INTRASOFT INTERNATIONAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.) AS ENDORSED BY THE EUROPEAN UNION

Contents

The attached annual financial statements have been approved for issue by the Board of Directors on 28th of April 2016.

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER
A.D. KOTSIS	**A.N. MANOS**
Passport No AI0956414/11.11.2011	ID No. AB340384/2.10.2006

THE CHIEF FINANCIAL OFFICER	THE GROUP CHIEF ACCOUNTANT
E.V. TERROVITIS	**N.V. TZANOGLOU**
ID No. AE 012763/05.02.2007	ID No AE 578851/20.06.2007

A) Directors' Statements

The members of the Board of Directors, of INTRASOFT INTERNATIONAL SA

1. Athanasios D. Kotsis, Chairman
2. Konstantinos S. Kokkalis, Vice Chairman
3. Alexandros-Stergios N. Manos, Member of the Board of Directors & Chief Executive Officer

In our above mentioned capacity we declare that:

As far as we know:

a. the consolidated annual financial statements for the year 01/01/2015 to 31/12/2015 which were drawn up in accordance with applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of "**INTRASOFT INTERNATIONAL"** Group and

b. the annual report of the Board of Directors is a true representation of the progress, the performance and the financial position of "**INTRASOFT INTERNATIONAL"** Group, including a description of the major risks and uncertainties they confront.

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

A.D. KOTSIS
Passport No AI0956414/11.11.2011

THE CHIEF EXECUTIVE OFFICER
OF THE BOARD OF DIRECTORS

A.N. MANOS
ID No. AB340384/2.10.2006

Message from the CEO

I am pleased to share with you that 2015 has been a year of record financial growth and international expansion. At the same time, our company developed and started the implementation of an ambitious restructuring and strategic refocusing program. I want to congratulate all our employees for delivering on our commitments to our customers, partners and shareholders, demonstrating our ability to execute our plans in a very challenging global environment.

A year of strong financial growth and strategic transformation

INTRASOFT International has achieved an impressive financial performance for 2015, which included over 54% increase in EBITDA up to EUR 10,48 million and group revenues reaching EUR 187,3 million, up almost 30,1% year on year from EUR 144,0 million in 2014.

Our revenue from all three market segments, EU Institutions, Public Sector and Enterprise Sector has grown substantially. Combined with a group-wide optimization in processes and operations it resulted in an almost doubling in profitability, while maintaining - if not improving – the highest level of quality and responsiveness in the software and services we offer to our customers.

This year our group took another solid step in expanding its operations in the emerging markets of Africa, winning new contracts in both the Banking and Public Sectors, while setting up and staffing our subsidiary in Nairobi, Kenya. We maintained our position among the top providers of IT solutions and services to the EU Institutions, our leadership in the Greek market and our strong presence in the Middle Eastern IT market through our subsidiary in Jordan. We won and successfully implemented projects in Asia Pacific and USA.

As our global business grows, we continued our effort to identify and evaluate locations for new Software Development Centers. In 2015, we strengthened our Center in Bucharest, Romania and established a new Development Center in Thessaloniki, Greece. Through these additions we will continue providing our customers and development teams access to the most highly-qualified and competitive resources.

As part of its strategic refocusing the company is working on "productizing" its core solutions and is evaluating new investments in the market and technology areas of Internet of Things (IoT), Smart Energy Grid, Big Data & Analytics. Our goal is to enrich our IP portfolio for the markets we currently serve, while also opening new frontiers.

I am extremely proud of our people, who have showed strong commitment and made tremendous efforts throughout 2015. For a company like INTRASOFT International, which relies on the talent of its people, these achievements are excellent guarantees for our future performance.

Alexandros-Stergios Manos

Chief Executive Officer

C) Board of Directors' Report

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF INTRASOFT INTERNATIONAL S.A. TO THE GENERAL ASSEMBLY OF THE SHAREHOLDERS FOR THE YEAR 2015 (1st JANUARY – 31st DECEMBER 2015)

Dear Shareholders,

We have the pleasure to inform you about our Group's activities over the past financial year and to submit the Consolidated accounts as closed on 31 December 2015 for your approval.

General information

With headquarters in Luxembourg, INTRASOFT International operates through its operational branches in Greece, Romania and Jordan, subsidiaries in Belgium, Bulgaria, Cyprus, Denmark, Greece, Jordan, UAE, United Kingdom (UK), United States of America (USA),Kenya and offices in Moldova, Morocco, Palestine, Philippines, Romania, Saudi Arabia and Yemen.

Financial Performance

For the fiscal year 2015 INTRASOFT International annual revenues stood at EUR 187,3 million a figure unchanged compared to 2014 (EUR 144,0 million) ,in a very difficult financial environment, reflecting a 30,10% increase and EUR 43,3 million.

Cost of sales - as a percentage of sales - has been increased in comparison to 2014, amounting EUR 156,88 million (83,8% of revenue) against EUR 119,89 million (83,3% of revenue) in 2014 due to some one-off costs and combined with the strong revenue growth eventually increased the gross profit in both absolute value and percentage of revenue, amounting EUR 30,4 million (16,2% of revenue) against EUR 24,1 million in 2014 (16,7% of revenue).

Marketing & selling costs increased to EUR 11,13 million in 2015 against EUR 9,53 million in 2014. Administrative expenses increased to EUR 11,33 million in 2015 against EUR 10,37 million in 2014.

Other gains/(losses) was decreased by EUR 21,7 thousand in comparison to 2014 amounting EUR -34,36 thousand against EUR -12,66 thousand in 2014

Group's EBITDA amounted to € 10,5 million, compared to € 6,8 million in 2014.

As a matter of consequence, Earnings before interest and tax (EBIT) reached EUR 8,34 million against 4,66 million in 2014.

Earnings before tax (EBT) ended at EUR 4,5 million in 2015 against negative at EUR 1,0 million in 2014.

Net Equity has ended positive stood at EUR 10,5 million in 2015 against EUR 7,6 million in 2014.

Total assets on 31.12.2015 stood at EUR 159,61 million compared to EUR 134,04 million on 31.12.2014.

Total Borrowings in 2015 stood at € 50,6 ml. increased by € 0,4 ml. compared to 2014 (€50,2 ml.)

On 31.12.2015 and following a year of great success in terms of bookings, projects backlog amount EUR 421,3 million, more than 2 years of consolidated revenues, an amazing figure.

The Group in 2015, in spite of the ongoing economic crisis —in particular in Europe where our priority market is – continuing its efforts and commitments to reduce bank debt - managed to close the fiscal year with a net debt (borrowings minus cash) of EUR 18,3 million down by € 10,6 million compared to 2014. (EUR 28,9 million in 2014 and EUR 39,6 million in 2013).

