, 2016

**Chartered accountant**

**Nikos Garbis**

**SOEL Reg. No. 25011**

Grant Thornton
An instinct for growth™
Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

# D) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 1/1 – 31/12/2015

## Consolidated statement of financial position

The statement of financial position of the Group for the year ended at 31/12/2015 and the respective comparative figures of the previous year are the following:

| | | GROUP | |
|---|---|---|---|
| | Notes | 31/12/2015 | 31/12/2014 (*) |
| **Assets** | | | |
| Property, plant and equipment | 14 | 57.389.325 | 59.876.116 |
| Intangible assets and goodwill | 16 | 3.468.934 | 3.430.871 |
| Other receivables | 18 | 61.499 | 63.225 |
| Investment property | 15 | 310.847 | 322.739 |
| Deffered tax assets | 13 | 52.475 | 103.625 |
| ***Non-current assets*** | | **61.283.080** | **63.796.576** |
| Inventories | 17 | 5.816.156 | 6.415.152 |
| Current tax assets | 13 | 1.168.610 | 1.457.600 |
| Trade receivables | 18 | 12.568.147 | 14.882.905 |
| Other receivables | 18 | 1.685.294 | 1.132.941 |
| Receivables from related parties | 18 | 144.073 | 110.261 |
| Cash and cash equivalents | 19 | 3.927.869 | 41.327.465 |
| ***Current assets*** | | **25.310.149** | **65.326.324** |
| **Total assets** | | **86.593.229** | **129.122.900** |
| **Equity** | | | |
| Share capital | 20 | 12.758.592 | 12.758.592 |
| Share premium | 20 | 13.805.791 | 28.370.158 |
| Reserves | 20 | 15.677.169 | 16.208.628 |
| Retained profits | | 10.295.967 | 20.558.743 |
| **Equity attributable to owners of the Company** | | **52.537.519** | **77.896.121** |
| Non-controlling interest | | 595.245 | 558.535 |
| **Total Equity** | | **53.132.765** | **78.454.656** |
| **Liabilities** | | | |
| Loans and borrowings | 22 | 2.576.196 | 3.784.402 |
| Employee benefits | 11 | 1.071.181 | 1.122.438 |
| Other payables | 23 | 39.000 | 39.000 |
| Deffered tax liabilities | 13 | 1.432.062 | 1.963.558 |
| **Non-current liabilities** | | **5.118.439** | **6.909.398** |
| Current tax liabilities | | 3.237 | 1.712 |
| Loans and borrowings | 22 | 12.168.383 | 27.300.008 |
| Trade payables | 23 | 9.746.619 | 11.872.074 |
| Other payables | 23 | 1.647.229 | 1.515.462 |
| Liabilities to related parties | 23 | 2.959.297 | 2.317.635 |
| Deferred income/revenue | 24 | 872.822 | 751.955 |
| Provisions | 25 | 944.439 | 0 |
| **Current Liabilities** | | **28.342.025** | **43.758.846** |
| **Total Liabilities** | | **33.460.464** | **50.668.244** |
| **Total Equity and Liabilities** | | **86.593.229** | **129.122.900** |

** Refer to explanatory note 37*

*The following explanatory notes (pages 37 to 80) constitute an integral part of these annual financial statements.*

## Company's Statement of financial position

The statement of financial position of the Company for the year ended at 31/12/2015 and the respective comparative figures of the previous year are the following:

| | | COMPANY | |
|---|---|---|---|
| | Notes | 31/12/2015 | 31/12/2014 (*) |
| **Assets** | | | |
| Property, plant and equipment | 14 | 32.108.331 | 33.703.518 |
| Intangible assets | 16 | 1.256.803 | 1.141.043 |
| Other receivables | 18 | 61.499 | 63.225 |
| Investments in subsidiaries | 27 | 22.138.861 | 22.138.861 |
| Other investments | 34 | 0 | 7.250.000 |
| ***Non-current assets*** | | **55.565.493** | **64.296.647** |
| | | | |
| Inventories | 17 | 3.981.987 | 4.220.125 |
| Current tax assets | 13 | 226.507 | 187.685 |
| Trade receivables | 18 | 5.315.916 | 7.540.916 |
| Other receivables | 18 | 791.706 | 895.062 |
| Receivables from related parties | 18 | 683.844 | 33.299.298 |
| Cash and cash equivalents | 19 | 3.543.341 | 1.034.088 |
| ***Current assets*** | | **14.543.301** | **47.177.174** |
| **Total assets** | | **70.108.794** | **111.473.821** |
| | | | |
| **Equity** | | | |
| Share capital | 20 | 12.758.592 | 12.758.592 |
| Share premium | 20 | 13.805.791 | 28.370.158 |
| Reserves | 20 | 5.811.563 | 6.117.165 |
| Retained profits | | 15.437.829 | 25.460.068 |
| **Equity attributable to owners of the Company** | | **47.813.775** | **72.705.983** |
| Non-controlling interest | | 0 | 0 |
| **Total Equity** | | **47.813.775** | **72.705.983** |
| **Liabilities** | | | |
| Loans and borrowings | 22 | 1.179.258 | 1.386.992 |
| Employee benefits | 11 | 1.071.181 | 1.122.438 |
| Deffered tax liabilities | 13 | 1.143.488 | 1.747.189 |
| **Non-current liabilities** | | **3.393.926** | **4.256.619** |
| | | | |
| Loans and borrowings | 22 | 9.216.525 | 25.578.670 |
| Trade payables | 23 | 4.557.173 | 4.891.615 |
| Other payables | 23 | 1.384.180 | 1.091.057 |
| Liabilities to related parties | 23 | 1.934.781 | 2.256.451 |
| Deferred income/revenue | 24 | 863.996 | 693.426 |
| Provisions | 25 | 944.439 | 0 |
| **Current Liabilities** | | **18.901.093** | **34.511.219** |
| **Total Liabilities** | | **22.295.020** | **38.767.838** |
| **Total Equity and Liabilities** | | **70.108.794** | **111.473.821** |

** Refer to explanatory note 37*

*The following explanatory notes (pages 37 to 80) constitute an integral part of these annual financial statements.*

## Consolidated income statement

The income statement of the Group for the year 1/1 – 31/12/2015 and the respective comparative figures of the previous year are the following:

| | Notes | GROUP 31/12/2015 | GROUP 31/12/2014 |
|---|---|---|---|
| Revenue | 7 | 64.864.407 | 59.051.771 |
| Cost of Sales | 8 | (55.556.732) | (49.579.195) |
| **Gross profit** | | **9.307.675** | **9.472.576** |
| Other income | 8 | 966.906 | 1.502.315 |
| Selling and distribution expenses | 8 | (4.850.330) | (5.813.288) |
| Administrative expenses | 8 | (3.666.755) | (4.093.632) |
| Research and development expenses | 8 | (330.181) | (293.873) |
| Other expenses | 8 | (869.390) | (759.610) |
| Non-recurring expenses | 8 | (1.689.415) | (470.872) |
| + Depreciation & amortization | | 3.601.643 | 3.003.528 |
| **EBITDA** | | **2.470.152** | **2.547.144** |
| - Depreciation & amortization | | (3.601.643) | (3.003.528) |
| **Operating profits / (losses)** | | **(1.131.490)** | **(456.384)** |
| Financial income | 9 | 30.457 | 20.327 |
| Financial expenses | 9 | (1.198.807) | (1.124.551) |
| **Net finance costs** | | **(1.168.350)** | **(1.104.224)** |
| **Profits / (losses) before taxes** | | **(2.299.841)** | **(1.560.608)** |
| Income tax expense | 13 | 664.164 | (57.781) |
| **Profits / (losses) from continuing operation** | | **(1.635.677)** | **(1.618.389)** |
| **Discontinued operation** | | | |
| Profits / (losses) from discontinued operation after taxes | 6 | 0 | 3.575.603 |
| **Profits / (losses) for the period** | | **(1.635.677)** | **1.957.214** |
| **Profits / (losses) attributable to:** | | | |
| Owners of the Company | | (1.675.164) | 1.937.740 |
| Non-controlling interests | | 39.487 | 19.474 |
| | | **(1.635.677)** | **1.957.214** |

** Refer to explanatory note 37*

*The following explanatory notes (pages 37 to 80) constitute an integral part of these annual financial statements.*

## Company's income statement

The income statement of the Company for the year 1/1 – 31/12/2015 and the respective comparative figures of the previous year are the following:

| | Notes | COMPANY 31/12/2015 | 31.12.2014 (*) |
|---|---|---|---|
| Revenue | 7 | 34.881.444 | 31.875.123 |
| Cost of Sales | 8 | (29.593.439) | (26.141.494) |
| **Gross profit** | | **5.288.005** | **5.733.629** |
| Other income | 8 | 694.616 | 1.062.447 |
| Selling and distribution expenses | 8 | (3.169.347) | (4.225.956) |
| Administrative expenses | 8 | (2.346.479) | (2.689.976) |
| Research and development expenses | 8 | (330.181) | (293.873) |
| Other expenses | 8 | (345.797) | (253.540) |
| Non-recurring expenses | 8 | (1.563.983) | (470.872) |
| + Depreciation & amortization | | 2.590.043 | 2.013.216 |
| **EBITDA** | | **816.877** | **875.075** |
| - Depreciation & amortization | | (2.590.043) | (2.013.216) |
| **Operating profits / (losses)** | | **(1.773.166)** | **(1.138.141)** |
| Financial income | 9 | 63.104 | 303.212 |
| Financial expenses | 9 | (884.202) | (739.858) |
| **Net finance costs** | | **(821.098)** | **(436.646)** |
| **Profits / (losses) before taxes** | | **(2.594.264)** | **(1.574.787)** |
| Income tax expense | 13 | 803.373 | 62.194 |
| **Profits / (losses) from continuing operation** | | **(1.790.891)** | **(1.512.593)** |
| **Discontinued operation** | | | |
| Profits / (losses) from discontinued operation after taxes | 6 | 0 | 26.892.577 |
| **Profits / (losses) for the period** | | **(1.790.891)** | **25.379.984** |
| **Profits / (losses) attributable to:** | | | |
| Owners of the Company | | (1.790.891) | 25.379.984 |
| Non-controlling interests | | | 0 |
| | | **(1.790.891)** | **25.379.984** |

** Refer to explanatory note 37*

*The following explanatory notes (pages 37 to 80) constitute an integral part of these annual financial statements.*

## Consolidated statement of comprehensive income

The statement of comprehensive income of the Group for the year 1/1 – 31/12/2015 and the respective comparative figures of previous year are the following:

| | | GROUP | |
|---|---|---|---|
| | **Notes** | **31/12/2015** | **31/12/2014** |
| **Profit (Loss)** | | **(1.635.677)** | **1.957.214** |
| **Other comprehensive income** | | | |
| **Items that will never be reclassified to profit or loss** | | | |
| Revaluation of property, plant and equipment | 14 | 0 | 527.772 |
| Related tax | | 0 | (128.979) |
| Remeasurement of defined benefit liability | 11 | (81.139) | (1.031.562) |
| Related tax | | 25.681 | 259.659 |
| Effect of changing tax rates | | (250.315) | 0 |
| | | **(305.774)** | **(373.111)** |
| **Items that are or may be reclassified to profit or loss** | | | |
| Foreign currency translation differences | | (228.462) | (409.945) |
| | | **(228.462)** | **(409.945)** |
| **Other comprehensive income, net of tax** | | **(534.235)** | **(783.056)** |
| **Total comprehensive income** | | **(2.169.912)** | **1.174.158** |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | (2.206.623) | 1.152.317 |
| Non-controlling interests | | 36.711 | 21.842 |
| | | **(2.169.912)** | **1.174.159** |

*The following explanatory notes (pages 37 to 80) constitute an integral part of these annual financial statements.*

## Company's statement of comprehensive income

The statement of comprehensive income of the Company for the year 1/1 – 31/12/2015 and the respective comparative figures of previous year are the following:

| | | COMPANY | |
|---|---|---|---|
| | Notes | 31/12/2015 | 31/12/2014 |
| **Profit (Loss)** | | **(1.790.891)** | **25.379.984** |
| **Other comprehensive income** | | | |
| **Items that will never be reclassified to profit or loss** | | | |
| Revaluation of property, plant and equipment | 14 | 0 | (296.295) |
| Related tax | | 0 | 77.037 |
| Remeasurement of defined benefit liability | 11 | (81.139) | (191.514) |
| Related tax | | 25.681 | 49.794 |
| Effect of changing tax rates | | (250.143) | 0 |
| | | **(305.602)** | **(360.978)** |
| **Other comprehensive income, net of tax** | | **(305.602)** | **(360.978)** |
| **Total comprehensive income** | | **(2.096.493)** | **25.019.006** |

*The following explanatory notes (pages 37 to 80) constitute an integral part of these annual financial statements.*

## Consolidated statement of changes in equity

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

| THE GROUP | For the year ended 31 December 2015 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Attributable to owners of the Company | | | | | | | | | |
| | Share capital | Share premium | Translation and other reserves | Revaluation reserve | IAS 19 reserve | Other reserve | Retained earnings | Total | Non-controlling interest | Total equity |
| **Balance at 1 January 2015** | **12.758.592** | **28.370.158** | **(947.867)** | **17.209.535** | **(53.039)** | **(0)** | **20.558.743** | **77.896.121** | **558.535** | **78.454.656** |
| Profits / (Loss) | 0 | 0 | 0 | 0 | 0 | 0 | (1.675.164) | **(1.675.164)** | 39.487 | **(1.635.677)** |
| Other comprehensive income | 0 | 0 | (225.685) | (250.315) | (55.458) | 0 | 0 | **(531.459)** | (2.776) | **(534.235)** |
| **Total comprehensive income** | **0** | **0** | **(225.685)** | **(250.315)** | **(55.458)** | **0** | **(1.675.164)** | **(2.206.623)** | **36.711** | **(2.169.912)** |
| Increase of share capital by the capitalization of share premium | 14.404.862 | 0 | 0 | 0 | 0 | 0 | 0 | **14.404.862** | 0 | **14.404.862** |
| Reduction of share capital to return to the shareholders | (14.404.862) | (14.404.862) | 0 | 0 | 0 | 0 | 0 | **(28.809.724)** | 0 | **(28.809.724)** |
| Distribution of dividends | 0 | 0 | 0 | 0 | 0 | 0 | (8.231.349) | **(8.231.349)** | 0 | **(8.231.349)** |
| Other movements | 0 | (159.505) | 0 | 0 | 0 | 0 | (356.263) | **(515.768)** | 0 | **(515.768)** |
| **Total contributions and distributions** | **0** | **(14.564.367)** | | **0** | **0** | **0** | **(8.587.612)** | **(23.151.979)** | **0** | **(23.151.979)** |
| **Total transactions with owners of the Company** | **0** | **(14.564.367)** | **0** | **0** | **0** | **0** | **(8.587.612)** | **(23.151.979)** | **0** | **(23.151.979)** |
| **Balance at 31 December 2015** | **12.758.592** | **13.805.791** | **(1.173.553)** | **16.959.220** | **(108.498)** | **(0)** | **10.295.967** | **52.537.519** | **595.245** | **53.132.765** |

| **THE GROUP** | **For the year ended 31 December 2014** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Attributable to owners of the Company** | | | | | | | | | |
| | **Share capital** | **Share premium** | **Translation and other reserves** | **Revaluation reserve** | **IAS 19 reserve** | **Other reserve** | **Retained earnings** | **Total** | **Non-controlling interest** | **Total equity** |
| **Balance at 1 January 2014** | **12.758.592** | **28.370.158** | **0** | **0** | **0** | **17.919.750** | **17.695.304** | **76.743.804** | **536.692** | **77.280.496** |
| Reclassification of reserves | **0** | **0** | **(1.040.255)** | **17.428.793** | **88.681** | **(17.919.750)** | **1.442.531** | **0** | **0** | **0** |
| **Balance at 1 January 2014 restated** | **12.758.592** | **28.370.158** | **(1.040.255)** | **17.428.793** | **88.681** | **0** | **19.137.835** | **76.743.804** | **536.692** | **77.280.496** |
| Profit | 0 | 0 | 0 | 0 | 0 | 0 | 1.937.740 | **1.937.740** | 19.474 | **1.957.214** |
| Other comprehensive income | 0 | 0 | (412.105) | 398.792 | (771.903) | 0 | (207) | **(785.423)** | 2.368 | **(783.055)** |
| **Total comprehensive income** | **0** | **0** | **(412.105)** | **398.792** | **(771.903)** | **0** | **1.937.534** | **1.152.317** | **21.842** | **1.174.159** |
| Effect from the sale of card segment (movement of the period) | 0 | 0 | 504.493 | (618.050) | 630.183 | 0 | (516.626) | **0** | | |
| | **0** | **0** | **504.493** | **(618.050)** | **630.183** | **0** | **(516.626)** | **0** | **0** | **0** |
| **Total contributions and distributions** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total transactions with owners of the Company** | **0** | **0** | | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Balance at 31 December 2014** | **12.758.592** | **28.370.158** | **(947.867)** | **17.209.535** | **(53.039)** | **0** | **20.558.743** | **77.896.121** | **558.534** | **78.454.655** |