INTRASOFT International added yet another year of growth to its 19-year history by gaining new customers and successfully retaining key contracts, which were re-tendered during the year.

(€mil.)	2015	2014	Diff.
Financial structure ratios			
Net Debt	18,3	28,9	-36,7%
Net debt / equity	1,8x	3,8x	-53,9%

The Key financial ratios which reflect the Croup’s financial position and operating profitability are presented in diagram form below:

(€mil.)	2015	2014	Diff.
Profitability ratios			
Revenue	187,27	143,97	30,07%
EBIDTA	10,48	6,80	53,95%
EBITDA/Sales	5,60%	4.72%	18,45%
EBIT	8,34	4.66	78,87%
Financial structure ratios			
Current assets/Total assets	0,84	0,81	0,37%
Current assets/Short-term liabilities	0,98	0,95	0,34%

Future Outlook

This year has started with continuing geopolitical and financial turmoil in some of our regions of operation, once again a challenging environment for our company to navigate. However, based on the experience of the past few years, we remain confident that we will be able to deliver on our commitments.

In early 2016 we aim to complete the strategic and structural transformation which will serve as the foundation for Intrasoft International's next stage of growth. Each Business Unit is geared and incentivized to increase its share in the market it addresses, expand internationally and improve its operations in order to deliver further improvement in the bottom line.

Part of the savings from improved operations in 2016 will be reinvested in Sales & Marketing resources in order to maintain our leading position in the EU Institutions market and expand our international customer base in the Public and Enterprise markets. The other part will be invested in the development of cutting edge software products that will enable the company in the coming years to significantly increase its profitability, while also reducing the risks associated with delivering large scale projects with high quality around the globe.

Two regions of special focus for this year will be Africa and Eastern Europe, where we have already invested in the enhancement of our business development and delivery teams, bringing together global expertise and local know-how for a unique and competitive service offering. A sizable number of Public and Banking projects are in evaluation or in preparation stage in these regions and we believe we are strongly positioned to capture a significant share of the awards.

We are planning to continue our ongoing research in new technologies, including IoT, Social media, Mobile, Analytics and Cloud (collectively known as SMAC) and remain at the technological forefront of new developments in the ICT sector. We remain confident that our dedication, hard work and client service excellence will continue to pay off and consolidate our position as a leader in our market segments.

As we celebrate our 20th birthday in 2016, we turn to the future with renewed faith in our greatest asset, our people. Our continuous investment in knowledge sharing, training, empowerment and professional growth, combined with our commitment to corporate social responsibility is expected to further translate into continuing success and strong resilience to global challenges.

Strategically, INTRASOFT International Group will focus in three domains:

- EU Institutions:
    - reinforcing its presence in the EU Institutions and Agencies
    - enhancing its offering and sales teams to expand in new technological areas (Cloud, Big Data, etc).

- Public Sector (e-government):
    - building Solution-focused teams in Tax, Social Security, Public Financials, Customs and Justice that will improve, or further develop the Company's portfolio in priority areas
    - focusing Sales activity in EEMEA
    - forming new synergies and enhancing existing partnerships with renowned vendors in an effort to promote a complete, top-class Solutions portfolio.

- Enterprise Solutions:
    - Banking:
        - focusing Sales activity in Eastern Africa, establishing a subsidiary in Kenya in order to better serve the needs of the local customers, as well as to build up competence in software development and new services portfolio
        - investing in R&D for our Banking products to remain in line with the most up-to-date technologies (Cloud, Big Data).
    - Telecommunications:
        - focusing on Telco operators in the Balkans
        - introducing partner solutions for OSS/BSS
        - investigating opportunities for investment in product development and/or acquisition of relevant startups.
    - SAP Solutions:
        - investing in the vertical market of integrated IT systems for Higher Education Institutions as a specialized partner of SAP solutions for Education and building on the successful go live of 2 major projects.
    - New Activities:
        - evaluating projects and investment in the areas of Internet of Things (IoT), Smart Energy Grid, Big Data & Analytics.

Risks and Uncertainties

Financial risk factors

INTRASOFT INTERNATIONAL S.A., Group, is exposed to a variety of financial risks, including market risk (the effects of changes in foreign currency exchange rates, cash flow and fair value risk from changes in interest rates and market prices), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

The financial liabilities of the Croup include short-term bank loans, long-term bank loans and finance lease agreements, through which the Group finances its working capital and capital expenditure needs. Moreover, the Croup manages financial assets, mainly short-term bank deposits arising from operating activities.

In summary, the financial risks that arise are analyzed below.

(a) Market risk

Cash flow risk

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flow risk is the risk that the interest cost will fluctuate over time. The Croup assesses that during the current year, interest rate risk is limited since interest rates remained stable or slightly decreased in the short-term. Also the mergers that took place in the Greek banking system provided opportunities to decrease the average interest rate.

Foreign exchange risk

The Croup provides services and sells goods with contractual amounts denominated to a large extent in euro. Therefore, it is not exposed to large movements in foreign currency exchange rates against its reporting currency, the euro. The Croup did not use derivative financial instruments in the years ended 31 December 2015 and 2014 in order to reduce its exposure to foreign currency exchange risk.

Fair Value risk

The carrying amounts of cash and cash equivalents, short-term receivables and short-term liabilities in the balance sheet approximate their fair values due to their short-term nature.

(b) Credit risk

The Croup is not exposed to credit risk concentration, including risk of default, because of the fact that it effectively deals with various agencies of the European Union and, to a lesser extent, institutions of various European governments. As a result of this, the credit risk that the Croup faces is not significant.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Croup through the Croup Treasury has access to funding through the committed credit lines available at the Croup level.

(d) Price risk

The Croup has limited exposure to changes in the prices of the shares held either for trading or as available for sale financial assets.

(e) Special risk

The economic situation in Greece creates an unstable environment and reverses the trend of growth in reduction.

As part of ensuring the uninterrupted continuation of the effective operation of the Greek branch and limiting the negative impacts that could occur due to political and economic negative developments the company's management has taken measures such as:

- A management team of Finance Department works daily monitoring of treasury and planning of transactions, so as not to hamper the smooth operation of the company and to limit exposure to a potential bail in. Also monitored all current letters of guarantees and punctuality settlement of liabilities.