*The following explanatory notes (pages 37 to 80) constitute an integral part of these annual financial statements.*

## Company's statement of changes in equity

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

**THE COMPANY** **For the year ended 31 December 2015**

| | Share capital | Share premium | Revaluation reserve | IAS 19 reserve | Other reserve | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2015** | **12.758.592** | **28.370.158** | **6.170.204** | **(53.039)** | **7.032.842** | **18.427.227** | **72.705.984** |
| Profit (Loss) | 0 | 0 | 0 | 0 | 0 | (1.790.891) | **(1.790.891)** |
| Other comprehensive income | 0 | 0 | (250.143) | (55.458) | 0 | 0 | **(305.602)** |
| **Total comprehensive income** | **0** | **0** | **(250.143)** | **(55.458)** | **0** | **(1.790.891)** | **(2.096.493)** |
| | | | | | 674.413 | (674.413) | **0** |
| Increase of share capital by the capitalization of share premium | 14.404.862 | (14.404.862) | 0 | 0 | 0 | 0 | **0** |
| Reduction of share capital to return to the shareholders | (14.404.862) | 0 | 0 | 0 | 0 | 0 | **(14.404.862)** |
| Distribution of dividends | 0 | 0 | 0 | 0 | 0 | (8.231.349) | **(8.231.349)** |
| Other transactions | 0 | (159.505) | 0 | 0 | 0 | 0 | **(159.505)** |
| **Total contributions and distributions** | **0** | **(14.564.367)** | **0** | **0** | **0** | **(8.231.349)** | **(22.795.716)** |
| **Total transactions with owners of the Company** | **0** | **(14.564.367)** | **0** | **0** | **0** | **(8.231.349)** | **(22.795.716)** |
| **Balance at 31 December 2015** | **12.758.592** | **13.805.791** | **5.920.061** | **(108.498)** | **7.707.255** | **7.730.575** | **47.813.775** |

**THE COMPANY**

**For the year ended 31 December 2014**

| | Share capital | Share premium | Revaluation reserve | IAS 19 reserve | Other reserve | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2014** | **12.758.592** | **28.370.158** | **0** | **0** | **13.342.123** | **(6.783.896)** | **47.686.978** |
| Reclassification of reserves | 0 | 0 | 6.389.462 | 88.681 | (13.342.123) | 6.863.980 | (0) |
| **Balance at 1 January 2014** | **12.758.592** | **28.370.158** | **6.389.462** | **88.681** | | **80.085** | **47.686.978** |
| Profit | 0 | 0 | 0 | 0 | 0 | 25.379.984 | **25.379.984** |
| Other comprehensive income | 0 | 0 | (219.258) | (141.720) | 0 | | **(360.978)** |
| **Total comprehensive income** | **0** | **0** | **(219.258)** | **(141.720)** | **0** | **25.379.984** | **25.019.006** |
| **Total contributions and distributions** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total transactions with owners of the Company** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Balance at 31 December 2014** | **12.758.592** | **28.370.158** | **6.170.204** | **(53.039)** | **0** | **25.460.069** | **72.705.984** |

*The following explanatory notes (pages 37 to 80) constitute an integral part of these annual financial statements.*

## Consolidated Statement of Cash Flows

Cash flows of the Group for the period 1/1 – 31/12/2015 and the respective comparative sizes of the previous year are the following:

| | THE GROUP | |
|---|---|---|
| | 31/12/2015 | 31/12/2014 |
| **Cash flows from operating activities** | | |
| Profit (Loss) before tax | (2.299.841) | (1.560.608) |
| **Adjustments for:** | | |
| – Depreciation & amortization | 3.601.643 | 3.003.528 |
| – Net finance cost | 1.168.350 | 1.104.224 |
| – Provisions / accrued expenses | 944.439 | 0 |
| – Other | (22.208) | (439.095) |
| | 3.392.383 | 2.108.049 |
| **Changes in:** | | |
| –Inventories | 645.872 | (345.601) |
| –Trade and other receivables | 1.931.170 | (2.723.621) |
| –Trade and other payables | (1.867.106) | 2.038.009 |
| **Cash generated from operating activities** | **4.102.320** | **1.076.836** |
| Taxes paid | (39.424) | (311.858) |
| Interest paid | (1.179.597) | (885.160) |
| **Net cash from (used in) operating activities** | **2.883.299** | **(120.182)** |
| Net cash from operating activities from discontinued operations | 0 | 6.234.238 |
| **Net cash from operating activities** | **2.883.299** | **6.114.056** |
| **Cash flows from investment activities** | | |
| Interest received | 150.333 | 165.780 |
| Proceeds from sale of property, plant and equipment | 59.582 | 130.022 |
| Proceeds from sale of investments | 23.000 | 38.780.862 |
| Acquisition of property, plant and equipment & intangible assets | (1.421.620) | (1.098.849) |
| **Net cash from investing activities** | **(1.188.705)** | **37.977.815** |
| Net cash from investing activities from discontinued operations | 0 | (3.202.145) |
| **Net cash from (used in) investing activities** | **(1.188.705)** | **34.775.670** |
| **Cash flows from financing activities** | | |
| Decrease of share capital through capital return in cash | (14.404.862) | 0 |
| Payment of share capital increase expenses | (159.505) | 0 |
| Proceeds from loans | 4.516.906 | 1.502.724 |
| Payment of loans | (20.626.190) | (3.373.722) |
| Payment of finance lease liabilities | (198.879) | (226.726) |
| Dividends paid to non-controlling interest | (2.393.913) | (2.068) |
| Dividends paid to owners of the Company | (5.827.221) | 0 |
| **Net cash from (used in) financing activities** | **(39.093.665)** | **(2.099.792)** |
| Net cash from financing activities from discontinued operations | 0 | (5.486.590) |
| **Net cash from (used in) financing activities** | **(39.093.665)** | **(7.586.382)** |
| **Net increase (decrease) in cash and cash equivalents** | **(37.399.071)** | **33.303.344** |
| **Cash and cash equivalents at 1 January** | **41.327.465** | **8.024.121** |
| Effect of movements in exchange rates on cash held | (524) | 0 |
| **Cash and cash equivalents at 31 December** | **3.927.869** | **41.327.465** |

## Company's statement of Cash Flows

Cash flows of the Company for the period 1/1 – 31/12/2015 and the respective comparative sizes of the previous year are the following:

| | THE COMPANY | |
|---|---|---|
| | **31/12/2015** | **31/12/2014** |
| **Cash flows from operating activities** | | |
| Profit (Loss) before tax | (2.594.264) | (1.574.787) |
| **Adjustments for:** | | |
| – Depreciation & amortization | 2.590.043 | 2.013.216 |
| – Net finance cost | 821.098 | 739.858 |
| – Provisions / accrued expenses | 944.439 | 0 |
| – Other | (40.040) | (711.182) |
| | 1.721.277 | 467.105 |
| **changes in working capital:** | | |
| – Inventories | 303.475 | (194.760) |
| – Trade and other receivables | 2.471.483 | (722.857) |
| – Trade and other payables | (691.176) | 605.128 |
| **Cash generated from operating activities** | **3.805.059** | **154.616** |
| Taxes paid | (24.792) | 113.813 |
| Interest paid | (791.168) | (605.123) |
| **Net cash from (used in) operating activities** | **2.989.099** | **(336.694)** |
| **Cash flows from investment activities** | | |
| Interest received | 182.981 | 157.995 |
| Dividends received | 32.475.000 | 0 |
| Proceeds from sale of property, plant and equipment | 57.654 | 48.576 |
| Proceeds from sale of investments | 23.000 | 0 |
| cquisition of property, plant and equipment equipment & intangible assets | (1.168.230) | (657.221) |
| **Net cash from (used in) investing activities** | **31.570.405** | **(450.650)** |
| **Cash flows from financing activities** | | |
| Decrease of share capital through capital return in cash | (14.404.862) | 0 |
| Payment of share capital increase expenses | (159.505) | 0 |
| Proceeds from loans | 10.850.000 | 1.500.000 |
| Payment of loans | (20.000.000) | (3.276.830) |
| Payment of finance lease liabilities | (114.750) | (60.300) |
| Dividends paid to noncontrolling interest | (2.393.913) | (2.068) |
| Dividends paid to ownes of the Company | (5.827.221) | 0 |
| **Net cash from (used in) financing activities** | **(32.050.251)** | **(1.839.198)** |
| **Net increase (decrease) in cash and cash equivalents** | **2.509.253** | **(2.626.542)** |
| **Cash and cash equivalents at 1 January** | **1.034.088** | **3.660.630** |
| **Cash and cash equivalents at 31 December** | **3.543.341** | **1.034.088** |

*The following explanatory notes (pages 37 to 80) constitute an integral part of these annual financial statements.*

# Notes to the Financial Statements

## Basis of preparation

### 1. Reporting Entity

The Group Inform P. Lykos S.A. (the Group) is an international Group with leading presence in the Central and Eastern Europe in the area of Information Management and Digital Security. Inform is leader in the area of printing management, production of secured documents, production of prepaid cards and business process outsourcing, offering services of printing and posting statements, electronic presentation of statements and printing management for Banks, Telecommunication companies, Public sector and Industrial/Trade companies. The Group is active in the personalization of Smart Cards for Banks, Telecommunications, Public Organizations and Retail chains holding international certificates by Visa, MasterCard, American Express and Diners.

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

Since 12/03/2014, the financial statements of the Group are included in the consolidated financial statements of AUSTRIACARD AG (former LYKOS AG) , with its headquarters in Austria. AUSTRIACARD AG (former LYKOS AG), in implemententing a voluntary takeover public offer submitted to shareholders of INFORM P. LYKOS SA (Company) for the acquisition of all outstanding ordinary registered shares with voting rights in the Company. Gradually until 12/03/2014, acquired the 70,8% of the total share capital of the Company. The above transaction is actually an internal restructuring of the Group, as the main shareholder of the Group remained the same, directly or indirectly. More information on the above transaction is included in the "Public Offer Information Circular" of Lykos AG dated 31/01/2014, as well as in the announcement of the Group with respect to the results of this voluntary public offer, which are uploaded in the Group's website (www.lykos.gr) and the Athens Stock Exchange website (www.helex.gr).

The financial statements for the year 1/1– 31/12/2015 were approved by the Board of Directors on 29/3/2016.

### 2. Basis of accounting

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

Details of the Group's accounting policies and methods, including changes during the year are included in Notes 36-38.

### 3. Functional and presentation currency

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

### 4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses, as also and the notes to the financial statements. Actual results may differ from these estimates.

Judgements, estimates and assumptions are based on the experience from previous years and other factors, included the expectations of future events that are considered reasonable under the particular conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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

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

Management tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy.The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The basic estimates in applying value in use, the Group relies on a number of factors, including actual operating results, future business plans, economic projections and discount rates that are used in the calculations.

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with the accounting policy.

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

### ii. Useful life of depreciable assets

Property, plant and equipment (PPE) are depreciated over their estimated useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product lifecycles, and maintenance programmes are taken into account. See Note 39 (I) and (J).

### iii. Recoverability of receivables

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

### iv. Employee benefits

The present value of pension obligations depends on a number of factors determined using actuarial methods and assumptions. Such actuarial assumption is the discount rate used to calculate the cost of benefit. The Group determines the appropriate discount rate at each year end. This is the interest rate that should be used to determine the present value of future cash flows, which are expected to be required to meet the obligations of the pension plans. For determining the appropriate discount rate, the Group uses the interest rate of high quality corporate bonds that are converted to the currency in which the benefits will be paid, and whose expiry date is approaching that of the relevant pension liability. Other key assumptions of pension obligations are based in part on current market conditions. See Note 11 and 39 (E).

### v. Fair value measurement

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

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

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

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

To improve the consistency and comparability in fair value measurements and related disclosures, the Group is adopting relevant requirements of IFRS 13, which had determined the fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value.

The fair value hierarchy gives the highest priority to the official prices (unadjusted) in markets with significant volume of transactions for identical assets or liabilities (level 1 inputs) and minimum priority to unobservable inputs (Level 3 inputs).

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 14 Property, plant and equipment
- Note 15 Investment Property
- Note 26 Financial Instruments

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

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

In January 2016, the Competition Council of Romania has issued a press release in which it announced the imposition of the fine on Inform Lykos S.A., Romania (ILR), a subsidiary of the company, of approximately € 854 thousands for anticompetitive agreement. The Competition Council declared in its press release that it deems that ILR had coordinated its commercial strategy with another company.

At the date of issuance of this report, the Competition Council had not served its verdict upon ILR. Group management is determined upon notification of the Competition Council's decision to use all legal means at its disposal to show that the competition law was complied with in this case, with the Competition Council having reached a conclusion both erroneous and unfounded in law and fact. For this reason management did not create a provision for this impending fine as of 31/12/2015 and considers it as a contigent liability.

# Performance of the year

## 5. Operating segments

### i. Basis for segmentation

The Group after the reorganization that was implemented at the end of the previous year by selling the segment of production, development and personalization of Cards (see note 6), maintains only one strategic segment, the "Information Management" (printing segment), which is its reportable segment. Every unit of the segment offers same products and services, and require unique technology and marketing strategies.

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

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

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

| **31/12/2015** | **Printing segment (Greece)** | **Printing segment (Romania)** | **Other** | **Total** |
|---|---|---|---|---|
| **Revenues** | 34.881.444 | 33.132.859 | 812.120 | 68.826.423 |
| Intercompany sales elimination | (456.046) | (3.504.513) | (1.457) | (3.962.017) |
| **Consolidated Revenue** | **34.425.398** | **29.628.346** | **810.663** | **64.864.407** |
| Cost of sales | (29.593.439) | (29.496.753) | (724.823) | (59.815.015) |
| Intercompany costs elimination | 727.246 | 3.454.363 | 76.674 | 4.258.283 |
| **Consolidated cost of sales** | **(28.866.193)** | **(26.042.390)** | **(648.149)** | **(55.556.732)** |
| **Gross profit** | **5.559.205** | **3.585.956** | **162.514** | **9.307.675** |
| *Gross margin* | *15,9%* | *10,8%* | *20,0%* | *13,5%* |
| Other revenues | 694.616 | 552.959 | 75.000 | 1.322.575 |
| Intercompany revenues elimination | (271.200) | (9.469) | (75.000) | (355.669) |
| **Consolidated other revenues** | **423.416** | **543.490** | **(0)** | **966.906** |
| Selling and distribution expenses | (3.169.347) | (1.680.983) | 0 | (4.850.330) |
| Administrative expenses | (2.346.479) | (1.233.108) | (87.168) | (3.666.755) |
| Research and development expenses | (330.181) | 0 | 0 | (330.181) |
| Other expenses | (345.797) | (522.398) | (1.195) | (869.390) |
| Non-recurring expenses | (1.563.983) | (125.432) | 0 | (1.689.415) |
| + Depreciation & amortization | 2.590.043 | 890.403 | 121.197 | 3.601.643 |
| **EBITDA** | **816.877** | **1.457.928** | **195.347** | **2.470.152** |
| - Depreciation & amortization | (2.590.043) | (890.403) | (121.197) | (3.601.643) |
| **Operating profit / (loss)** | **(1.773.166)** | **567.525** | **74.150** | **(1.131.490)** |
| Financial income | 30.135 | 237 | 85 | 30.457 |
| Financial expenses | (884.202) | (306.431) | (8.174) | (1.198.807) |
| **Net finance costs** | **(854.067)** | **(306.194)** | **(8.089)** | **(1.168.350)** |
| **Profit / (loss) before taxes** | **(2.627.233)** | **261.331** | **66.061** | **(2.299.841)** |
| Income tax expense | 803.373 | (50.900) | (88.309) | 664.164 |
| **Profit / (losse) from continuing operation** | **(1.823.860)** | **210.431** | **(22.248)** | **(1.635.677)** |

| 31/12/2014 | Printing segment (Greece) | Printing segment (Romania) | Other | Total |
|---|---|---|---|---|
| **Revenues** | 31.875.123 | 30.397.312 | 885.486 | 63.157.921 |
| Intercompany sales elimination | (759.141) | (3.305.453) | (41.556) | (4.106.150) |
| **Consolidated Revenue** | **31.115.982** | **27.091.859** | **843.930** | **59.051.771** |
| Cost of sales | (26.141.494) | (26.996.747) | (805.414) | (53.943.655) |
| Intercompany costs elimination | 930.741 | 3.317.163 | 116.555 | 4.364.459 |
| **Consolidated cost of sales** | **(25.210.753)** | **(23.679.584)** | **(688.859)** | **(49.579.195)** |
| **Gross profit** | **5.905.229** | **3.412.275** | **155.071** | **9.472.575** |
| *Gross margin* | *18,5%* | *11,2%* | *17,5%* | *15,0%* |
| Other revenues | 1.062.447 | 623.178 | 75.000 | 1.760.625 |
| Intercompany revenues elimination | (171.600) | (11.710) | (75.000) | (258.310) |
| **Consolidated other revenues** | **890.847** | **611.468** | **0** | **1.502.315** |
| Selling and distribution expenses | (4.225.956) | (1.587.332) | 0 | (5.813.288) |
| Administrative expenses | (2.689.976) | (1.278.826) | (124.830) | (4.093.632) |
| Research and development expenses | (293.873) | 0 | 0 | (293.873) |
| Other expenses | (253.540) | (505.029) | (1.040) | (759.610) |
| Non-recurring expenses | (470.872) | 0 | 0 | (470.872) |
| + Depreciation & amortization | 2.013.216 | 857.282 | 133.030 | 3.003.528 |
| **EBITDA** | **875.075** | **1.509.838** | **162.231** | **2.547.144** |
| - Depreciation & amortization | (2.013.216) | (857.282) | (133.030) | (3.003.528) |
| **Operating profit / (loss)** | **(1.138.141)** | **652.556** | **29.201** | **(456.384)** |
| Financial income | 12.481 | 7.740 | 106 | 20.327 |
| Financial expenses | (739.858) | (372.276) | (12.417) | (1.124.551) |
| **Net finance costs** | **(727.377)** | **(364.536)** | **(12.311)** | **(1.104.224)** |
| **Profit / (loss) before taxes** | **(1.865.518)** | **288.020** | **16.890** | **(1.560.608)** |
| Income tax expense | 62.194 | (76.134) | (43.841) | (57.781) |
| **Profit / (loss) from continuing operation** | **(1.803.324)** | **211.886** | **(26.951)** | **(1.618.389)** |

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

| 31/12/2015 | Printing segment (Greece) | Printing segment (Romania) | Other | Total |
|---|---|---|---|---|
| Assets | 51.300.222 | 33.581.718 | 1.711.288 | 86.593.228 |
| Liabilities | 22.176.761 | 9.748.924 | 1.534.779 | 33.460.464 |
| Capital expenditures | 1.145.576 | 246.456 | 2.556 | 1.394.588 |
| Depreciation & amortization | 2.671.573 | 884.274 | 45.796 | 3.601.643 |

| 31/12/2014 | Printing segment (Greece) | Printing segment (Romania) | Other | Total |
|---|---|---|---|---|
| Assets | 91.940.893 | 35.301.273 | 1.880.734 | 129.122.900 |
| Liabilities | 37.150.571 | 11.497.987 | 2.019.686 | 50.668.244 |
| Capital expenditures | 2.482.463 | 419.611 | 22.041 | 2.924.115 |
| Depreciation & amortization | 2.099.197 | 851.031 | 53.300 | 3.003.528 |

The following geographical information analyzes the Group's revenues in Grecce and other conuntries:

| | 31/12/2015 | 31/12/2014 |
|---|---|---|
| Austria | 519.732 | 697.900 |
| Greece | 31.892.318 | 28.704.884 |
| Romania | 29.443.669 | 27.067.515 |
| Slovakia | 41.506 | 22.652 |
| Albania | 640.463 | 832.596 |
| Bulgaria | 113.528 | 122.894 |
| Eqypt | 94.358 | 6.076 |
| Kosovo | 145.057 | 0 |
| Spain | 284.383 | 155.849 |
| France | 1.036.008 | 727.704 |
| Morocco | 330.938 | 464.067 |
| Malta | 170.332 | 97.587 |
| Cyprus | 147.868 | 151.155 |
| Other countries | 4.248 | 892 |
| **Total** | **64.864.407** | **59.051.771** |

## 6. Discontinued operation

In December 2014, the Group sold the entire division of "Cards". The disposal of the card division, which was completed this date, was to implement the strategic decision of the Group's management, which aims to strengthen the Group's position in the highly competitive global market of the printing industry. Among others, through this sale, the Group will be able to meet the ever increasing financial needs for new investments. More information on the above transaction is included in the "Information Document of the sale of AUSTRIA CARD" which is uploaded on the website of Athens Stock Exchange (www.helex.gr).

It is noted, that the cards division represents the previously 100% subsidiary company "Austria Card GmbH", based in Vienna, Austria and the subsidiaries 100% controlled by it, which are:

| | % Participation | Country |
|---|---|---|
| Austria Card Polska Sp.z.o.o. | 100% | Poland |
| Austria Card Akilii Kart STI | 100% | Turkey |
| Austria Card SRL | 100% | Romania |
| Austria Card Turkey kart Operasyonlari AS (ex: Provus kart AS) | 100% | Turkey |

The card division has not previously classified as held for sale or discontinued operation. The comparative consolidated and company income statement has been revised to present the discontinued operation separately from continuing operations.

### A. Results of discontinued operation

| | | 2014 |
|---|---|---|
| **Revenues** | | 67.099.137 |
| Cost of Sales | | (42.350.334) |
| **Gross profit** | | **24.748.803** |
| | Gross margin | 36,9% |
| Other income | | 1.761.444 |
| Selling and distribution expenses | | (9.081.354) |
| Administrative expenses | | (7.949.174) |
| Research and development expenses | | (1.900.008) |
| Other expenses | | (2.323.359) |
| **Operating profit** | | **5.256.352** |
| Finance income | | 78.460 |
| Finance costs | | (565.542) |
| Profit from Investment | | - |

| | |
|---|---|
| Share of profit of equity-accounted investees, net of tax | - |
| **Profit before tax** | **4.769.270** |
| Income tax expense | (1.126.270) |
| **Profit after tax** | **3.643.000** |
| Group tax expense | (430.281) |
| Gain on sale of discontinued operation net of tax | 369.720 |
| Income tax on gain on sale of discontinued operation | (6.836) |
| **Profit from discontinued operation** | **3.575.603** |
| Depreciation & amortization | 2.434.863 |
| **Earnings before interest-taxes-depreciation and amortization (EBITDA)** | **7.691.215** |
| Basic earnings (loss) per share (euro | 0,17 |
| Diluted earnings (loss) per share (euro) | 0,17 |

The profit for the year 2014 from discontinued operation of € 3.575.603 is attributable entirely to the owners of the Company.

### B. Cash flows from discontinued operation

| **Non-cash adjustments** | **2014** |
|---|---|
| Net cash from operating activities | 6.234.238 |
| Net cash used in investing activities | (3.202.145) |
| Net cash from financing activities | (5.486.590) |
| **Net cash flow for the year** | **(2.454.497)** |

### C. Effect of disposal on the financial position of the Group

At the date of disposal (sale) 31/12/2014, the net book values of the assets and the liabilities of discontinued operation (Austria Card GmbH and its subsidiaries) are as follows:

| **Non-cash adjustments** | **31/12/2014** |
|---|---|
| Property, plant and equipment | (29.312.734) |
| Intangible assets and goodwill | (3.911.824) |
| Deferred tax assets | (135.852) |
| Inventories | (13.692.680) |
| Trade and other receivables | (14.875.927) |
| Cash and cash equivalents | (1.219.140) |
| Loans and borrowings | 5.348.383 |
| Employee benefits | 4.509.919 |
| Trade and other payables | 8.007.940 |
| Provisions | 2.956.004 |
| Current tax liabilities | 1.730.942 |
| Deffered tax liabilities | 622.273 |
| **Net assets and liabilities** | **(39.972.696)** |
| Consideration received, satisfied in cash | 40.000.000 |
| Cash and cash equivalents disposed of | (1.219.140) |
| **Non-cash adjustments** | **38.780.860** |

It is noted that in the current years' results do not included results related to thediscontinued operation.

## 7. Revenues

| | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **31/12/2015** | **31/12/2014** | **31/12/2015** | **31/12/2014** |
| Sales of goods | 44.428.323 | 40.045.685 | 30.280.237 | 27.901.182 |
| Rendering of services | 20.436.084 | 19.006.086 | 4.601.208 | 3.973.941 |
| **Total** | **64.864.407** | **59.051.771** | **34.881.444** | **31.875.123** |

## 8. Income and expenses

### A. Other Income

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Government grants | 0 | 557.972 | 0 | 557.972 |
| Gain on sale of property, plant and equipment | 40.040 | 25.508 | 40.040 | 3.900 |
| Foreign exchange differences | 0 | 816 | 0 | 0 |
| Rentals from property and machinery | 554.676 | 16.782 | 293.294 | 200.092 |
| Rebates received from suppliers | 51.965 | 65.023 | 41.059 | 65.023 |
| Capitalised development expenses | 208.208 | 184.300 | 208.208 | 184.299 |
| Other income | 112.017 | 651.914 | 112.016 | 51.161 |
| **Total** | **966.906** | **1.502.315** | **694.616** | **1.062.447** |

### B. Cost of Sales

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Employee compensation and expenses | 5.187.178 | 5.372.593 | 3.504.755 | 3.751.343 |
| Cost of inventories recorgnised as expense | 41.038.014 | 36.551.511 | 19.223.543 | 17.115.241 |
| Third party fees | 1.321.137 | 1.099.906 | 1.125.632 | 956.366 |
| Utilities and maintenance expenses | 3.259.740 | 3.292.527 | 2.470.946 | 2.057.897 |
| Tax and duties | 96.241 | 93.288 | 42.273 | 39.479 |
| Transportation expenses | 118.390 | 119.407 | 44.068 | 48.174 |
| Other consumable materials | 1.472.638 | 695.617 | 954.442 | 695.617 |
| Depreciation and amortisation | 2.843.600 | 2.253.933 | 2.043.045 | 1.468.286 |
| Other expenses | 219.793 | 100.413 | 184.736 | 9.091 |
| **Total** | **55.556.732** | **49.579.195** | **29.593.439** | **26.141.494** |

### C. Selling and Distribution Expenses

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Employee compensation and expenses | 2.210.315 | 2.979.225 | 1.823.361 | 2.594.293 |
| Third party fees | 525.583 | 728.751 | 333.786 | 506.812 |
| Commissions paid | 515.396 | 441.395 | 0 | 0 |
| Utilities and maintenance expenses | 283.479 | 306.161 | 230.059 | 237.413 |
| Rentals from property andmachinery | 3.978 | 0 | 0 | 0 |
| Tax and duties | 83.258 | 88.408 | 68.429 | 71.979 |
| Transportation expenses | 759.551 | 838.000 | 344.801 | 466.596 |
| Other consumable materials | 41.782 | 15.467 | 21.174 | 15.467 |
| Depreciation and amortisation | 244.405 | 232.517 | 204.104 | 191.151 |
| Other expenses | 182.583 | 183.364 | 143.632 | 142.245 |
| **Total** | **4.850.330** | **5.813.288** | **3.169.347** | **4.225.956** |

### D. Administrative Expenses

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Employee compensation and expenses | 1.847.864 | 2.066.784 | 1.092.879 | 1.378.301 |
| Third party fees | 829.725 | 1.005.675 | 696.817 | 706.306 |
| Utilities and maintenance expenses | 390.618 | 385.283 | 206.430 | 201.682 |
| Tax and duties | 29.655 | 25.911 | 13.599 | 8.764 |
| Transportation expenses | 26.017 | 45.130 | 16.446 | 34.583 |
| Other consumable materials | 5.187 | 945 | 3.152 | 945 |

| | | | | |
|---|---|---|---|---|
| Depreciation and amortisation | 425.500 | 465.531 | 254.755 | 302.232 |
| Other expenses | 112.190 | 98.373 | 62.400 | 57.163 |
| **Total** | **3.666.755** | **4.093.632** | **2.346.479** | **2.689.976** |

### E. Research and Development Expenses

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2015** | **31/12/2014** | **31/12/2015** | **31/12/2014** |
| Employee compensation and expenses | 235.384 | 233.652 | 235.384 | 233.652 |
| Third party fees | 0 | 1.200 | 0 | 1.200 |
| Utilities and maintenance expenses | 3.928 | 3.017 | 3.928 | 3.017 |
| Tax and duties | 89 | 88 | 89 | 88 |
| Transportation expenses | 498 | 0 | 498 | 0 |
| Depreciation and amortisation | 88.138 | 51.547 | 88.138 | 51.547 |
| Other expenses | 2.144 | 4.369 | 2.144 | 4.369 |
| **Total** | **330.181** | **293.873** | **330.181** | **293.873** |

### F. Non-recurring expenses

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2015** | **31/12/2014** | **31/12/2015** | **31/12/2014** |
| Staff leaving indemnities | 1.563.983 | 420.872 | 1.563.983 | 420.872 |
| Other expenses | 125.432 | 50.000 | 0 | 50.000 |
| **Total** | **1.689.415** | **470.872** | **1.563.983** | **470.872** |

### G. Other Expenses

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2015** | **31/12/2014** | **31/12/2015** | **31/12/2014** |
| Exchange differences - Losses | 42.798 | 8.851 | 7.082 | 2.716 |
| Losses on sale of property, plant and equipment | 1.929 | 11.308 | 0 | 0 |
| Loss from customer's contract term | 88.477 | 97.736 | 0 | 0 |
| Impairment loss of trade receivables | 310.000 | 92.890 | 290.000 | 92.644 |
| Provisions against inventories / write offs | 7.600 | 65.337 | 0 | 65.337 |
| Other Property taxes | 0 | 61.817 | 0 | 61.817 |
| Reduction in fair value of investment property | 2.904 | 0 | 0 | 0 |
| Re-invoinced costs | 166.288 | 0 | 0 | 0 |
| Bank commisions | 2.346 | 1.898 | 0 | 0 |
| Other expenses | 247.047 | 419.772 | 48.715 | 31.026 |
| **Total** | **869.390** | **759.610** | **345.797** | **253.540** |

## 9. Net Finance costs

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2015** | **31/12/2014** | **31/12/2015** | **31/12/2014** |
| Interest income | 7.457 | 20.327 | 40.104 | 303.212 |
| Financial assets at fair value through profit or loss - net change in fair value | 23.000 | 0 | 23.000 | 0 |
| **Financial income** | **30.457** | **20.327** | **63.104** | **303.212** |
| Interest expense | 1.059.534 | 947.776 | 803.975 | 670.975 |
| Commissions of letters of guarantee | 115.248 | 152.043 | 57.710 | 57.171 |
| Other financial expenses | 24.025 | 24.732 | 22.517 | 11.712 |
| **Finance costs** | **1.198.807** | **1.124.551** | **884.202** | **739.858** |
| **Net finance costs recognised in profit or loss** | **(1.168.350)** | **(1.104.224)** | **(821.098)** | **(436.646)** |

## 10. Earnings / (losses) per share

### A. Basic earnings or basic losses per share

All shares are ordinary (see note 20). The calculation of earnings / (losses) per share is based on the following earnings / (losses) per share attributable to the ordinary shareholders and the weighted average number of ordinary outstanding shares.

| | GROUP | | | | | |
|---|---|---|---|---|---|---|
| | 2015 | | | 2014 | | |
| | Continuing operation | Discontinued operation | Total | Continuing operation | Discontinued operation | Total |
| Profit (loss) for the year, attributable to the owners of the Company | (1.635.677) | 0 | (1.635.677) | (1.618.389) | 3.575.603 | 1.957.214 |

### B. Weighted-average number of ordinary shares

| | 2015 | 2014 |
|---|---|---|
| Issued ordinary shares at 1 January | 20.578.374 | 20.578.374 |
| Effects in the year | - | - |
| **Weighted-average number of ordinary shares at 31$^{st}$ December** | **20.578.374** | **20.578.374** |

### C. Earnings per share

| | 2015 | 2014 |
|---|---|---|
| Profit/(loss) per share | (0,08) | 0,10 |

# Employee Benefits

## 11. Employee Benefits

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Net defined benefit liability | 1.071.181 | 1.122.438 | 1.071.181 | 1.122.438 |
| **Total employee benefit liabilities** | **1.071.181** | **1.122.438** | **1.071.181** | **1.122.438** |
| Non-current | 1.071.181 | 1.122.438 | 1.071.181 | 1.122.438 |
| Current | 0 | 0 | 0 | 0 |
| **Total** | **1.071.181** | **1.122.438** | **1.071.181** | **1.122.438** |

Social security contributions are included in other liabilities and are analyzed in note 23.