- The project manager have been informed for the projects of the Public and Private sector to watch carefully and to inform the Management for the smooth progress of contract execution, ensuring the requirements, ensuring the necessary resources into inventory and human resources for implementation and completion of the projects, also ensuring the financial resources for payments. Also monitor the backlog of projects for which care is always covered with the necessary guarantees

- A administrative team has been established which is responsible for security of the premises of Greek branch, the safe transportation of personnel to and from company location, also to ensure the possibility of remotely working for key personnel, as well in ensuring communication with customers and external vendors.

Also, the parent company Intracom Holdings continues to support its subsidiaries presenting excess cash liquidity against any risk.

Main Achievements of the year 2015

The Group in 2015, in spite of the ongoing economic crisis —in particular in Europe where our priority market is – continuing its efforts and commitments to reduce net debt - managed to close the fiscal year with a net debt (borrowings minus cash) of EUR 18,34 million down by € 10,6 million compared to 2014. (EUR 28,9 million in 2013 and EUR 39,6 million in 2013).

(€mil.)	2015	2014	Diff.
Financial structure ratios			
Net Debt	18,34	28,9	-36,6%
Net debt / equity	1,8x	3,8x	-53,9%

2015 was a landmark year for INTRASOFT International with an impressive financial performance, which included over 54% increase in EBITDA up to EUR 10,48 million and group revenues reaching EUR 187,3 million, up almost 30.1% year on year from EUR 144,0 million in 2014.

During this year, our company's structure underwent significant changes in order to develop and better serve our clients and markets. We are now operating based on three Business Units, namely EU Institutions, Public Sector and Enterprise Solutions; during the past year we also fully integrated our activities in Jordan and further expanded our global activities with our new office in Kenya.

We recognize the strong commitment that our people give to both INTRASOFT International and our clients. Thus, we are equally dedicated to making their experience at the company a rewarding one through learning opportunities, a solid path for career development, a vivid environment which encourages team spirit and innovative ideas and strong commitment to diversity. Throughout 2015, we turned these actions into the primary goals for the Human Resources department and combined them with a focus on building and maintaining cordial relations between people working at various levels in the organization, on improving the "welfare aspect" for employees across the company and ultimately, on optimizing employees' contribution towards the realization of organizational goals.

One of our key achievements for the year was INTRASOFT International's successful appraisal at Level 3 of the Capability Maturity Model Integration (CMMI) for its software development projects in four locations (Luxembourg, Brussels, Athens and Bucharest). Further to our continuous journey of improvement, our company has maintained a significant number of quality-related certifications. Successes such as these enhance our standing as a world-class IT solutions and services provider.

In 2015, our company placed special emphasis in the use of Agile methodologies by applying these to numerous projects and educating a significant number of employees about Agile practices and specific methods like SCRUM. INTRASOFT International is actively seeking to further invest in Agile methodologies in order to improve efficiency, increase project stakeholders' engagement, reinforce transparency and focus on achieving high levels of client satisfaction.

Establishment of New Offices

As our business continues to grow globally, we are constantly evaluating locations for the establishment of new business and development centres in order to better serve our customers and enrich our pool of highly-qualified and competitive resources.

- **Thessaloniki Development Center**

In May 2015, INTRASOFT International successfully established a new Development Center in Thessaloniki. It functions as a Center of Excellence for high-end technologies and software frameworks such as J2EE, .NET, HTML5, CSS3, Bootstrap, ExtJS, Kendo UI, AngularJS, Node.js, and ASP.NET. The Thessaloniki Development Center got off the ground quickly, growing from initially eleven to now more than forty employees in the course of less than a year. Its highly skilled team of developers, analysts and testers supports the company in Agile projects for all three Business Units.

- **Subsidiary in Kenya**

Following the first success in the Banking and Public Sectors in East Africa, in late 2015 decided the Company's presentation in Kenya through a company acquisition. Thereby acquired the 88% of a company, which subsequently renamed to INTRASOFT International East Africa, to partake in the rapid growth of the emerging east African market. Through our subsidiary in Kenya, we aim to better serve the needs of our local customers, aggressively develop new business opportunities as well as build up competence in software development and new services portfolio.

Achievements at Business Unit level

Below is a brief overview of INTRASOFT International's main achievements in 2015, presented according to each Business Unit.

- **EU Institutions**

Our EU Institutions business unit addresses the day-to-day IT operations needs of more than 50,000 employees who comprise our current customer base. It is also involved in implementing and operating IT systems that are directly related to the core business of our clients.

2015 was marked by a major milestone for our EU Institutions activity. Building on 19 years of continuous growth, we reached the revenue mark of 100 million Euros, reinforcing our leading position in the market. Our customers span across the principal executive bodies of the European Union with the majority coming from the 33 Directorates and 11 Services of the European Commission, the European Parliament as well as many of the Agencies.

Our Application Development activities have continued to provide timely solutions to complex systems problems using state-of-the-art technologies and Agile Project Management methodologies. Below are several of the most notable achievements of the year in review:

- Winning (again) the ITS14 Framework Contract. For the next 5 years, we will provide application development services for most of the needs of the European Parliament.
- Winning the Framework Contract for the development and maintenance of a number of information systems of the European Railway Agency. The construction of a safe, modern integrated railway network is one of the EU's major priorities and the European Railway Agency is helping in creating this integrated railway area by reinforcing safety and interoperability.
- Design and development of EURAXESS Portal, a multi-site platform allowing more than 40 countries to host their national sites for the interaction between researchers, entrepreneurs, universities and businesses.
- We continued providing services to the Directorate-General for Justice (DG JUST) of the European Commission for the development, maintenance and support of the European e-Justice Portal and the European Criminal Records Information System (ECRIS).
- We continued providing business-specific application services to EUROSTAT. These include the Comext statistical server, the Edit validation and computations system and as well as the SIMSTAT/ ESDEN applications — an application for micro-data exchange in the field of intra-EU exports of goods exchanging microdata (trader level data) on intra-EU exports of goods between Member States.

As regards our activities related to the ongoing support of day-to-day IT needs of our customers, some notable achievements of 2015 include:

- The expansion of the ITIC Contract which concerns the provision of Desktop support services to the European Commission, to all 33 Directorates General and Services reaching more than 33,000 supported users.
- Winning the NUPS2 contract which involves the provision of managed services that support the Email, Videoconferencing as well as other collaboration platforms of European Commission
- Our services have been instrumental in supporting the lifecycle of the Horizon 2020 Research Program, which has a budget of 80 billion Euros. This involves a range of activities from handling online the tens of thousands of grant proposals through our Grant Management Support Services (GMSS) team to building and maintaining the applications that evaluate the received proposals and manage the lifecycle of the successful ones.
- Winning (again) the European Union Document Repository (EUDOR), a publication archive system whereby all official documents of the EU are archived electronically to the tune of many Terabytes of data. This requires the handling of tens of thousands of requests per month.
- Winning (again) the IT Time and means III (ITSSIII) Framework Contract which supplies the European Commission with highly-skilled technical resources. This involves the continuation with huge success the DESISIII and other such T&M contracts, namely for the European Medicines Agency (EMA), and the European Parliament.