Salaries and personnel costs are detailed in note 12.

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

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

### A. Movement in net defined benefit liability

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| **Balance at 1 January** | **1.122.438** | **4.939.656** | **1.122.438** | **951.870** |
| **Included in profit or loss** | | | | |
| Current service cost | 31.697 | 27.535 | 31.697 | 27.535 |
| Past service creit | 2.013 | 0 | 2.013 | |
| Settlement/Curtailment/Termination loss/(gain) | 435.721 | 356.822 | 435.721 | 356.822 |
| Interest cost (income) | 27.114 | 36.514 | 27.114 | 36.514 |
| | **496.545** | **420.871** | **496.545** | **420.871** |
| **Discontinued operation included in profit or loss** | | | | |
| Current service cost | 0 | 194.164 | 0 | 0 |
| Interest cost (income) | 0 | 154.338 | 0 | 0 |
| | **0** | **348.502** | **0** | **0** |
| | **496.545** | **769.373** | **496.545** | **420.871** |
| **Included in OCI** | | | | |
| Remeasurement loss (gain): | | | | |
| – Actuarial loss (gain) arising from: | | | | |
| - demographic assumptions | 0 | 0 | 0 | 0 |
| - financial assumptions | 83.130 | 220.992 | 83.130 | 220.992 |
| - experience adjustment | (1.991) | (29.478) | (1.991) | (29.478) |
| **Total amount included in OCI** | **81.139** | **191.514** | **81.139** | **191.514** |
| **Discontinued operation included in OCI** | | | | |
| Remeasurement loss (gain): | | | | |
| – Actuarial loss (gain) arising from: | | | | |
| - demographic assumptions | 0 | (52.195) | 0 | 0 |
| - financial assumptions | 0 | 1.181.739 | 0 | 0 |
| - experience adjustment | 0 | (289.496) | 0 | 0 |
| | **0** | **840.048** | **0** | **0** |
| | **81.139** | **1.031.562** | **81.139** | **191.514** |
| **Other** | | | | |

| | | | | |
|---|---|---|---|---|
| Benefits paid | (628.941) | (441.818) | (628.941) | (441.818) |
| Discontinued operation impact | 0 | (5.176.335) | 0 | 0 |
| | **(628.941)** | **(5.618.153)** | **(628.941)** | **(441.818)** |
| **Balance at 31 December** | **1.071.181** | **1.122.438** | **1.071.181** | **1.122.438** |

### B. Actuarial assumptions

The following were the principal actuarial assumptions at 31/12/2015 (expressed as weighted averages):

| | 31/12/2015 | 31/12/2014 |
|---|---|---|
| Discount rate | 2,0% | 2,5% |
| Future salary growth | 1,0% | 1,0% |
| Rate of compensation increase | 1,0% | 1,0% |

The weighted-average duration of the defined benefit obligation for the fiscal year 2015 was 16,6 years (2014: 15,4 years).

### C. Sensitivity analysis

If the discount rate used in the valuation was 0,5% higher, then the defined benefit obligation for employee retirement from service would be reduced by about 8,0%. If the discount rate used in the valuation were 0,5% lower, then the defined benefit obligation for employee retirement from service would be increased by about 9,0%.

Similarly, if presented salaries grow by 0,5%, the defined benefit obligation for employee retirement from service would be increased by about 9,0%. If the salaries were reduced by 0,5%, the defined benefit obligation for employee retirement from service would be reduced by about 8%.

## 12. Employee Expenses

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Wages, salaries and social security contributions | 9.480.741 | 10.652.254 | 6.656.380 | 7.957.589 |
| Expenses related to defined benefit plans & termination benefits | 1.563.983 | 420.872 | 1.563.983 | 420.872 |
| **Total** | **11.044.725** | **11.073.126** | **8.220.363** | **8.378.461** |

# Income Taxes

## 13. Income Taxes

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| **Current tax expense** | | | | |
| Current year income tax | (72.979) | (11.522) | 0 | 0 |
| Adjustment for prior years | 207 | 0 | 0 | 0 |
| | **(72.772)** | **(11.522)** | **0** | **0** |
| **Deferred tax expense (income)** | | | | |
| Origination and reversal of temporary differences | 675.305 | (46.259) | 720.243 | 62.194 |
| Change in tax rate | 61.631 | 0 | 83.129 | 0 |
| | **736.936** | **(46.259)** | **803.373** | **62.194** |
| **Total** | **664.164** | **(57.781)** | **803.373** | **62.194** |

The above amounts do not include income tax related to discontinued operation (see Note 6).

### A. Reconciliation of effective tax rate

| | GROUP | | | | COMPANY | | | |
|---|---|---|---|---|---|---|---|---|
| | 31/12/2015 | | 31/12/2014 | | 31/12/2015 | | 31/12/2014 | |
| **Profit/(loss) before tax from continuing operations** | | **(2.299.841)** | | **(1.560.608)** | | **(2.594.264)** | | **(1.574.787)** |
| Tax using the Company's domestic tax rate | 29% | 666.954 | 26% | 405.758 | 29% | 752.336 | 26% | 409.445 |
| Effect of tax rates in foreign jurisdictions | | 43.588 | | 40.995 | | 0 | | 408.440 |
| Non-deductible expenses | | (40.773) | | (69.660) | | (32.093) | | (46.215) |
| Tax incentives | | (10.288) | | 0 | | 0 | | 0 |
| Current-year losses for which no deferred tax asset is recognised | | (56.948) | | (733.809) | | 0 | | (733.809) |
| Change in recognised deductible temporary differences | | 61.631 | | 298.935 | | 83.129 | | 24.333 |
| **Income tax expense** | **29%** | **664.164** | **4%** | **(57.781)** | **31%** | **803.373** | **4%** | **62.194** |

### B. Movement in deferred tax balances

| | GROUP | | | | COMPANY | | | |
|---|---|---|---|---|---|---|---|---|
| | 31/12/2015 | | 31/12/2014 | | 31/12/2015 | | 31/12/2014 | |
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| Property, plant and equipment | 1.454.148 | 4.331.172 | 0 | 0 | 1.454.148 | 3.503.164 | 0 | 0 |
| Intangible assets | 0 | 173.094 | 28.726 | 124.971 | 0 | 173.094 | 0 | 124.971 |
| Investment property | 0 | 5.427 | 74.898 | 1.782.829 | 0 | 0 | 0 | 1.782.829 |
| Receivables | 151.620 | 0 | 0 | 0 | 151.620 | 0 | 0 | 0 |
| Other assets | 211.101 | 19.150 | 16.988 | 0 | 211.101 | 19.150 | 16.988 | 0 |
| Loans and borrowings | 0 | 0 | 112.594 | 0 | 0 | 0 | 112.594 | 0 |
| Employee benefits | 0 | 0 | 291.834 | 0 | 0 | 0 | 291.834 | 0 |
| Other liabilities | 809.634 | 651.079 | 0 | 669.244 | 809.634 | 651.079 | 0 | 669.244 |
| Receivables from tax losses | 1.173.832 | 0 | 0 | 0 | 576.496 | 0 | 0 | 0 |
| Set-off | (3.747.860) | (3.747.860) | (421.415) | (613.486) | (3.202.999) | (3.202.999) | 408.440 | 0 |
| **Tax assets (liabilities) before set-off** | **52.475** | **1.432.062** | **103.625** | **1.963.558** | **(0)** | **1.143.488** | **829.855** | **2.577.043** |
| Set-off of tax | 0 | 0 | 0 | 0 | 0 | 0 | (829.855) | (829.855) |
| **Net tax assets (liabilities)** | **52.475** | **1.432.062** | **103.625** | **1.963.558** | **(0)** | **1.143.488** | **0** | **1.747.189** |

### C. Unrecognised deferred tax assets

No deferred tax assets have been formed against the tax losses of some years presented because it is not certain that the company will provide sufficient future taxable profits against which the Group can utilize the benefits of these tax losses. These defered tax assets for the Group for year 2015 amounted to € 4.216.477 and for the Company for year 2015 amounted to € 3.884.801.

### D. Current Tax assets

Current tax assets presented in the Financial Position amounted to € 1.168.610 (2014: 1.457.600) mainly concern withholding taxes or prepaid income taxes and respectively for the Company to € 226.507 (2014: € 187.685)..

## Assets

### 14. Property, plant and equipment

A. Reconciliation of carrying amount

| | GROUP | | | | |
|---|---|---|---|---|---|
| | Land and buildings | Plant and equipment | Fixtures and fittings | Under construction | Total |
| **Cost** | | | | | |
| **Balance at 1 January 2014** | **79.377.216** | **68.717.180** | **15.048.184** | **52.154** | **163.194.734** |
| Additions | 123.806 | 1.871.746 | 307.565 | 24 | 2.303.141 |
| Disposals | 0 | (145.908) | (235.673) | (40) | (381.621) |
| Revaluation | (296.295) | 0 | 0 | 0 | (296.295) |
| Reclassifications | 4.175.463 | 0 | 0 | 0 | 4.175.463 |
| Effect of movements in exchange rates | 22.702 | 5.545 | 218 | 0 | 28.465 |
| Effect of discontinued operation | (30.512.649) | (27.051.437) | (8.892.557) | (19.923) | (66.476.566) |
| **Balance at 31 December 2014** | **52.890.243** | **43.397.126** | **6.227.737** | **32.215** | **102.547.321** |
| **Balance at 1 January 2015** | **52.890.243** | **43.397.126** | **6.227.737** | **32.215** | **102.547.321** |
| Additions | 48.282 | 638.804 | 183.884 | 45.779 | 916.749 |
| Disposals | 0 | (185.703) | (210.457) | 0 | (396.160) |
| Effect of movements in exchange rates | (249.668) | (116.010) | (24.526) | (9) | (390.213) |
| **Balance at 31 December 2015** | **52.688.857** | **43.734.216** | **6.176.638** | **77.985** | **102.677.696** |
| **Accumulated depreciation and impairment losses** | | | | | |
| **Balance at 1 January 2014** | **30.125.044** | **37.354.838** | **11.637.127** | **0** | **79.117.009** |
| Depreciation | 483.212 | 1.903.106 | 197.200 | 0 | 2.583.518 |
| Disposals | 0 | (63.775) | (235.789) | 0 | (299.564) |
| Effect of movements in exchange rates | (6.299) | 0 | 0 | 0 | (6.299) |
| Effect of discontinued operation | (13.459.273) | (18.996.773) | (6.267.414) | | (38.723.460) |
| **Balance at 31 December 2014** | **17.142.684** | **20.197.396** | **5.331.124** | **0** | **42.671.204** |
| **Balance at 1 January 2015** | **17.142.684** | **20.197.396** | **5.331.124** | **0** | **42.671.204** |
| Depreciation | 512.153 | 2.441.289 | 207.769 | 0 | 3.161.211 |
| Disposals | 0 | (148.992) | (210.313) | 0 | (359.305) |
| Effect of movements in exchange rates | (81.106) | (240.832) | 137.198 | 0 | (184.740) |
| **Balance at 31 December 2015** | **17.573.731** | **22.248.861** | **5.465.778** | **0** | **45.288.370** |
| **Carrying amounts** | | | | | |
| **At 31 December 2014** | **35.747.559** | **23.199.730** | **896.613** | **32.215** | **59.876.116** |
| **At 31 December 2015** | **35.115.126** | **21.485.355** | **710.860** | **77.985** | **57.389.325** |

| | COMPANY | | | | |
|---|---|---|---|---|---|
| | Land and buildings | Plant and equipment | Fixtures and fittings | Under construction | Total |
| **Cost** | | | | | |
| **Balance at 1 January 2014** | **32.856.440** | **28.861.394** | **4.984.567** | **31.340** | **66.733.741** |
| Additions | 123.806 | 1.520.151 | 286.199 | 0 | 1.930.156 |
| Disposals | 0 | (63.775) | (235.788) | (40) | (299.603) |
| Transfers | (296.295) | 0 | 0 | 0 | (296.295) |
| **Balance at 31 December 2014** | **32.683.951** | **30.317.770** | **5.034.978** | **31.300** | **68.067.999** |
| **Balance at 1 January 2015** | **32.683.951** | **30.317.770** | **5.034.978** | **31.300** | **68.067.999** |
| Additions | 37.186 | 524.114 | 173.087 | 0 | 734.387 |
| Disposals | 0 | (36.314) | 0 | 0 | (36.314) |
| **Balance at 31 December 2015** | **32.721.137** | **30.805.570** | **5.208.065** | **31.300** | **68.766.072** |
| **Accumulated depreciation and impairment losses** | | | | | |
| **Balance at 1 January 2014** | **15.598.757** | **12.855.730** | **4.490.076** | **0** | **32.944.563** |
| Depreciation | 309.236 | 1.234.803 | 175.443 | 0 | 1.719.482 |
| Disposals | 0 | (63.775) | (235.788) | 0 | (299.563) |
| **Balance at 31 December 2014** | **15.907.993** | **14.026.758** | **4.429.731** | **0** | **34.364.482** |
| **Balance at 1 January 2015** | **15.907.993** | **14.026.758** | **4.429.731** | **0** | **34.364.482** |

| | | | | | |
|---|---|---|---|---|---|
| Depreciation | 329.485 | 1.778.456 | 186.672 | 0 | 2.294.614 |
| Disposals | 0 | (1.354) | 0 | 0 | (1.354) |
| **Balance at 31 December 2015** | **16.237.478** | **15.803.861** | **4.616.403** | **0** | **36.657.742** |
| **Carrying amounts** | | | | | |
| **Balance at 31 December 2014** | **16.775.958** | **16.291.012** | **605.247** | **31.300** | **33.703.518** |
| **Balance at 31 December 2015** | **16.483.659** | **15.001.709** | **591.662** | **31.300** | **32.108.331** |

### B. Measurement of fair values

#### i. Fair value hierarchy

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

Based on data taken into account in the valuation technique, the measurement of fair value for these properties is at Level 3 (see Note 4(v)).

#### ii. Valuation technique and significant unobservable inputs

*Land and buildings used for production in Greece*

The study conducted by the independent appraiser based on market indications on similar properties, incorporating adjustments for factors specific to the property for revaluation, such as size of land and buildings, use, location and any encumbrances. In 2014, as a result of this approach was a need for for impairment loss of the value of the estimated land and buildings of 2% rate. The land and buildings were revalued at 31 December 2014, while their previous reassessment was made in December 2012.

The most significant unobservable input to the valuation performed related to the specific features of the estimated property. The valuation basis for calculation depends on observable transactions for similar properties that do not incorporate in their entirety those special features. Nevertheless, the Group's management believes that the valuation results in a representative value of the property.

*Land and buildings used for production in Romania*

For the valuation of the Group's property in Romania the same valuation technique was used, as that was used and described for the properties in Greece. In 2015, as a result of this assessment, there was no need to adjust the land and buildings. Previous revaluation was made in December 2013.

### C. Leased machinery

The Group leases machinery in Greece and Romania. At 31st December 2015, the net carrying amount of leased equipment was € 1.682.107 (2014: € 1.928.324). The value of the leased equipment is ensuring the relevant leasing obligations.

### D. Security

There are encumbrances on the Group's fixed assets (land and building located in Romania) for an amount of € 5,3 million in order to cover loan obligations. There are no encumbrances on the parent company's fixed assets.

### E. Transfer from investment property to owner-occupied tangible assets

The Group's subsidiary in Romania «Inform Lykos SA» owns land plots with a fair value amount € 4.175.463 at 31.12.2014, which due to change of their use, have been reclassified from investment property to owner-occupied tangible assets. Specifically at 30/06/2014, the management of Inform Lykos SA decided to use the formerly above investment property, to cover production, administrative and storage needs as they have arisen after the integration in the production function of the company's new product lines. Determining the fair value of those properties was based on the study by an independent valuer. The valuer has the recognized and relevant professional qualifications and experience from similar studies of land and buildings at the geographical area, where this property is located.

### F. Change in estimates

During 2014, the Company reassessed the useful life of part of the digital printing equipment. The new useful lives of the assets formed to 12 years from 20 years formerly.

The above change in the useful life of the assets affected the results of the period 1.1-31.12.2015 with an amount of additional depreciation on these assets amounted to about €0,6 million , compared to the period 1.1-31.12.2014.

## 15. Investment property

### A. Reconciliation of carrying amount

| | GROUP | |
|---|---|---|
| | **31/12/2015** | **31/12/2014** |
| **Balance at 1 January** | 322.739 | 4.084.500 |
| Additions | 0 | 0 |
| Disposals | (6.014) | 0 |
| Change in fair value | (2.853) | 19.231 |
| Revaluation due to exchange rates | (3.024) | 71.732 |
| Reclassification from assets held for sale | 0 | 322.739 |
| Reclassification to to property, plant and equipment | 0 | (4.175.463) |
| **Balance at 31 December** | **310.847** | **322.739** |

In Note 14 (E) are details in relation to the above reclassification from investment property of amount € 4.175.463 to owner-occupied tangible assets held on 30.06.2014.

Also, during previous year 2014, specifically at 31.12.2014 property of fair value € 322.739 reclassified from "assets held for sale" to "investment property". This property is related to land area and buildings of the subsidiary "Compaper Converting SA" in Romania.

### B. Measurement of fair values

#### i. Fair value hierarchy

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

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 4(v)).

#### ii. Valuation technique and significant unobservable inputs

*Land and buildings in Romania classified as investment property*

The study conducted by the independent appraiser based on market indications on similar property, incorporating adjustments for factors specific to the valued property such as size of land and buildings, use, location and any encumbrances. In 2015, as a result of this approach there was need for negative adjustment to estimated land and buildings of 6,5%. Their previous revaluation was done in December 2014.

The most significant unobservable inputs to the valuation performed relates to the specific features of the estimated property. The valuation basis for calculation depends on observable transactions for similar properties that do not incorporate in their entirety those special features. Nevertheless, the Group's management believes that the valuation results in a representative value of the property.

## 16. Intangible assets and goodwill

### A. Reconciliation of carrying amount

| | GROUP | | | |
|---|---|---|---|---|
| | **Goodwill** | **Patents, licenses** | **Development costs** | **Total** |
| **Cost** | | | | |
| **Balance at 1 January 2014** | **8.359.798** | **19.886.303** | **1.840.230** | **30.086.331** |
| Additions | 0 | 624.000 | 0 | **624.000** |
| Acquisitions – internally developed | 0 | 0 | 184.300 | **184.300** |
| Disposals | (11.500) | 0 | 0 | **(11.500)** |
| Effect of movements in exchange rates | 0 | 1.109 | 0 | **1.109** |
| Effect of discontinued operations | (2.244.417) | (9.855.345) | 0 | **(12.099.762)** |
| **Balance at 31 December 2014** | **6.103.881** | **10.656.067** | **2.024.530** | **18.784.478** |
| **Balance at 1 January 2015** | **6.103.881** | **10.656.067** | **2.024.530** | **18.784.478** |
| Additions | 0 | 269.631 | 0 | **269.631** |
| Acquisitions through business combinations | 0 | 0 | 0 | **0** |
| Acquisitions – internally developed | 0 | 0 | 208.208 | **208.208** |

| | | | | |
|---|---|---|---|---|
| Disposals | 0 | (44.186) | 0 | **(44.186)** |
| Effect of movements in exchange rates | 0 | (165.433) | 0 | **(165.433)** |
| **Balance at 31 December 2015** | **6.103.881** | **10.716.080** | **2.232.738** | **19.052.698** |
| **Accumulated amortisation and impairment losses** | | | | |
| **Balance at 1 January 2014** | **4.017.437** | **18.509.509** | **1.638.584** | **24.165.530** |
| Amortisation | 0 | 368.539 | 51.471 | **420.010** |
| Effect of discontinued operations | 0 | (9.231.935) | 0 | **(9.231.935)** |
| **Balance at 31 December 2014** | **4.017.437** | **9.646.113** | **1.690.055** | **15.353.605** |
| **Balance at 1 January 2015** | **4.017.437** | **9.646.113** | **1.690.055** | **15.353.605** |
| Amortisation | 0 | 353.459 | 86.973 | **440.432** |
| Disposals | 0 | (44.185) | 0 | **(44.185)** |
| Effect of movements in exchange rates | 0 | (166.087) | 0 | **(166.087)** |
| **Balance at 31 December 2015** | **4.017.437** | **9.789.300** | **1.777.028** | **15.583.765** |
| **Carrying amounts** | | | | |
| **Balance at 31 December 2014** | **2.086.444** | **1.009.954** | **334.475** | **3.430.871** |
| **Balance at 31 December 2015** | **2.086.444** | **926.780** | **455.710** | **3.468.934** |

| | COMPANY | | |
|---|---|---|---|
| | **Patents, licenses** | **Development costs** | **Total** |
| **Cost** | | | |
| **Balance at 1 January 2014** | **6.164.940** | **1.840.230** | **8.092.143** |
| Additions | 552.307 | 0 | **552.307** |
| Acquisitions – internally developed | 0 | 184.300 | **184.300** |
| **Balance at 31 December 2014** | **6.717.247** | **2.024.530** | **8.741.777** |
| **Balance at 1 January 2015** | **6.717.247** | **2.024.530** | **8.741.777** |
| Additions | 202.981 | 0 | **202.981** |
| Acquisitions – internally developed | 0 | 208.208 | **208.208** |
| Disposals | | | **0** |
| Effect of movements in exchange rates | | | **0** |
| **Balance at 31 December 2015** | **6.920.228** | **2.232.738** | **9.152.966** |
| **Accumulated amortisation and impairment losses** | | | |
| **Balance at 1 January 2014** | **5.668.413** | **1.638.584** | **7.306.997** |
| Amortisation | 242.265 | 51.471 | **293.736** |
| **Balance at 31 December 2014** | **5.910.678** | **1.690.055** | **7.600.733** |
| **Balance at 1 January 2015** | **5.910.678** | **1.690.055** | **5.910.678** |
| Amortisation | 208.457 | 86.973 | **295.429** |
| **Balance at 31 December 2015** | **6.119.135** | **1.777.028** | **295.429** |
| **Carrying amounts** | | | |
| **Balance at 31 December 2014** | **806.569** | **334.475** | **1.141.044** |
| **Balance at 31 December 2015** | **801.094** | **455.710** | **1.256.803** |

### B. Amortisation

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

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

### C. Impairment tests

In 2015, there was no need to test impairment of intangible assets (software licenses and capitalized development costs).

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

For the purpose of impairment testing, at 31/12/2015 goodwill of the Group amounting to € 2.086.444 was allocated to the following CGUs:

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

### *Unit printing production in Romania*

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

As at 31 December 2015, the estimated amount of Romania CGU exceeded its carrying amount by approximately € 3.8 million (2014: € 0.9 million). The followubg tables show key assumptions as well as the value by which key assumptions (discount rate and EBITDA growth rate) would need to change individually for the estimated recoverable amount to be equal to the carrying amount. The used discount rate represents the weighted cost of capital for the CGU. The assumed EBITDA growth rate for the next five years is based on internal budgets.

| Key assumptions | 2015 | 2014 |
|---|---|---|
| Discount rate | 8,1% | 9,4% |
| Growth rate residual value | 1,50% | 1,50% |
| Forecast EBITDA growth rate (average 5 years) | 14,40% | 12,0% |

| Sensitivity Analysis | Change required for carrying amount to equal recoverable amount | |
|---|---|---|
| *(in percentage points)* | **2015** | **2014** |
| Discount rate | 1,4 | 0,5 |
| Forecast EBITDA growth rate | (2,8) | (0,2) |

### D. Development costs

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

## 17. Inventory

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2015** | **31/12/2014** | **31/12/2015** | **31/12/2014** |
| Raw materials and consumables | 3.053.071 | 3.854.630 | 1.864.253 | 2.413.323 |
| Work in progress | 392.486 | 385.284 | 250.556 | 292.589 |
| Finished and semi-finished goods | 1.037.421 | 1.175.633 | 617.963 | 656.863 |
| Merchandise | 1.004.615 | 963.764 | 933.947 | 823.308 |
| Prepayments for inventory purchase | 328.563 | 35.841 | 315.269 | 34.042 |
| **Total** | **5.816.156** | **6.415.152** | **3.981.987** | **4.220.125** |

In 2015, inventories of the Group of amount € 41.038.014 (2014: € 36.551.511) were recognized as cost during the period and included in "Cost of Sales" of the Group (See relevant Note 8(B)).
During 2015, part of the Group's inventories (relating entirely to the Company) recorded at net liquidation value lower of acquisition or production cost, as a consequence to incur cost in the results (Other expenses) of an amount of € 7.600 (2014: € 65.337).

## 18. Trade and other receivables

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2015** | **31/12/2014** | **31/12/2015** | **31/12/2014** |
| Trade receivables | 13.554.197 | 15.522.059 | 6.098.744 | 7.994.760 |
| Minus: Allowance for doubtful accounts | (986.050) | (639.154) | (782.828) | (453.844) |
| **Total trade receivables** | **12.568.147** | **14.882.905** | **5.315.916** | **7.540.916** |
| Trade receivables due from related parties | 144.073 | 110.261 | 683.844 | 33.299.298 |
| **Total trade receivables due from related parties** | **144.073** | **110.261** | **683.844** | **33.299.298** |
| Debtors-Prepayments to creditors | 304.793 | 195.051 | 143.969 | 119.342 |
| Personnel prepayments and loans | 0 | 66.871 | 0 | 66.871 |
| VAT and other Tax related receivables | 108.094 | 130.355 | 0 | 130.355 |
| Deffered expenses | 292.631 | 266.217 | 273.248 | 259.095 |
| Guarantees given | 0 | 18.078 | 0 | 0 |
| Other non-financial receivables and assets | 115.706 | 0 | 0 | 0 |
| *Other receivables – non-financial instruments* | *821.223* | *676.573* | *417.218* | *575.663* |
| Accrued income | 42.013 | 128.853 | 42.013 | 128.853 |
| Receivables from Factoring | 45.845 | 0 | 0 | 0 |
| Other receivables | 837.711 | 390.740 | 393.974 | 253.771 |
| *Other receivables - financial instruments* | *925.569* | *519.593* | *435.987* | *382.624* |
| **Other receivables** | **1.746.793** | **1.196.166** | **853.205** | **958.287** |
| **Total** | **14.459.013** | **16.189.332** | **6.852.966** | **41.798.503** |
| Non-current | 61.499 | 63.225 | 61.499 | 63.225 |
| Current | 14.397.514 | 16.126.107 | 6.791.466 | 41.735.276 |
| | **14.459.013** | **16.189.332** | **6.852.966** | **41.798.503** |

Information in relation to exposure to credit risk is included in Note 26.

### A. Transfer of trade receivables

During 2015, the Group transferred trade receivables of a total amount € 1,6 million to a bank for cash proceeds. The trade receivables of the Group have been decreased by the above amount, as the bank retains substantially all of the risks and rewards, connected to these receivables. This amount refers entirely to the Company.

## 19. Cash and cash equivalents

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2015** | **31/12/2014** | **31/12/2015** | **31/12/2014** |
| Cash at hand | 55.626 | 59.189 | 11.332 | 44.917 |
| Bank balances | 3.872.243 | 41.268.276 | 3.532.009 | 989.171 |
| **Total** | **3.927.869** | **41.327.465** | **3.543.341** | **1.034.088** |

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

# Equity and liabilities

## 20. Capital and reserves

### A. Share capital and share premium

The Company's share is freely traded on the Athens Stock Exchange and participates in the Industrial Goods & Services sector / Business Support Services and in the Composite Share Price Index.

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

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

Within the period, the Company's share capital changed following the implementation of the relative decision of the Extraordinary General Shareholders Meeting (GSM) held on 27/2/2015. In particular, the General Meeting unanimously approved the share capital increase by the amount of € 14,404,861.80 by capitalization of part of the reserve "share premium", through increase of the share nominal value by € 0.70 and simultaneously equal reduction of the share capital for the purpose of capital return through payment in cash to the shareholders and authorized the BoD of the company to manage all the procedural issues concerning the execution and implementation of the above decision.

The aforementioned change is analysed as follows:

| | Value in Euro | | | | |
|---|---|---|---|---|---|
| | **Number of shares** | **Price/ share** | **Share capital** | **Share premium** | **Total** |
| **Balance at 1 January 2014** | **20.578.374** | **0,62** | **12.758.592** | **28.370.158** | **41.128.750** |
| **Balance at 31 December 2014** | **20.578.374** | **0,62** | **12.758.592** | **28.370.158** | **41.128.750** |
| Share premium capitalization | 0 | 0,70 | 14.404.862 | (14.404.862) | **0** |
| Related capitalized concentration tax | 0 | 0,00 | 0 | (159.505) | **(159.505)** |
| Share capital decrease to shareholders | 0 | (0,70) | (14.404.862) | 0 | **(14.404.862)** |
| **Balance at 31 December 2015** | **20.578.374** | **0,62** | **12.758.592** | **13.805.791** | **26.564.383** |

On 08/04/2015 and 09/04/2015, the competent department of the Ministry of Marine Infrastructure Economy and Tourism issued the relative decisions approving the above corporate actions. It is to be noted that the above balance has been fully paid to the shareholders in May 2015.

### B. Nature and purpose of reserves

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

| | GROUP | |
|---|---|---|
| **Reserves** | **2015** | **2014** |
| Translation reserve | (1.173.553) | (947.867) |
| Revaluation reserve | 16.959.220 | 17.209.535 |
| IAS 19 reserve | (108.498) | (53.039) |
| **Total** | **15.677.169** | **16.208.628** |

| | COMPANY | |
|---|---|---|
| **Reserves** | **2015** | **2014** |
| Revaluationreserve | 5.920.061 | 6.170.204 |
| IAS 19 reserve | (108.498) | (53.039) |
| Other reserves | 7.707.255 | 7.032.842 |
| **Total** | **13.518.818** | **13.150.007** |

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

i. Statutory reserve amount € 4.261.895,17 (2014: € 3.587.482,31)

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

ii. Tax exempt reserves amount € 3.445.360,86 2014: 3.445.360,86)

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

### C. Dividends

The General Meeting for year 2015, held on 28/5/2015, approved the relative proposal of the Company's Board of Directors on distribution of dividend of € 0,40 (net of taxes € 0,36) per share, i.e. a total amount of dividend of € 8.231.350. The aforementioned amount was fully paid in June of the current year 2015. The Board of Directors intends to propose to the upcoming General Meeting to be held in 2016 the distribution of dividend of € 1.440.486,10 ie € 0,07 per share.