INTRASOFT International has continued to help clients design, implement, deploy, and maintain some of the most mission-critical IT systems that span across the Member States and also in countries on other Continents and which facilitate international trade and customs activities and processes. In fact, our presence as a world-leading solutions provider in the area of Customs and Excise Systems continued to grow in 2015 and resulted in major achievements, most notably:

- Successful delivery of the Single Window Systems of Lithuania and Tajikistan and development and deployment of the Maritime Single Window of Malta, Greece and Romania. Single Window Systems are very important in facilitating trade by speeding up cargo clearing procedures across the many agencies involved (customs, health and police, among others).
- Successful upgrades of the Excise Movement Control Phase 3.2 in Ireland, Slovenia, and Greece.
- The Import Declaration Management System of Dutch Customs went into full operations handling 15,000 declarations per day.
- Continuing successful track record in the key pan-European Customs and Taxation projects of DG Taxud CUST-DEV3, FITS-DEV3 and ITSM2-LOT2.

INTRASOFT International has also been actively contributing to the development of breakthroughs, discoveries and world-firsts through its active participation in EU research programs.

In 2015, we focused on taking great ideas from the lab to the market with the aim of securing our company's global competitiveness. By coupling research and innovation, (R&I), INTRASOFT International contributed in the production of world-class science, and in the removal of barriers to innovation, while making it easier for the public and private sectors to work together in delivering innovation.

During 2015, INTRASOFT International was involved in the following R&I areas:

- Core digital technologies that underpin innovation and competitiveness across a broad range of market sectors, from key enabling technologies to networking technologies, factories of the future, and content and information management technologies.
- 'Smart, green, and integrated transport system' aimed at achieving a transport system that is resilient, resource-efficient, climate and environmentally friendly, safe and seamless for the benefit of the all citizens, the economy and society.
- Securing society against disasters and related resilience and security issues. The focus was put on Community policing, a value system followed by a police department, in which the primary organizational goal is working cooperatively with individual citizens, groups of citizens, and both public and private organizations in order to identify and resolve issues which can potentially affect the quality of life of specific neighborhoods, areas, or the city as a whole.
- Creating an environment in Europe that encourages more web entrepreneurs who use web and mobile technologies as main components in their innovation to start a business in Europe and grow internationally. The focus was on the development and testing of online platforms connecting existing local web entrepreneurship ecosystems and hubs, and build upon these in order to provide new services for web entrepreneurs.

- **Public Sector**

In 2015, INTRASOFT International continued to provide IT solutions and services to central and regional governments aiming to streamline internal processes and provide a wide range of G2G, G2B and G2C services in various public sector domains. Our solutions cover horizontal e-government needs (e.g. e-gateways, e-services, portals etc.) as well as vertical business areas such as taxation, healthcare and justice.

The most noteworthy developments of the year are highlighted below, presented based on solution category:

- *Tax, Revenue Management & Compliance:*
  - The Treasury and Economic Revenue Collection Management System of Canberra, Australia awarded INTRASOFT International a contract to **implement a Territory Revenue Collection Management System**. The proposed solution is designed with inherent flexibility to support, to the greatest extent practicable, future changes to revenue collection and disbursement undertaken by ACTRO (Australia Capital Territory

Revenue Office) as well as a possible expansion to support similar responsibilities held by other ACT (Australia Capital Territory) government agencies.

- INTRASOFT International was awarded a contract to undertake the **implementation of a Data Warehouse & Business Intelligence System** of the Kenya Revenue Authority. The data warehouse will be the central repository for selected transaction data from various internal and external (third party) operational systems and the Business Intelligence aspect will help analyze large amounts of data, and detect anomalies that may indicate fraudulent behavior and business risks as well as hidden patterns that indicate tax evasion.

- *Healthcare:*
  - INTRASOFT International was awarded a contract by the Electronic Government of Social Security (HDIKA) concerning the development of a single **Information System to support Health Units' operational functions** of the NHS with centralized architecture. This capability will be provided to any healthcare facility that requires similar IT services in the future. The project includes the integration of hospital units with total capacity of 75,000 beds, 37 health centers and 350 regional clinics.
- *E-Justice:*
  - The **Court Management System** for the Greek Ministry of Justice awarded a contract to INTRASOFT International to cover the needs for the computerization of the flow for the criminal and civil procedures and processes, through the design and implementation of an integrated information system. This has been implemented and installed in eight courts. The project is in a pilot phase.
- *E-Government:*
  - INTRASOFT International launched a project for the Holy Archdiocese of Athens (HAA) concerning the development and installation of central eGovernment platform and the implementation of a **Property Management system** for the HAA.
  - Our company was awarded the **G-CLOUD** contract by the Greek Ministry of Interior and Administrative Reconstruction. This involves the design, implementation and commissioning of two central computational centers that will provide computing and storage power through advanced horizontal infrastructure and ICT software. The physical scope of the project includes supply of equipment, COTS software, and applications that would provide the technological capability to the beneficiaries to operate autonomously and independently the new Data Centers providing value added services to other entities, with a secure, flexible and elasticity manner.
  - INTRASOFT International was awarded a contract for the implementation of an **Information System for the Modernization of Procedures and Processes** relating to the issuing of residence permits and citizenship awarded in Greece by the Ministry of Administrative Reform and e-Governance. Technologies include BPM and Workflow, Biometrics and a Citizenship smart card.
  - INTRASOFT International was part of the winning consortium for the award of a project by the Government of Kenya concerning the implementation of the **Huduma Kenya 'One Stop Shop' Integrated Service Delivery (ISD) program**. The Huduma Kenya program

aims at providing a Multichannel 'single window' citizen access to transactional government services using a variety of channels (web portal, mobile platform, call center, payment gateway and smart card). Technologies used are coming from TIBCO, Oracle (Siebel, Web Portal) and Cisco to deliver a cutting-edge platform of service delivery.

- An extension was awarded by the Ministry of Justice of Romania for the implementation of **ERP financial services** and the interface with Hyperion Budgeting component.
- A number of projects were accepted by the customer and are now in production phase, namely:
  - The **Greek Police digitization** project that concerns the digitization of criminal records and fingerprints cards, and the development of related document management applications.
  - Digitization and scientific documentation of the **Historical Archive of the Greek Orthodox Holy Synod**. This involved the digitization of some 3 million pages of unbound documents dating to the beginning of the 19th century, as well as the presentation of the digitized material to the public through a portal designed specifically for the project. Vocational and educational lessons organized through an e-learning platform that was implemented within the framework of the project.
  - Digitization and scientific documentation of the archives of the **Service of Navy History**. Some 800,000 unbounded pages, 1,655 roles of microfilm containing nearly 1 million images. Implementation of a portal to make the digitized material accessible for the public. Implementation of documents management, work flow and protocol systems.
  - The **computerization of voluntarism** for the Holy Archdiocese of Athens. It provides ERP services and a platform for the organization of the Volunteers and the coordination of church's social welfare actions.

- *INTRASOFT Jordan* initiated two major projects in 2015, for Qatar based and strong regional retailer Ali Bin Ali Group and for global freighter Aramex. For Ali Bin Ali, INTRASOFT is providing ERP implementation services with Oracle E-Business suite being the technology of choice. The intended ERP implementation project will also help in realigning the current business processes and functions into an efficient and effective solution in line with the Group's continuous improvement efforts to meet the envisioned expectations of having a cost-effective operating model while achieving informed business decision management and support. For Aramex, INTRASOFT is providing Infrastructure and business platform for Big Data implementation, including 3 mobile applications with EMC and Pivotal being the technology of choice. The intended project will help Aramex understand their customers better and take the company into a new paradigm in customer centric services.
- 2015 signified a turning point for ***ESKORT***, our proprietary ***Compliance Solution***. New projects in Sweden, Kenya, Greece and Germany were combined with substantial technical upgrades in the software itself offering substantial benefits to customers.

- **Enterprise Solutions**

In 2015, INTRASOFT International continued its approach for the reinforcement of its Enterprise Solutions efforts with renewed emphasis in Central-Eastern Africa for its Banking business.

- *Banking:*

In 2015, INTRASOFT International was established as an international banking solutions vendor in four countries in Central-Eastern Africa, namely Kenya, Uganda, Zambia and Tanzania. Our company also continued its aggressive approach in the Central-Eastern African market by participating in a significant number of banking commercial bids, by staffing INTRASOFT International EA Subsidiary in Nairobi, Kenya with a banking sales representative and activating new partnerships with local well-established IT companies. Furthermore, we have completed a series of new developments that further enhance the capabilities of the **PROFITS® Core Banking System.**

2015 highlights include:

- Electronic Clearing House Limited (ZECHL) in Zambia: INTRASOFT International signed a new contract and is currently implementing the National Payments Switch of Zambia.
- Mwalimu Bank in Tanzania: The Company signed a new contract and is currently implementing **PROFITS® Core Banking System**, INTRASOFT International own banking product, at the Bank.
- Centenary Bank, Uganda: Following the award to INTRASOFT International of the project for the implementation of **PROFITS**® Core Banking System in 2014, as well as the award of the Supply, Installation and Maintenance of the required technological platform (Hardware, OS, utilities and tools) our company commenced the Implementation of the system.
- Housing Finance Bank in Kenya: The implementation of **PROFITS®** Core Banking System at the bank was ongoing during 2015 reaching the successful completion of User Acceptance Testing (UAT).
- Liberty Bank in Georgia: The relevant project implementation was concluded and **PROFITS®** Core Banking System **Loans Component** went live, starting operation with enhancements specific to the Bank's functionality.
- KEDR Bank in Greece: The company signed a new contract with KEDR Bank, a long standing user of **PROFITS®** for the Upgrade of the system.
- Piraeus Bank in Greece: Successful completion of the Campaign Management Project and integration with Loyalty System.
- ALPHA Bank in Greece: The Company was assigned the upgrade of the AVAYA Voice Response System of the Bank.
- National Bank in Greece: The Bank assigned to INTRASOFT International extended SAP services thus demonstrating their trust in our company's relative expertise and significant know-how.
- Eurobank in Romania, Serbia and Ukraine: The Bank assigned to INTRASOFT International additional services upon their ATM Switch and Card management System Cortex by FIS Global, implemented by the Company. This has solidified the Bank's close cooperation with INTRASOFT International and their trust in our company's expertise and significant know-how on this FIS Global's product.

- Eurobank in Greece: The Bank renewed the annual Maintenance and Support Contract with the Company for **PROFITS® Core Banking System** used for the operation of TT Bad bank (former Postal Bank of Greece absorbed by Eurobank).
- Reiffeisen Bank, Poland assigned to INTRASOFT International additional services upon their ATM Switch and Card management System Cortex by FIS Global, implemented by our company.
- Cosmote in Greece renewed its Annual Maintenance and Support Contract for its Prepaid and Customer Care System, implemented by INTRASOFT International.
- Vodafone in Greece: The organization renewed the Annual Maintenance and Support Services provided by INTRASOFT International.
- INTRALOT in Greece: A new project was assigned to INTRASOFT International for the implementation of a Call Center.

- *Telecom:*

It was an important year in terms of consolidating our presence in the Greek telecommunications market. We won projects with all three major operators, providing billing services to Vodafone, developing the corporate intranet for OTE/Cosmote as well as providing the latter with Order Capture and Management services. Finally we developed a series of mobile applications for Wind.

- *SAP Solutions:*

INTRASOFT International, as a **SAP authorized Reseller** and **certified Partner Center of Expertise (PCoE)**, is **a leading SAP Integrator** in the **EMEA** region, both in the Private, as well as in the Public sector, servicing a variety of industries, such as Consumer and Trading Goods, Education, Utilities, Oil & Gas, Telecoms, Transportation, Constructions & Professional Services etc. Additionally, the company specializes in the **localization and rollout of Global Templates** for multinational companies, as well as in the provision of preconfigured turnkey solutions for SMEs, in various markets.

During 2015, INTRASOFT International celebrated the successful completion of a number of challenging projects, most notably:

- Two pioneer projects in the field of Higher Education, at the University of Patras, Greece and the Cyprus University of Technology in Limassol, Cyprus.
- The Hellenic Petroleum (HELPE) SILO Project, the first SAP SILO implementation in Greece, for the inventory management of three HELPE refinery sites in Aspropyrgos, Elefsina and Thessaloniki.
- An integrated SAP Purchasing and PAPYROS Document Management solution, for the detailed monitoring of the Greek National Railway Organization’s (OSE) bidding, evaluation and purchasing execution procedures.
- The INTRALOT SAP ERP Project, comprising the implementation of SAP Financial Accounting, Controlling, Sales, Purchasing, Inventory Management, Projects Financial Management & Project Portfolio Management, HR functions (Personnel Administration, Employee benefits & Leaves Management), Travel Management and Employee Self Service functions.