## 21. Capital management

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

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

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

The gearing ratios of 31/12/15 and 31/12/14 were as follows:

| | GROUP | |
|---|---|---|
| | **31/12/2015** | **31/12/2014 (*)** |
| Total loanliabilities | 14.744.579 | 31.084.410 |
| Minus: Cash and cash equivalents | (3.927.869) | (41.327.465) |
| **Adjusted Net Debt** | **10.816.710** | **(10.243.055)** |
| **Total equity** | **53.132.765** | **78.454.656** |
| **Adjusted net debt to equity ratio** | **0,20** | **(0,13)** |

## 22. Loans and Borrowings

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2015** | **31/12/2014** | **31/12/2015** | **31/12/2014** |
| **Non-current liabilities** | | | | |
| Secured bank loans | 1.252.442 | 2.156.727 | 0 | 0 |
| Finance lease liabilities | 1.323.754 | 1.627.675 | 1.179.258 | 1.386.992 |
| | **2.576.196** | **3.784.402** | **1.179.258** | **1.386.992** |
| **Current liabilities** | | | | |
| Secured bank loans | 442.036 | 0 | 0 | 0 |
| Unsecured bank loans | 9.816.906 | 5.300.000 | 8.900.000 | 5.300.000 |
| Bank overdraft | 1.551.088 | 1.699.358 | 0 | 0 |
| Bond loans | 0 | 20.000.000 | 0 | 20.000.000 |
| Finance lease liabilities | 358.353 | 300.649 | 316.525 | 278.670 |
| | **12.168.383** | **27.300.008** | **9.216.525** | **25.578.670** |

### A. Terms and maturity

The terms and conditions of Group's loans at 31/12/2015 are as follows:

| | | GROUP | | | |
|---|---|---|---|---|---|
| | | | | | **31/12/2015** |
| **Lender/Bank** | **Currency** | **Nominal interest rate** | **Year of maturity** | **Pledge type** | **Carrying amount** |
| *Secured bank loans* | RON | ROBOR 3 months + 3% | 2019 | Plegde on Land and Building | **1.694.478** |
| *Unsecured bank loans* | | | | | **11.367.994** |
| | EUR | EURIBOR 1m+6% | 2016 | - | 8.900.000 |
| | EUR | 5% | 2016 | - | *916.905,58* |
| | RON | ROBOR 3 months + 2.7% | 2016 | Plegde on Land and Building | *1.528.251,99* |
| *Finance lease liabilities* | | | | | **1.682.107** |
| | EUR | 0,06 | 2021 | - | *1.193.533,62* |
| | EUR | 0,09 | 2017 | - | *302.248,72* |
| | EUR | EURIBOR 3M+4,65% | 2019 | pledge on leased equipment | *135.942,30* |
| | | | | | **14.744.579** |

For the coverage of secured loans, there are encurmbances of an amount € 5,3 million.

### B. Finance lease liabilities

Finance lease liabilities are payable as follows:

| | GROUP | | | | | |
|---|---|---|---|---|---|---|
| | **Future minimum lease payments 2015** | **Interest 2015** | **Present value of minimum lease payments 2015** | **Future minimum lease payments 2014** | **Interest 2014** | **Present value of minimum lease payments 2014** |
| Less than one year | 483.297 | 100.164 | 383.132 | 446.902 | 91.656 | 355.246 |
| Between one and five years | 1.486.881 | 187.906 | 1.298.975 | 1.126.381 | 250.377 | 876.004 |
| More than five years | 0 | 0 | 0 | 703.729 | 6.655 | 697.074 |
| | **1.970.177** | **288.070** | **1.682.107** | **2.277.012** | **348.688** | **1.928.324** |

| | COMPANY | | | | | |
|---|---|---|---|---|---|---|
| | **Future minimum lease payments 2015** | **Interest 2015** | **Present value of minimum lease payments 2015** | **Future minimum lease payments 2014** | **Interest 2014** | **Present value of minimum lease payments 2014** |
| Less than one year | 407.114 | 90.590 | 316.524 | 356.026 | 77.356 | 278.670 |
| Between one and five years | 1.350.622 | 171.364 | 1.179.258 | 914.106 | 224.188 | 689.918 |
| More than five years | 0 | 0 | 0 | 703.729 | 6.655 | 697.074 |
| | **1.757.736** | **261.954** | **1.495.782** | **1.973.861** | **308.199** | **1.665.662** |

## 23. Trade and other payables

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Trade payables | 9.692.073 | 11.872.074 | 4.557.173 | 4.891.615 |
| Accrued expenses | 54.546 | 0 | 0 | 0 |
| **Trade payables** | **9.746.619** | **11.872.074** | **4.557.173** | **4.891.615** |
| Other trade payables due to related parties | 2.959.297 | 2.317.635 | 1.934.781 | 2.256.451 |
| **Trade payables due to related parties** | **2.959.297** | **2.317.635** | **1.934.781** | **2.256.451** |
| Social security | 364.895 | 388.840 | 306.388 | 328.755 |
| Wages and salaries payable | 65.409 | 63.708 | 0 | 0 |
| Accruals – personnel related | 0 | 6.898 | 0 | 0 |
| VAT payable and other taxes | 700.034 | 696.561 | 607.958 | 411.948 |
| Other non-financial payables | 400.059 | 369.693 | 351.899 | 346.599 |
| *Other payables – non-finanacial instruments* | *1.530.396* | *1.525.699* | *1.266.245* | *1.087.302* |
| Dividends payable | 19.302 | 8.014 | 15.083 | 3.755 |
| Accruals | 105.133 | 3.000 | 102.853 | 0 |
| Other payables | 31.397 | 17.748 | 0 | 0 |
| *Other payables - financial instruments* | *155.832* | *28.763* | *117.936* | *3.755* |
| **Other payables** | **1.686.229** | **1.554.462** | **1.384.180** | **1.091.057** |
| **Total** | **14.392.145** | **15.744.171** | **7.876.134** | **8.239.123** |
| Non current | 39.000 | 39.000 | 0 | 0 |
| Current | 14.353.145 | 15.705.171 | 7.876.134 | 8.239.123 |
| | **14.392.145** | **15.744.171** | **7.876.134** | **8.239.123** |

Information about the Group's exposure to currency and liquidity risk is included in Note 26.

## 24. Deffered income / revenue

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Customer advances | 872.822 | 751.955 | 863.996 | 693.426 |
| | **872.822** | **751.955** | **863.996** | **693.426** |
| Non current | 0 | 0 | 0 | 0 |
| Current | 872.822 | 751.955 | 863.996 | 693.426 |
| | **872.822** | **751.955** | **863.996** | **693.426** |

## 25. Provisions

| | GROUP | | |
|---|---|---|---|
| | Restructuring costs | Other | Total |
| **Balance at 1 January 2015** | **0** | **0** | **0** |
| Provisions during the fiscal year | 944.439 | 0 | **944.439** |
| **Balance at 31 December 2015** | **944.439** | **0** | **944.439** |
| Non current | 0 | 0 | 0 |
| Current | 944.439 | 0 | 944.439 |
| | **944.439** | **0** | **944.439** |

The whole amount of the above provisions refers entirely to the Company.

# Financial instruments

## 26. Financial instruments – Fair values and risk management

### A. Accounting classifications and fair values

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

| **31/12/2015** | **GROUP** | | |
|---|---|---|---|
| | **Carrying amount** | | |
| | **Loans & receivables** | **Other financial liabilities** | **Total** |
| **Financial assets not measured at fair values** | | | |
| Trade and other receivables | 13.637.789 | 0 | **13.637.789** |
| Cash and cash equivalents | 3.927.869 | 0 | **3.927.869** |
| | **17.565.658** | **0** | **17.565.658** |
| **Financial liabilities not measured at fair values** | | | |
| Bank loans | 0 | 13.062.472 | **13.062.472** |
| Finance lease liabilities | 0 | 1.682.107 | **1.682.107** |
| Trade payables | 0 | 12.861.748 | **12.861.748** |
| | **0** | **27.606.327** | **27.606.327** |
| **31/12/2014** | **Carrying amount** | | |
| | **Loans & receivables** | **Other financial liabilities** | **Total** |
| **Financial assets not measured at fair values** | | | |
| Trade and other receivables | 15.512.759 | 0 | **15.512.759** |
| Cash and cash equivalents | 41.327.465 | 0 | **41.327.465** |
| | **56.840.224** | **0** | **56.840.224** |
| **Financial liabilities not measured at fair values** | | | |
| Bank loans | 0 | 29.156.085 | **29.156.085** |
| Finance lease liabilities | 0 | 1.928.324 | **1.928.324** |
| Trade payables | 0 | 14.218.472 | **14.218.472** |
| | **0** | **45.302.881** | **45.302.881** |

### B. Risk Management

The Group has exposure to various risks arising from financial instruments. Financial assets and financial liabilities of the Group by category are summarized in Note 26(A). The main types of these risks are the following:

- Credit risk
- Liquidity risk
- Market risk

#### i. Risk management framework

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

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

### ii. Credit risk

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

Trade receivables

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

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

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

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

It is noted, that sales related to the vast majority (over 99%) and wholesale sales to customers with credit history and with great dispersion in their balances. The majority of the sales regards sales to pharmacies. The Group's policy is to work only with reputable clients.
The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables (see Note 18).

At 31 December 2015, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

| | **31/12/2015** |
|---|---|
| Austria | 129.516 |
| Greece | 4.873.844 |
| Romania | 6.851.161 |
| United Kingdom | 37 |
| Slovakia | 4.606 |
| Albania | 239.150 |
| Bulgaria | 5.154 |
| Egypt | 997 |
| Kosovo | 24.350 |
| Spain | 105.305 |
| Ukraine | 2.161 |
| France | 235.416 |
| Morocco | 15.828 |
| Malta | 17.420 |
| Cyprus | 63.201 |
| **Total** | **12.568.147** |

At 31 December 2015, the ageing of trade and other receivables that were not impaired was as follows:

| | |
|---|---|
| Non past dueNeither past due nor impaired | 10.493.168 |
| **Past due but not impaired** | |
| Past due 31-90 days | 783.910 |
| Past due 91-120 days | 210.111 |
| Past due more than 121 days | 1.080.957 |
| | **12.568.147** |

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

### Cash and cash equivalents

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

## iii. Liquidity risk

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

The Group aims to maintain cash and deposits to meet its liquidity needs for periods of 30 days at least. The objective is met for the reporting periods. Funding for long-term liquidity needs is ensured in addition by an adequate amount of committed credit facilities.

### Exposure to liquidity risk

At 31 December 2015, the Group's financial liabilities (not derivatives) have contractual maturities (including interest payments where applicable) as summarized below:

| | GROUP | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **31/12/2015** | **Carrying amount** | **Total** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022 and later** |
| **Financial liabilities** | | | | | | | | | |
| Secured bank loans | 1.694.478 | **2.024.901** | 528.233 | 528.233 | 528.233 | 440.201 | 0 | 0 | 0 |
| *Capital repayments* | | | *442.036* | *442.036* | *442.036* | *368.370* | 0 | 0 | 0 |
| *Interest payments* | | | *86.197* | *86.197* | *86.197* | *71.831* | 0 | 0 | 0 |
| Unsecured bank loans | 9.816.906 | **10.450.151** | 10.450.151 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Capital repayments* | | | *9.816.906* | 0 | 0 | 0 | 0 | 0 | 0 |
| *Interest payments* | | | *633.245* | 0 | 0 | 0 | 0 | 0 | 0 |
| Bank overdrafts | 1.551.088 | **1.551.088** | 1.551.088 | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance lease liabilities | 1.682.107 | **1.970.177** | 483.297 | 468.723 | 302.877 | 252.642 | 240.434 | 222.205 | 0 |
| *Capital repayments* | | | *383.132* | *395.289* | *250.403* | *217.715* | *220.018* | *215.550* | 0 |
| *Interest payments* | | | *100.164* | *73.434* | *52.474* | *34.927* | *20.416* | *6.655* | 0 |
| Trade payables | 9.746.619 | **9.746.619** | 9.746.619 | | | | | | |
| | **24.491.198** | **25.742.936** | **22.759.388** | **996.956** | **831.110** | **692.843** | **240.434** | **222.205** | **0** |

## iv. Market risk

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

The Group is not using derivatives to manage market risks.

### *Currency risk*

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of Group companies is primarily the Euro (EUR). The currencies in which these transactions are primarily denominated as shown in the following table are mainly RON.

### Exposure to currency risk

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

| 31/12/2015 | EUR | RON | ALL | USD | OTHER | Tota |
|---|---|---|---|---|---|---|
| Trade receivables | 5.704.464 | 6.990.466 | 17.290 | 0 | 0 | 12.712.220 |
| Other receivables | 1.376.159 | 350.109 | 20.525 | 0 | 0 | 1.746.793 |
| Cash and cash equivalents | 3.849.627 | 35.471 | 42.571 | 201 | 0 | 3.927.869 |
| Bank loans | (11.521.849) | (3.222.730) | 0 | 0 | 0 | (14.744.579) |
| Trade payables | (8.471.352) | (4.177.750) | (53.308) | (1.196) | (2.311) | (12.705.916) |
| Other payables | (1.445.698) | (223.564) | (16.966) | 0 | 0 | (1.686.229) |
| **Net statement of financial position exposure** | **(10.508.649)** | **(247.999)** | **10.112** | **(995)** | **(2.311)** | **(10.749.842)** |

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

Sensitivity analysis

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

| RON (10% increase ) | 2015 |
|---|---|
| **Earnings before taxes** | (28.266) |
| **Equity** | (2.166.618) |

| RON (10% decrease ) | 2015 |
|---|---|
| **Earnings before taxes** | 34.548 |
| **Equity** | 2.648.088 |

***Interest rate risk***

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

Exposure to interest rate risk

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

| | 2015 |
|---|---|
| **Variable-rate instruments** | |
| Cash and cash equivalent | 3.872.243 |
| Loan | 14.744.579 |
| | **10.872.336** |

Sensitivity analysis

The following table presents the sensitivity of results and equity to a reasonable change in interest rates in the range of +/- 100bp for the years 2015 and 2014, would result the following changes in the income before taxes and equity of the Group:

| | 2015 |
|---|---|
| **Profit or Loss** | |
| 100bp increase | 123.287 |
| 100bp decrease | (123.287) |
| **Equity, net of tax** | |
| 100bp increase | 87.534 |
| 100bp decrease | (87.534) |

i. Risks arising from the general economic environment

The latest developments which resulted in imposing restrictions on the movement of capitals (capital controls), as well as the continuation of negotiations to finalize a medium-term program to support the Greek economy, are the factors of increased uncertainty regarding the general medium to long term economic operating conditions prevailing in the domestic market and potentially having a negative impact on the growth of the Greek economy and, by extension, the country's GDP in 2015 and 2016. Additionally, the application of new tax measures is likely to impede the ability of some companies to respond and settle their obligations on time.

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

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

- The significant and strategic, export orientation of the Group regarding all sectors of activity (sales, production, etc.). Indicatively, the Group sales in foreign countries (outside Greece) represent approximately 51% of total sales (see note 7). Actually, the value of such sales for the fiscal year 2015 increased by 10% versus the respective year 2014.
- A very positive financial performance was achieved by the Group in spite of the adverse economic conditions. Particularly:
  (a) Improved sales (increase: turnover 10%) compared to previous year
  (b) Significantly improved operating cash flows.

## Group Composition

### 27. List of subsidiaries

Set out below is a list of all subsidiaries of the Group as at 31/12/2015:

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

On 31/12/2014, Group sold the entire sector of "cards". All relevant information is disclosed in Note 6 along with the companies involved in the assigned sector.

### 28. Non-controlling interests (NCI)

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

# Other disclosures

## 29. Operating Leases

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

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

At 31 December, the future minimum finance lease payments are set out in Note 22 (B).

## 30. Commitments

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

## 31. Contingencies

There are no judicial or legal claims that are expected to affect significantly the financial position of the company as at 31/12/2015.

In January 2016, the Competition Council of Romania issued a press release in which it announced the imposition of ae fine on Inform Lykos S.A., Romania (ILR), a subsidiary of the company. Seee note 4(vi).

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

For the years 2011-2013, the Greek companies of the Group are subject to tax audit conducted by Chartered Accountants in compliance with the provisions of Article 82, par. 5, Law 2238/1994. For the year 2014 the Greek companies of the Group are subject to tax audit conducted by Chartered Accountants in compliance with the provisions of Article 65A, Law 4174/2014.This audit for the years 2011 - 2014 has been completed and the relative unqualified conclusions tax compliance certificates have been issued. The tax audit for the year 2015 is in progress and is expected to be completed without substantial tax burdening.

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

| Company | Domicile | Tax unaudited years |
|---|---|---|
| Inform P. Lykos S.A. | Greece | 2009-2010, 2015 |
| Lykos Paperless Solutions S.A. | Greece | 2010, 2015 |
| Terrane L.T.D. | Cyprus | 2004-2015 |
| Inform Lykos (Romania) L.T.D. | Cyprus | 2003-2015 |
| Inform Lykos S.A. | Romania | 2005-2015 |
| Compaper Converting S.A. | Romania | 2001-2015 |
| Sagime Gmbh | Austria | 2010-2015 |
| Albanian Digital Printing Solutions Sh.p.k. | Albania | 2011-2015 |

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

### Encumbrances

There are encumbrances on the Group's fixed assets with value of € 5,3 million in order to cover loan obligations. There are no encumbrances on the parent company's fixed assets.

## 32. Audit fees

Annual audit fees for the current year 2015 were € 118.000.