Most importantly, in 2015 INTRASOFT International won a number of new projects in this field. Below are a few of these projects:

- The development of the national registry of the Greek National Railway Organization's (OSE) infrastructure. The project focuses on the registration, management and communication of the relevant data to the European Railway Agency (ERA), based on the Agency's common specifications for the register of railway infrastructure (RINF) throughout Europe.
- A BI and development services project for the National Bank of Greece.
- A critical part of the Attica Gas Supply Company ERP, IS-U, CRM Technical Upgrade Project.
- The Cyprus University of Technology maintenance contract.

Furthermore, in 2015, INTRASOFT International made a substantial investment into SAP's new technological platform, achieving SAP's authorization as a **HANA Reseller** and a **HANA Maintenance provider**. Last, but not least, INTRASOFT International proceeded to re-certifying its personnel in the latest SAP releases in various ERP modules (Financials, Logistics etc.), as well as in CRM and various new tools (such as Fiori).

With the above expertise and its extensive clientele from a broad range of industries, INTRASOFT International achieved SAP's accreditation as a **Recognised Expertise Partner** for the following Industries: Public Sector, Higher Education & Research, Engineering & Constructions, Telecommunications, Hi-tech and Healthcare.

- *New ventures*

The New Ventures business unit was formed in the second half of 2015 to essentially explore new markets and technologies with the ultimate goal of enriching INTRASOFT International's portfolio of products and services.

The new areas to be explored include the Internet of Things for industries and societies, namely the Smart Utility Grid (Electricity, Gas and Water) and the Smart Cities applications.

New Ventures is also leading the INTRASOFT International virtual team for exploring the Big Data analytics technology trend and triggering product extensions and novel services.

In September 2015, New Ventures was assigned the program management of "Broadband Rural", an ambitious project of the Greek Government to cover rural, underserved regions of Greece. INTRASOFT International was assigned all the active telecommunication infrastructure and OSS / BSS application layer parts of the project by INTRAKAT, which is the prime contractor. It is a 17-year-long project with the first two focusing on implementation and the next 15 years focusing on the operation for wholesales service provisioning.

Luxembourg, 28th April 2016

Athanasios Kotsis	*Alexandros Manos*
Chairman	CEO

D) Independent Auditors' Report

To the Shareholders of **INTRASOFT INTERNATIONAL S.A.**

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **INTRASOFT INTERNATIONAL Group**, which comprise the consolidated balance sheet as of 31 December 2015, the consolidated 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 Consolidated Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of 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 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of **INTRASOFT INTERNATIONAL Group** as of 31 December 2015 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Other Matter

This report, including the opinion, has been prepared for and only for the use of the Group's members as a body and should not be used for any other purposes. We do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

Athens, 28 April 2016

Zoe D. Sofou

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 14701

Associated Certified Public Accountants s.a.

member of Crowe Horwath International

3, Fok. Negri Street – 112 57 Athens, Greece

Institute of CPA (SOEL) Reg. No. 125

E) Annual Financial Statements

In accordance with International Financial Reporting Standards as adopted by the European Union.

Contents **Page**

Balance sheet

	Note	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	6	2.708.313,96	2.492.170,94
Goodwill	7	13.572.454,82	13.572.454,82
Other intangible assets	8	3.177.307,42	4,316.492,02
Investment property	9	206.107,42	206.107,42
Investment in associates (accounted for using the equity method)	11	412.033,01	279.228,39
Available-for-sale financial assets	12	1.676.035,82	504.022,06
Deferred income tax assets	13	111.169,14	824.770.26
Trade and other receivables	14	4.261.957,79	3.779.510,36
		26.125.379,39	**25.974.756,26**
Current assets			
Inventories	15	2.669.536,67	1.435.041,01
Trade and other receivables	14	96.570.182,79	83.727.892,26
Current income tax receivables		1.987.968,35	1.630.783,72
Cash and cash equivalents	16	32.252.050,88	21.276.293,08
		133.479.738,68	**108.070.010,07**
Total assets		**159.605.118,07**	**134.044.766,34**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	17	1.552.600,00	1.552.600,00
Fair value reserves		1.035.726,62	553.094,26
Other reserves	18	5.601.121,49	5.424.537,61
Retained earnings		1.180.978,52	(727.200,35)
		9.370.426,64	**6.803.031,53**
Minority interest		**1.088.319,86**	**800.374,86**
Total equity		**10.458.746,49**	**7.603.406,39**
LIABILITIES			
Non-current liabilities			
Borrowings	19	7.600.000,00	8.800.000,00
Retirement benefit obligations	20	2.970.472,88	3.160.247,91
Long-term provisions for other liabilities and charges	22	1.020.152,78	708.186,14
Trade and other payables	23	1.612.253,40	16.993,88
		13.202.879,06	**12.685.427,93**
Current Liabilities			
Trade and other payables	23	86.724.441,36	67.696.754,71
Current income tax liabilities		2.716.483,47	2.116.726,77
Borrowings	19	42.996.963,72	41.423.802,68
Government grants	21	0,00	0,00
Short-term provisions for other liabilities and charges	22	3.505.603,97	2.518.647,86
		135.943.492,52	**113.755.932,02**
Total liabilities		**149.146.371,58**	**126.441.359,95**
Total equity and liabilities		**159.605.118,07**	**134.044.766,33**

The notes are an integral part of these financial statements.

Statement of comprehensive income

	Note	2015	2014
Continuing operations:			
Sales		187.265.320,31	143.971.678,30
Cost of sales	24	(156.883.893,20)	(119.886.821,90)
Gross profit		**30.381.427,11**	**24.084.856.40**
Selling and marketing costs	24	(11.125.142,88)	(9.531.982,98)
Administrative expenses	24	(11.325.372,75)	(10.375.219,18)
Other income	26	441.395,75	490.498,85
Other gains / (losses) - net	27	(34.358,21)	(12.655,49)
Operating profit		**8.337.949,02**	**4.655.497,59**
Finance income	28	207.856,90	828.588,64
Finance cost	28	(4.186.826,75)	(4.527.775,70)
Finance costs - net		**(3.978.969,84)**	**(3.699.187,06)**
Share of profit / (loss) of associates (after tax and minority interest)		106.804,62	7.768,39
Profit before income tax		**4.465.783,81**	**964.078,92**
Income tax expense	29	(2.575.966,90)	(1.416.203,60)
Profit after tax for the period from continuing operations		**1.889.816,91**	**(452.124,68)**
Discontinued operations:			
Profit / (loss) after tax for the period from discontinued operations		**0,00**	**0,00**
Profit / (loss) after tax for the year (from continuing and discontinued operations)		**1.889.816,91**	**(452.124,68)**
Profit / (loss) after tax attributable to:			
Equity holders of the Company		1.722.345,32	(607.236,38)
Minority interest		167.471,58	155.111,70
		1.889.816,91	**(452.124,68)**
Other comprehensive income:			
Currency translation differences	18f	603.105,77	774.387,18
Actuarial gains / (losses)	18	345.347,93	(474.740,80)
Other comprehensive income, net of tax:		**948.453,70**	**299.646,38**
Total comprehensive income for the period		**2.838.270,61**	**(152.478,30)**
Other comprehensive income attributable to:			
Owners of the parent		827.980,28	185.370,69
Minority interest		120.473,42	114.275,69
		948.453,70	**299.646,38**
Total comprehensive income attributable to:			
Owners of the parent		2.550.325,60	(421.865,69)
Minority interest		287.945,01	269.387,39
		2.838.270,61	**(152.478,30)**
Earnings /(loss) per share attributable to owners of the parent for the year (in € per share)			
Basic	30	**27,73**	**(9,78)**

The notes are an integral part of these financial statements.

Statement of changes in equity

	Note	Share capital	Other reserves	Fair value reserves	Retained earnings	Minority interest	Total equity
Balance at 1 January 2014		**1.552.600,00**	**5.855.878,41**	**(107.017,23)**	**(77.010,39)**	**687.009,55**	**7.911.460,34**
Available-for-sale financial assets – Fair value gain / (loss)	12	0,00	0,00	0,00	0,00	0,00	**0,00**
Currency translation differences	18f	0,00	0,00	660.111,49	0,00	114.275,69	**(774.387,18)**
Other		0,00	0,00	0,00	0,00	0,00	**0,00**
Other comprehensive income		**0,00**	(474.740,80)	**660.111,49**	**0,00**	**114.275,69**	**299.646,38**
Net profit / (loss)		0,00	0,00	0,00	(607.236,38)	155.111,70	**(452.124,68)**
Total recognized income / (expense) for the year		**0,00**	**(474.740,80)**	**660.111,49**	(607.236,38)	**269.387,39**	**(152.478,30)**
Issue of share capital		0,00	0,00	0,00	0,00	0,00	**0,00**
Change in minority due to business combination		0,00	0,00	0,00	0,00	(156.022,08)	**(156.022,08)**
Expenses on issue of share capital		0,00	0,00	0,00	0,00	0,00	**0.00**
Transfer from other reserves to retained earnings		0,00	43.400	0,00	(43.400,00)	0,00	**0,00**
Other		0,00	0,00	0,00	446,42	0,00	**446,42**
		0,00	**43.400**	**0,00**	**(42.953,58)**	**48.955,92**	**(155.575,66)**
Balance at 31 December 2014		**1.552.600,00**	**5.424.537,61**	**553.094,26**	**(727.200,35)**	**800.374,86**	**7.603.406,39**

	Note	Share capital	Other reserves	Fair value reserves	Retained earnings	Minority interest	Total equity
Balance at 1 January 2015		**1.552.600,00**	**5.424.537,61**	**553.094,26**	**(727.200,35)**	**800.374,86**	**7.603.406,39**
Available-for-sale financial assets – Fair value gain / (loss)	12	0,00	0,00	0,00	0,00	0,00	**0,00**
Currency translation differences	18f	0,00	0,00	482.632,36	0,00	120.473,41	**603.105,77**
Actuarial gains / (losses)	18	0,00	345.347,93	0,00	0,00	0,00	**345.347,93**
Other comprehensive income		**0,00**	**345.347,93**	**482.632,36**	**0,00**	120.473,41	**948.453,70**
Net profit / (Loss)		0,00	0,00	0,00	**1.722.345,32**	**167.471.58**	**1.889.816,91**
Total recognized income / (expense) for the year		**0,00**	**345.347,93**	**482.632,36**	**1.722.345,32**	**287.944,99**	**2.838.270,61**
Transfer from other reserves to retained earnings		*0,00*	(168.764,05)	0,00	168.764,05	0,00	**0,00**
Other movements in other reserves		0,00	0,00	0,00	0,00	0,00	**0,00**
Dividends		0,00	0,00	0,00	0,00	0,00	**0,00**
Change in minority due to business combination		0,00	0,00	0,00	0,00	0,00	**0,00**
Other		0,00	0,00	0,00	17.096,50	0,00	17.096,50
		0,00	**(168.764,05)**	**0,00**	**185.833,54**	**0,00**	**17.096,50**
Balance at 31 December 2015		**1.552.600,00**	**5.601,121,49**	**1.035.726,62**	**1.180.978,52**	**1.088.319,86**	**10.458.746,49**

The notes are an integral part of these financial statements.

Cash flow statement

	Note	2015	2014
Profit after tax for the period from continuing operations		**1.889.816,91**	**(452.124,68)**
Profit after tax for the period from discontinued operations		**0,00**	**0,00**
Adjustments for:			
Tax	29	2.575.966,90	1.416.203,60
Depreciation of property, plant & equipment	6	719.303,88	690.095,31
Amortisation of intangible assets	8	1.423.062,51	1.456.091,87
Impairment charges on assets		0,00	0,00
(Profit) / loss on disposal of property, plant & equipment		(555,63)	(7.478,69)
Impairment charges on available-for-sale financial assets		0,00	0,00
(Profit) / loss on disposal of subsidiaries		0,00	(659.710,40)
Dividend income		(2.093,19)	0,00
Interest income	28	(207.856,90)	(168.878,24)
Interest expense	28	4.186.826,75	4.527.775,70
Amortisation of government grants		0,00	(23.611,78)
Exchange gains / (losses)		507.482,83	(112.026,75)
Share of result of associates		(106.804,62)	(7.768,39)
		10.985.149,42	**7.265.469,30**
(Increase) / decrease in inventories	15	(1.234.495,66)	(973.036,72)
(Increase) / decrease in trade and other receivables		(13.165.935,47)	1.279.290,95
Increase / (decrease) in payables		20.355.511,60	10.195.146,28
Increase / (decrease) in provisions		1.298.922,75	(98.637,65)
Increase / (decrease) in pension & other benefits		155.572,90	633.216,73
Changes in working capital		**7.409.576,11**	**10.561.238,80**
Net cash generated from / (used in) operating activities		**18.394.725,54**	**17.826.708,10**
Cash flows from operating activities			
Interest paid		(3.675.554,92)	(4.225.746,31)
Income tax paid		(1.619.793,73)	(1.989.014,90)
Net cash from operating activities		**13.099.376,88**	**11.611.946,89**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(943.039,55)	(429.768.15)
Purchase of intangible assets	8	(285.530,92)	(516.586,58)
Proceeds from sale of property, plant & equipment	6	8.028,33	40.523,72
Proceeds from disposal of available-for-sale financial assets	8	1.653,00	2.300.158,39
Purchase of available-for-sale financial assets		(1.172.013,76)	
Acquisition of associates and joint ventures		(26.000,00)	(271.460,00)
Dividends received		2.093,19	0,00
Interest received		49.054,42	168.878,24
Loans granted		0,00	(2.443.115,00)
Net cash used in investing activities		**(2.365.755,29)**	**(1.151.369,37)**
Cash flows from financing activities			
Dividends paid to minority interests		0,00	0,00
Repayments of borrowings		373.161,04	(3.901.406,96)
Finance lease payments		0,00	(7.347,55)
Net cash used in financing activities		**373.161,04**	**(3.908.754,51)**
Net (decrease) / increase in cash & cash equivalents		**11.106.782,64**	**6.551.823,00**
Cash and cash equivalents at beginning of the period		21.276.293,08	14.520.579,09
Effects of exchange rate changes on cash and cash equivalents		(131.024,85)	203.890.99
Cash and cash equivalents at end of the period	16	**32.252.050,87**	**21.276.293,08**