## 33. Related parties

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

The table below presents analytically all the intercompany transactions during the years 2015 and 2014 as well as the balances arising from these transactions as at 31/12/15 and 31/12/14 respectively:

Sales of goods or services

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Subsidiaries | 0 | 0 | 456.046 | 1.176.869 |
| Other related parties | 231.350 | 0 | 203.623 | 0 |
| **Total** | **231.350** | **0** | **659.669** | **1.176.869** |

Purchases of goods or services

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Subsidiaries | 0 | 0 | 3.507.526 | 6.132.572 |
| Other related parties | 6.232.290 | | 6.030.073 | 0 |
| **Total** | **6.232.290** | **0** | **9.537.598** | **6.132.572** |

Granted loans

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Subsidiaries | 0 | 0 | 30.000 | 7.280.000 |
| **Total** | **0** | **0** | **30.000** | **7.280.000** |

Balances of receivables from sales of goods or services

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Subsidiaries | 0 | 0 | 114.965 | 779.666 |
| Other related parties | 144.073 | | 68.870 | 0 |
| **Total** | **144.073** | **0** | **183.835** | **779.666** |

Balances of liabilities from purchases of goods or services

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Subsidiaries | 0 | 0 | 162.098 | 1.097.771 |
| Other related parties | 2.959.297 | 1.158.680 | 1.772.683 | 1.158.680 |
| **Total** | **2.959.297** | **1.158.680** | **1.934.781** | **2.256.451** |

Income from dividends

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Subsidiaries | 0 | 0 | 0 | 26.892.577 |
| **Total** | **0** | **0** | **0** | **26.892.577** |

Remuneration of key executives

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Key executives | 389.496 | 546.936 | 389.496 | 546.936 |
| **Total** | **389.496** | **546.936** | **389.496** | **546.936** |

Balances of receivables from key executives

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| Key executives | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** |

Balances of liabilities to key executives

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| Key executives | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** |

It is noted that other related parties mentioned above refer exclusively to companies involved in discontinued operations (see Note 6).

## 34. Receiving dividends and repayment of subsidiary loan

On 11/02/2015, the Company received dividend of € 32.475.000 from its subsidiary «Sagime GmbH». The afore-mentioned subsidiary was, till 31/12/2014, the parent company of the companies constituting the discontinued operation as referred to in Note 6. «Sagime GmbH» is also the company of the Group that carried out and received the consideration for disposal of the afore-mentioned discontinued operation, standing at € 40.000.000. For the afore-mentioned dividend of € 32.475.000, amount of € 5.582.423 consists of a reduction for Inform P. Lykos S.A. participation in subsidiary's net assets and the remaining amount of € 26.892.577 consists of net proceeds from dividends. The € 26.892.577 proceeds from dividend are non-recurring income and is directly related to discontinued operations. As a result in the income statement it is included in "Profit / (loss) from discontinued operation".

It is to be noted that within the period 2015 and, in particular, on 11/02/2015, the above subsidiary repaid to the Company the amount of the intracompany loan of € 7.250.000. The amount in question till being collected was recognized as part of the Company's participating interest in the share capital of the aforementioned subsidiary (the item «Investments in Subsidiaries» in the statement of Financial Position).

## 35. Subsequent events

Apart from the aforementioned events, there are no other events subsequent to 31/12/2015 that can have a significant impact on the financial statements of the Group.

# Accounting policies

## 36. Basis for measurement

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

## 37. Reclassifications of comparative figures

During the year 2015, the Group changed the criteria of classification of various items of the statement of financial position for more comprehensive financial reporting. In order to apply the principle of comparability of the reported year, the Group has also applied these criteria to the presented items of the statement of financial position of the previous year 2014. This resulted in the reclassification of several figures of the above statement in relation to those published in the annual financial statements of previous year 2014.

It should be noted that by the above reclassifications do not arise any impact on turnover, profit after taxes, operating result, non-controlling interests and total equity of the Company or the Group.

The effect of reclassifications on the figures of statement of financial position of comparable year 2013 is as follows:

**Figures of statement of financial position 2014**

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | Restated figures | Published figures | Restated figures | Published figures |
| **Assets** | | | | |
| Trade receivables | 14.882.905 | 14.993.176 | 7.540.916 | 7.475.793 |
| Other receivables | 1.132.941 | 1.132.931 | 895.062 | 34.259.483 |
| Receivables from related parties | 110.261 | 0 | 33.299.298 | 0 |
| ***Total assets*** | **16.126.107** | **16.126.107** | **41.735.276** | **41.735.276** |
| **Equity** | | | | |
| Reserves | 16.208.628 | 24.846.825 | 13.150.007 | 13.503.351 |
| Retained profits | 20.558.743 | 11.920.546 | 18.427.226 | 18.073.883 |
| ***Total Equity*** | **36.767.371** | **36.767.371** | **31.577.233** | **31.577.233** |
| **Liabilities** | | | | |
| Trade and other payables | 11.872.074 | 12.718.027 | 4.891.615 | 7.086.536 |
| Other payables | 1.515.462 | 3.739.099 | 1.091.057 | 1.846.012 |
| Liabilities to related parties | 2.317.635 | 0 | 2.256.451 | 0 |
| Deffered tax liabilities | 751.955 | 0 | 693.426 | 0 |
| ***Total Liabilities*** | **16.457.126** | **16.457.126** | **8.932.549** | **8.932.549** |

**Figures of Income statement 2014**

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | Restated figures | Published figures | Restated figures | Published figures |
| Cost of Sales | (49.579.195) | (49.014.329) | (26.141.494) | (25.812.143) |
| Administrative expenses | (4.093.632) | (4.143.632) | (2.689.976) | (2.739.976) |
| Other expenses | (759.610) | (1.745.348) | (253.540) | (1.003.763) |
| Non recurring expenses | (470.872) | 0 | (470.872) | 0 |
| Income tax expense | | | 62.194 | (346.246) |
| Profit (loss) from discontinued operation | | | 26.892.577 | 27.301.017 |
| ***Total*** | **(54.903.309)** | **(54.903.309)** | **(29.555.882)** | **(29.555.882)** |

**Figures of statement of comprehensive income 2014**

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | Restated figures | Published figures | Restated figures | Published figures |
| Revaluation of property, plant and equipment | 527.772 | 321.756 | | |
| Related tax | (128.979) | 0 | | |
| Remeasurement of defined benefit liability | (1.031.562) | (1.031.562) | | |
| Related tax | 259.660 | | | |
| ***Total*** | **(373.110)** | **(373.110)** | **0** | **0** |

## 38. Changes in accounting policies

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

The following amendments and interpretations of the IFRS have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2015.

- Annual Improvements cycle 2011-2013 (effective for annual periods starting on or after 01/01/2015)

In December 2013, the IASB issued Annual Improvements to IFRSs 2011-2013 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2011-2013 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 1: Meaning of effective IFRSs, IFRS 3: Scope exceptions for joint ventures; IFRS 13: Scope of paragraph 52 (portfolio exception); and IAS 40: Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have been adopted by the European Union at December 2014.

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

In November 2013, the IASB published narrow scope amendments to IAS 19 "Employee Benefits" entitled Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company).

- Annual Improvements cycle 2010-2012 (effective for annual periods starting on or after 01/02/2015)

In December 2013, the IASB issued Annual Improvements to IFRSs 2010-2012 Cycle, a collection of amendments to IFRSs, in response to eight issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 2: Definition of 'vesting condition', IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 7: Interest paid that is capitalised, IAS 16/IAS 38: Revaluation method—proportionate restatement of accumulated depreciation and IAS 24: Key management personnel. The Group will examine the impact of the above on its consolidated/separate Financial Statements (to be adapted in respect of every Group/Company).

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

In August 2014, the IASB published narrow scope amendments to IAS 27 "Equity Method in Separate Financial Statements ". Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company).

- Annual Improvements cycle 2012-2014 (effective for annual periods starting on or after 01/01/2016)

In September 2014, the IASB issued Annual Improvements to IFRSs 2012-2012 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 4: Changes in methods of disposal, IFRS 7: Servicing Contracts and Applicability of the amendments to IFRS 7 to Condensed Interim Financial Statements, IAS 19: Discount rate: regional market, and IAS 34: Disclosure of information "elsewhere in the interim financial report". The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company).

- Amendments to IAS 16 and IAS 41: «Agriculture: Bearer Plants" (effective for annual periods starting on or after 01/01/2016)

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company).

- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods starting on or after 01/01/2016)

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company).

Amendments to IAS 1: « Disclosures Initiative»(effective for annual periods starting on or after 01/01/2016)

In December 2014, the IASB issued amendments to IAS 1.The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company).

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods starting on or after 01/01/2016)

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company).

## 39. Significant accounting policies

Except for the changes explained in Note 38 the Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

Certain comparative amounts in the statement of profit or loss and other comprehensive income have been restated or re-represented as a result of a discontinued operation during the current year (see Note 6).

The above mentioned accounting principles are described below:

### A. Basis of consolidation

#### i. Business combinations

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

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

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

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

#### ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

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

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

#### iii. Non-controlling interests

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

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

### iv. Loss of control

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

### v. Investments in subsidiaries' net assets

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

### vi. Transactions eliminated on consolidation

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

## B. Foreign currency

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

### i. Foreign currency transactions

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

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

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

### ii. Foreign operations

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

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

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

### iii. Hedge of a net investment in foreign operation

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

## C. Discontinued operation

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

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

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

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

### D. Revenue

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

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

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

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

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

### E. Employee benefits

#### i. Short-term benefits

Short-term employee benefits include:

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

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

#### ii. Defined contributions plans

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

#### iii. Defined benefit plans

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

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

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

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

#### iv. Other long-term employee benefits

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

#### v. Termination benefits

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

### F. Government grants

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

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

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

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

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

### G. Income tax

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

#### i. Current tax

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

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

#### ii. Deferred tax

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

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

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

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

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

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

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

### H. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost of inventories does not include any financial expenses. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur

### I. Property, plant and equipment

#### i. Recognition and measurement

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

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

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

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

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

#### ii. Subsequent expenditure

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

#### iii. Depreciation

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

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

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

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

#### iv. Reclassification from investment property to owner-occupied property

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

### J. Intangible Assets and Goodwill

#### i. Recognition and measurement

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

#### ii. Subsequent expenditure

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

#### iii. Amortisation

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

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

| | **Years** |
|---|---|
| Development costs | 2-5 |
| Software licenses | 5-10 |

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

### K. Investment property

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

### L. Assets held for sale

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

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

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

### M. Financial Instruments

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

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

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

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

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

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

#### ii. Non-derivative financial assets – Measurement

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

#### iii. Non-derivative financial liabilities – Measurement

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

### N. Share Capital

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

### O. Impairment

#### i. Non-derivative financial assets

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

Objective evidence that financial assets are impaired includes:

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

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

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

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

### ii. Non-financial assets

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

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

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

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

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

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

## P. Provisions

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

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

### Q. Leases

#### i. Determining whether an arrangement contains a lease

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

#### ii. Leased assets

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

#### iii. Lease payments

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

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

## 40. New Standards and Interpretations that have not been applied yet or have not been adopted by the European Union

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods starting on or after 01/01/2016)

In January 2014, the IASB issued a new standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

- Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (effective for annual periods starting on or after 01/01/2016)

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The amendments will be applied by entities prospectively in respect of sales or contribution of assets performed in the annual periods starting on or after 01/01/2016. Earlier application is permitted, given that this fact is relatively disclosed in the financial Statements. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

- Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment Entities: Applying the Consolidated Exception effective for annual periods starting on or after 01/01/2016)

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 11 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

- Amendment to IAS 12 Income Taxes: " Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of this amendment is to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

- IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)

In July 2014, the IAB issued the final version of IFRS 9. This version brings together the classification and measurement, impairment and hedge accounting models and presents a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

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

In May 2014, the IASB issued a new standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The new standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related interpretations. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

- IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)

In January 2016, the IASB issued a new standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

# F) FIGURES AND INFORMATION FOR THE YEAR 1/1 - 31/12/2015

## INFORM P. LYKOS S.A.

GENERAL ELECTRONIC COMMERCIAL REGISTRY No. 359201000
5th km VARIS-KOROPIOU AVE, KOROPI

FINANCIAL FIGURES AND INFORMATION FOR THE YEAR FROM JANUARY 1, 2015 TO DECEMBER 31, 2015
(Published according to the Law 2190/20, article 135 referring to companies which prepare annual financial statements consolidated and not, according to IFRS)

The following figures and information, which arise from the financial statements are intended to provide a general briefing about the financial position and results of INFORM P. LYKOS S.A. Group. Therefore, the reader is recommended before proceeding to any kind of investment choice or other transaction with the company, to refer to the company's web address where the financial statements and the auditor's review report are presented.

### COMPANY'S DATA

| | |
|---|---|
| Competent Authority: | Ministry of Development, Competitiveness, and Shipping (Department of S.A. and Credit) |
| Web address: | www.lykos.gr |
| Composition of the Board of Directors: | Panagiotis Lykos, Panagiotis Spyropoulos, Georgios Triantafillidis, Elias Karantzalis, Constantinos Lagios, Emmanuel Lekakis, Spiridon Manias. |
| Date of the Board of Directors approval of the annual financial statements: | 29th March, 2016 |
| Statutory Auditor: | Nikos Garbis (SOEL Reg. No. 25011) |
| Audit firm: | Grant Thornton S.A. (SOEL Reg. No. 127) |
| Type of Auditor's report: | Unqualified opinion |

### STATEMENT OF CHANGES IN EQUITY (annual consolidated and non-consolidated)
Amounts in Euro

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Total equity at the beginning of the year (01.01.2015 and 01.01.2014 respectively) | 78.454.657 | 77.280.496 | 72.705.984 | 47.686.978 |
| Total comprehensive income after taxes | (2.169.912) | 1.174.159 | (2.096.493) | 25.019.006 |
| Dividends distributed | 0 | 0 | 0 | 0 |
| Total transactions with the owners of the company | (23.151.979) | 0 | (22.795.716) | 0 |
| Total equity at the end of the year (31.12.2015 and 31.12.2014 respectively) | 53.132.765 | 78.454.657 | 47.813.775 | 72.705.984 |

### STATEMENT OF FINANCIAL POSITION (annual consolidated and non-consolidated)
Amounts in Euro

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| **ASSETS** | | | | |
| Property, plant and equipment | 57.389.325 | 59.876.116 | 32.108.331 | 33.703.518 |
| Inv-Investment property | 310.847 | 322.739 | 0 | 0 |
| Intangible assets and goodwill | 3.468.934 | 3.430.871 | 1.256.803 | 1.141.043 |
| Other non current assets | 113.974 | 166.850 | 22.200.360 | 29.452.086 |
| Inventories | 5.816.156 | 6.415.152 | 3.981.987 | 4.220.125 |
| Trade receivables | 12.568.147 | 14.882.905 | 5.315.916 | 7.540.916 |
| Other current assets | 6.925.846 | 44.028.267 | 5.245.398 | 35.416.133 |
| Assets held for sale | 0 | 0 | 0 | 0 |
| **TOTAL ASSETS** | 86.593.229 | 129.122.899 | 70.108.794 | 111.473.821 |
| **EQUITY AND LIABILITIES** | | | | |
| Share capital | 12.758.592 | 12.758.592 | 12.758.592 | 12.758.592 |
| Share premium,reserves and retained earnings | 39.778.927 | 65.137.529 | 35.055.183 | 59.947.392 |
| Total equity attributable to owners of the Company (a) | 52.537.519 | 77.896.121 | 47.813.775 | 72.705.984 |
| Non-controlling interests (b) | 595.245 | 558.535 | 0 | 0 |
| **Total equity (c)=(a)+(b)** | 53.132.765 | 78.454.656 | 47.813.775 | 72.705.984 |
| Non-current loans and borrowings | 2.576.196 | 3.784.402 | 1.179.258 | 1.386.992 |
| Other non-current liabilities | 2.542.243 | 3.124.996 | 2.214.669 | 2.869.627 |
| Current loans and borrowings | 12.168.383 | 27.300.008 | 9.216.525 | 25.578.670 |
| Other current liabilities | 16.173.643 | 16.458.838 | 9.684.569 | 8.932.548 |
| **Total liabilities (d)** | 33.460.464 | 50.668.244 | 22.295.020 | 38.767.837 |
| **Total equity and liabilities (c) + (d)** | 86.593.229 | 129.122.899 | 70.108.794 | 111.473.821 |

### STATEMENT OF OTHER COMPREHENSIVE INCOME (annual consolidated and non-consolidated)
Amounts in Euro

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 1/1-31/12/2015 | 1/1-31/12/2014 | 1/1-31/12/2015 | 1/1-31/12/2014 |
| Profit / (losses) net of tax (a) | (1.635.676) | 1.957.214 | (1.790.891) | 25.379.984 |
| Other comprehensive income net of tax (b) | (534.236) | (783.055) | (305.602) | (360.978) |
| **Total compehensive income net of tax (a) + (b)** | (2.169.912) | 1.174.159 | (2.096.493) | 25.019.006 |
| *- Owners of the Company* | (2.206.623) | 1.152.317 | (2.096.493) | 25.019.006 |
| *- Non-controlling interests* | 36.711 | 21.842 | 0 | 0 |

### STATEMENT OF CASH FLOWS (annual consolidated and non-consolidated)
Amounts in Euro

| Indirect Method | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 1/1-31/12/2015 | 1/1-31/12/2014 | 1/1-31/12/2015 | 1/1-31/12/2014 |
| **Cash flows from operating activities** | | | | |
| Losses before taxes | (2.299.841) | (1.560.608) | (2.594.264) | (1.574.787) |
| **Plus/less adjustments for:** | | | | |
| Depreciation / Amortisation | 3.601.643 | 3.003.528 | 2.590.043 | 2.013.217 |
| Net finance costs | 1.168.350 | 1.104.224 | 821.098 | 739.858 |
| Change in non-current liabilities for personnel and provisions | 944.439 | 0 | 944.439 | 0 |
| Other adjustments | (22.208) | (439.095) | (40.040) | (711.183) |
| | 3.392.383 | 2.108.049 | 1.721.277 | 467.105 |
| **Working capital changes in:** | | | | |
| Inventories | 645.872 | (345.601) | 303.475 | (194.760) |
| Trade and other receivables | 1.931.170 | (2.723.621) | 2.471.483 | (722.857) |
| Trade and other payables | (1.867.105) | 2.038.009 | (691.176) | 605.128 |
| **Cash generated from operating activities** | 4.102.320 | 1.076.836 | 3.805.059 | 154.616 |
| **Less:** | | | | |
| Taxes paid | (39.424) | (311.858) | (24.792) | 113.813 |
| Interest paid | (1.179.597) | (885.160) | (791.168) | (605.123) |
| **Net cash from operating activities** | 2.883.299 | (120.182) | 2.989.099 | (336.694) |
| Net cash from discontinued operations | 0 | 6.234.238 | 0 | 0 |
| **Net cash from operating activities** | 2.883.299 | 6.114.056 | 2.989.099 | (336.694) |
| **Cash flows from investing activities** | | | | |
| Interest received | 150.333 | 165.780 | 182.981 | 157.995 |
| Dividends received | 0 | 0 | 32.475.000 | 0 |
| Proceeds from sale of property, plant, equipment and intangible assets | 59.582 | 130.022 | 57.654 | 48.576 |
| Proceeds from sale of investments | 23.000 | 38.780.862 | 23.000 | 0 |
| Acquisition of property, plant, equipment and intangible assets | (1.421.621) | (1.098.849) | (1.168.230) | (657.221) |
| **Net cash used in investing activities** | (1.188.706) | 37.977.815 | 31.570.405 | (450.650) |
| Net cash from discontinued operations | 0 | (3.202.145) | 0 | 0 |
| **Net cash used in investing activities** | (1.188.706) | 34.775.670 | 31.570.405 | (450.650) |
| **Cash flows from financing activities** | | | | |
| Share capital decrease through capital return in cash | (14.404.862) | 0 | (14.404.862) | 0 |
| Payment of expenses for share capital increase | (159.505) | 0 | (159.505) | 0 |
| Proceeds from loans and borrowings | 4.516.906 | 1.502.724 | 10.850.000 | 1.500.000 |
| Repayment of borrowings | (20.626.190) | (3.373.722) | (20.000.000) | (3.276.830) |
| Payment of finance lease liabilities | (198.879) | (226.726) | (114.750) | (60.300) |
| Dividends paid to non-controlling interests | (2.393.913) | (2.068) | (2.393.913) | (2.068) |
| Dividends paid to Owners of the Company | (5.827.221) | 0 | (5.827.221) | 0 |
| **Net cash from financing activities** | (39.093.665) | (2.099.792) | (32.050.251) | (1.839.198) |
| Net cash from discontinued operations | 0 | (5.486.590) | 0 | 0 |
| **Net cash from financing activities** | (39.093.665) | (7.586.382) | (32.050.251) | (1.839.198) |
| **Net decrease in cash and cash equivalents** | (37.399.071) | 33.303.344 | 2.509.253 | (2.626.542) |
| **Cash and cash equivalents at 1 January** | 41.327.465 | 8.024.121 | 1.034.088 | 3.660.630 |
| Effect of movements in exchange rates on cash held | (524) | 0 | 0 | 0 |
| **Cash and cash equivalents at 31 December** | 3.927.869 | 41.327.465 | 3.543.341 | 1.034.088 |

### STATEMENT OF PROFIT OR LOSS (annual consolidated and non-consolidated)
Amounts in Euro

| | THE GROUP | | | | | | THE COMPANY | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1/1-31/12/2015 | | | 1/1-31/12/2014 | | | 1/1-31/12/2015 | | | 1/1-31/12/2014 | | |
| | Continuing activities | Discontinued activity | Total | Continuing activities | Discontinued activity | Total | Continuing activities | Discontinued activity | Total | Continuing activities | Discontinued activity | Total |
| **Revenue** | 64.864.407 | 0 | 64.864.407 | 59.051.771 | 63.282.551 | 122.334.322 | 34.881.444 | 0 | 34.881.444 | 31.875.123 | 0 | 31.875.123 |
| **Gross profit / (loss)** | 9.307.675 | 0 | 9.307.675 | 9.472.576 | 24.748.803 | 34.221.379 | 5.288.005 | 0 | 5.288.005 | 5.733.629 | 0 | 5.733.629 |
| | | | | | | | | | | | | 0 |
| **Operating profit / (loss)** | (1.131.490) | 0 | (1.131.490) | (456.385) | 5.256.352 | 4.799.967 | (1.773.166) | 0 | (1.773.166) | (1.138.141) | 0 | (1.138.141) |
| | | | | | | | | | | | | 0 |
| **Profit / (loss) before tax** | (2.299.841) | 0 | (2.299.841) | (1.560.608) | 4.769.270 | 3.208.662 | (2.594.264) | 0 | (2.594.264) | (1.574.787) | 26.892.577 | 25.317.790 |
| **Profit / (loss) net of tax** | **(1.635.677)** | **0** | **(1.635.676)** | **(1.618.390)** | **3.575.603** | **1.957.213** | **(1.790.891)** | **0** | **(1.790.891)** | **(1.512.593)** | **26.892.577** | **25.379.984** |
| **Attributable to:** | | | | | | | | | | | | |
| Owners of the Company | (1.675.164) | 0 | (1.675.164) | (1.637.863) | 3.575.603 | 1.937.740 | (1.790.891) | 0 | (1.790.891) | (1.512.593) | 26.892.577 | 25.379.984 |
| Non-controlling interests | 39.487 | - | 39.487 | 19.473 | - | 19.473 | - | - | - | - | - | - |
| Basic earnings / (losses) net of taxes per share (euro) | - | - | (0,08) | - | - | 0,09 | - | - | (0,09) | - | - | 1,23 |
| Suggested dividend per share - (in euro) | - | - | - | - | - | - | - | - | 0,07 | - | - | - |
| **Earnings / (losses) before taxes, financing, investing results and total depreciation / amortisation** | **2.470.152** | **0** | **2.470.152** | **2.547.144** | **7.691.215** | **10.238.359** | **816.877** | **0** | **816.877** | **875.075** | **0** | **875.075** |

### ADDITIONAL DATA AND INFORMATION

1. The name, the country of the headquarters of every company, included in the consolidated financial statements, the tax unaudited years, as well as the participating interest, direct or indirect of the parent company and the incorporation method applied regarding every company, are as follows:

| Company | Country | Participation Percentage % | Consolidation Method | Participation Relation | Tax Unaudited Years |
|---|---|---|---|---|---|
| INFORM P. LYKOS S.A. | Greece | Parent | - | Parent | 2009-2010,2015 |
| Lykos Paperless Solutions S.A. | Greece | 99,91% | Total | Direct | 2010,2015 |
| Terrane L.T.D. | Cyprus | 100,00% | Total | Direct | 2004-2015 |
| Inform Lykos (Romania) L.T.D. | Cyprus | 98,19% | Total | Indirect | 2003-2015 |
| Inform Lykos S.A. | Romania | 98,19% | Total | Indirect | 2005-2015 |
| Compaper Converting S.A. | Romania | 95,68% | Total | Indirect | 2001-2015 |
| Sagime GmbH | Austria | 100,00% | Total | Direct | 2010-2015 |
| Albanian Digital Printing Solutions Sh.p.k. | Albania | 51,00% | Total | Direct | 2011-2015 |

2. At 31/12/2014 finalised the sale of the whole shares of the Company AUSTRIA CARD GmbH (cards division) , after the approval of extraordinary General Assembly of shareholders of INFORM P. LYKOS S.A., that took place at 15th of December, 2014. With the aforementioned sale, the company aims to the reinforcement of the position of the Group in the intensely competitive international market of printing division. It is noted that cards division is represented by the recently 100% subsidiary company "Austria Card GmbH" of Sagime GmbH, located in Vienna of Austria, and also by 100% controlled from this subsidiary companies, which are as following :

| Company | Country |
|---|---|
| Austria Card GmbH | Austria |
| Austria Card Polska Sp.z.o.o. | Poland |
| Austria Card Akilii Kart STI | Turkey |
| Austria Card SRL | Romania |
| Austria Card Turkey Kart Operasyonlari A.S. | Turkey |

More information for the above transaction are included in the explanatory note No.6 of the annual financial report of the years 2014 and 2015 as well as in "Information Release for sale of AUSTRIA CARD" which is presented to web address of Athens Stock Exchange (www.helex.gr)

3. The item "Other comprehensive income after taxes" for the year 1/1 – 31/12/2015 that is included in the "Statement of comprehensive income" of the Group amounting to € (534.235) concerns: (a) for the amount of € (228.462) exchange differencies from the conversion of the financial statements of business activities abroad (after taxes), (b) for the amount of € (55.458) actuarial losses from recognition of provision for staff leaving indemnities (after taxes) and (c) for the amount of € (250.315) effect from the change of income taxation rate of the Greek Companies of the Group. The corresponding amount for the year 1/1 – 31/12/2014 that is included in the "Statement of comprehensive income" of the Group amounting to € (783.055) concerns: (a) for the amount of € (409.945) exchange differencies from the conversion of the financial statements of business activities abroad (after taxes), (b) for the amount of € (771.903) actuarial losses from recognition of provision for staff leaving indemnities (after taxes) and (c) for the amount of € 398.793 effect from the revaluation of property, plant and equipment of the Group.
The item "Other comprehensive income after taxes" for the year 1/1 – 31/12/2015 that is included in the "Statement of comprehensive income" of the Company amounting to € (305.602) concerns: (a) for the amount of € (55.458) actuarial losses from recognition of provision for staff leaving indemnities (after taxes) and (b) for the amount of € (250.143) effect from the change of income taxation rate. The corresponding amount for the year 1/1 – 31/12/2014 that is included in the "Statement of comprehensive income" of the Company amounting to € (360.978) concerns: (a) for the amount of € (141.720) actuarial profits from recognition of provision for staff leaving indemnities (after taxes) and (b) for the amount of € (219.258) effect from the revaluation of property, plant and equipment of the Company.
4. There was no case of change in the duration or end of the fiscal year or the incorporation method of the Companies of the Group.
5. The financial statements of the Group since 12/03/2014 are included into the consolidated financial statements of AUSTRIACARD AG (former: LYKOS AG) domiciled in Austria.
6. There are encumbrances on the Group's property, plant and equipment with value of € 5,3 million in order to cover loan obligations. There are no encumbrances on the parent company's property, plant and equipment.
7. There are no pending judicial cases or other disputes under arbitration, which might affect materially the financial position or operation of the Company or the whole Group.
8. In January of 2016 the Competition Committee of Romania issued a press release in which announces the enforcement of penalty due to unfair competition to Inform Lykos S.A., subsidiary company of the Group in Romania. Details for this issue are presented in the note 4(vi) of the annual financial report of the year 2015.
9. The cumulative provision for the tax unaudited years for the Parent Company amounts to euro 15 thous.. During the year 2015 was recorded by charging the results, provision for reorganisation costs for the amount of € 944 thous..
10. The personnel number of the Group and the Company is as follows:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 31/12/15 | 31/12/14 | 31/12/15 | 31/12/14 |
| Number of personnel | 425 | 459 | 192 | 211 |

11. Intercompany transactions between the Company, the Group and their associates as defined at IAS 24, during the year 1/1/2015 - 31/12/2015 are as follows:

| | The Group | The Company |
|---|---|---|
| a) Income | 231.350 | 659.669 |
| b) Expenses | 6.232.290 | 9.537.598 |
| c) Receivables | 144.073 | 213.835 |
| d) Liabilities | 2.959.297 | 1.934.781 |
| e) Transactions and fees of Directors and members of the Management | 389.496 | 389.496 |
| f) Receivables from Directors and members of the Management | 0 | 0 |
| g) Liabilities to Directors and members of the Management | 0 | 0 |

12. Investments in property, plant, equipment and intangible assets during the period 1/1/2015 - 31/12/2015, were amounted for the Company and the Group in € 1.146
13. Earnings/(losses) per share have been calculated according to the allocation of earnings upon the weighted average number of shares.
14. In the above financial statements, there have been applied the accounting principles, that were used under the preparation of the financial statements for the previous year 2014, adjusted with the revisions prescribed by IFRS apart from cases, mentioned in explanatory note No.38 of the Annual Financial Report of the year 2015.
15. The financial statements of December 31st, 2015 for the Parent Company and the Group, were approved by the Board of Directors of the Company at March 29, 2016. Board of Directors members are: Panagiotis Lykos, Panagiotis Spyropoulos, Georgios Triantafillidis, Elias Karantzalis, Constantinos Lagios, Emmanuel Lekakis, Spiridon Manias.
16. The share capital of the Company was changed during the year in realisation of relevant decision of extraordinary General Assembly which conferenced at 27/2/2015. Specifically, the extraordinary General Assembly in concert approved the increase of share capital by capitalisation partially of share premium reserve amounting to € 14.404.861,80 with increase of named value of share by € 0,70 and concurrent equal reduction of share capital aiming to capital return by cash payment to the shareholders and provided the authorisation to the Board of Directors of the Company for the regulation of all the procedural issues for the execution and realisation of the aforementioned decision regarding the increase and decrease of the share capital.
17. In acceptance of the relevant proposal of the Board of Directors of the Company the regular General Assembly of the year 2015 which took place at 28/5/2015 decided the distribution of dividend € 0,40 (net of taxes € 0,36) per share which means total dividend amounting to € 8.231.350. The aforementioned amount was fully paid in June of the year 2015.

Koropi Attikis, 29 March 2016

| PRESIDENT OF THE BoD | VICE PRESIDENT OF THE BoD AND MANAGING DIRECTOR OF THE GROUP | CHIEF FINANCIAL OFFICER | ACCOUNTING MANAGER |
|---|---|---|---|
| PANAGIOTIS LYKOS<br>I.D. no. AB 607588 | PANAGIOTIS SPYROPOULOS<br>I.D. no. AI 579288 | ALEXANDRA ADAM<br>I.D. no. AE 118025 | ANASTASIOS TATOS<br>I.D. no. AM 556006<br>REG. no. 9657-A' CLASS |

Koropi Attica, March, 29 2016

| CHAIRMAN OF THE BoD | VICE CHAIRMAN & GROUP CEO |
|---|---|
| PANAGIOTIS LYKOS<br>ID No AB 607588 | PANAGIOTIS SPYROPOULOS<br>ID No AI 579288 |
| CHIEF FINANCIAL OFFICER | HEAD OF ACCOUNTING DEPARTMENT |
| ALEXANDRA ADAM<br>ID No AE 118025 | ANASTASIOS TATOS<br>ID No AM 556006<br>Registr. No of E.C. 'A CLASS 9657 |