The notes are an integral part of these financial statements.

Notes to the financial statements in accordance with International Financial Reporting Standard

1. General information

INTRASOFT INTERNATIONAL S.A. (referred to as the Parent Company or the Company), is a Luxembourg "Société Anonyme" incorporated on 2 October 1996. The accompanying consolidated financial statements present INTRASOFT INTERNATIONAL S.A and its subsidiaries (hereinafter "the Group").

The focus of the Group's activities is on the public sector market, assisting national and international governmental organisations to design and implement their policies, ICT application infrastructure and support services. The particular service lines are as follows:

- application development,
- content management and information networks,
- professional services,
- outsourcing and managed services and,
- Innovation and solutions development.

The registered office of the Parent Company is in No. 2, rue Nicolas Bové, L – 1253, Luxembourg. The Parent Company established a registered Branch Office in Belgium. This Branch Office operates under the name of Intrasoft International S.A. Belgium Branch. During the fiscal year 2000, the Parent Company set up a new wholly owned subsidiary in Belgium, which is based in Brussels. This new company has taken over the activities of the Belgian branch which has been dissolved. The Board of Directors on 25 August 1999, decided to establish a registered Branch Office in Athens, Greece. During 2002, the Parent Company established a 99% held subsidiary in Greece with the name of Intrasoft SA. During the 2004 financial year, the Company established a registered Branch Office in Bucharest, Romania.

During the year 2011, the Company established two fully-owned subsidiaries, one in Bulgaria under the name Intrasoft International Bulgaria Ltd and one in United Kingdom under the name Intrasoft Information Technology UK Ltd.

On 2 January 2012, the Company absorbed its Parent Company INTRACOM S.A. INFORMATION TECHNOLOGY & COMMUNICATION SERVICES with the distinctive title "INTRACOM IT SERVICES", with registered office in Paiania Attica Greece. The cross-border merger was implemented in application of the provisions of the Directive 2005/56/EC of the European Parliament and the Council of 26/10/2005.

As a result, as of 2 January 2012, date of publication in the National Gazette of Luxembourg of the resolution approving the cross-border merger, the absorbing Company "INTRASOFT INTERNATIONAL SA", substitutes without further formalities in all rights, obligations, claims and legal relationships the absorbed Company "INTRACOM IT SERVICES" which is deemed as ipso jure wound up, while its legal entity disappears without the need to be subject to liquidation, such transfer being equivalent to a full succession.

The Board of Directors on 2 March 2012, decided to establish a 100% held subsidiary in United States of America with the name of Intrasoft International USA, Inc.

During the year 2013, the Company established a 80% held subsidiary in the free zone area of "RAK" in United Arab Emirates with the name of Intrasoft Middle East FZC while disposed its subsidiary Databank S.A, owned by 92,08%.

During the year 2014, the Company established a 50% held subsidiary Company with the name of Advanced Transport Telematics SA in Greece.

During the year 2015, the Company acquired a 88, 00% held subsidiary Company with the name of Intrasoft International East Africa in Kenya

The Group's holding company Intracom S.A. Holdings, which is listed on the Athens Stock Exchange.

These financial statements have been approved for issue by the Board of Directors on 28th of April 2016 and are subject to approval by the General Meeting of the Shareholders.

2. Summary of significant accounting policies

2.1. Basis of preparation

These financial statements consist of the Consolidated Financial Statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015, in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union (EU).

These financial statements have been prepared under the historical cost convention, as modified by the available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Moreover, the use of estimates and assumptions is required that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Accounting policies used in the preparation of the financial statements of subsidiaries, associates and joint ventures are consistent with those applied by the parent company.

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

Standards and Interpretations effective for the current financial year

IFRIC 21 "Levies"

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.

Annual Improvements to IFRSs 2013

The amendments set out below describe the key changes to three IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project.

IFRS 3 "Business combinations"

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

IFRS 13 "Fair value measurement"

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

IAS 40 "Investment property"

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

Standards and Interpretations effective for subsequent periods

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

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

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not yet been endorsed by the EU.

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

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Company is currently investigating the impact of IFRS 15 on its financial statements. The standard has not yet been endorsed by the EU.

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

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

IAS 19R (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 February 2015)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2016)

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

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)

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

IAS 27 (Amendment) "Separate financial statements" (effective for annual periods beginning on or after 1 January 2016)

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

IAS 1 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2016)

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

IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment entities: Applying the consolidation exception" (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments have not yet been endorsed by the EU.

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

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

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

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

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 February 2015)

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

IFRS 2 "Share-based payment"

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations"

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

IFRS 8 "Operating segments"

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

IFRS 13 "Fair value measurement"

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

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"

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

IAS 24 "Related party disclosures"

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

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

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

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

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

IFRS 7 "Financial instruments: Disclosures"

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

IAS 19 "Employee benefits"

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

IAS 34 "Interim financial reporting"

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

There are no other standards or interpretations not yet effective that are expected to have a significant impact on the financial statements of the Group.

2.2. Consolidation

(a) Business combinations and subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operational policies by virtue of de-facto control. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquire either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Investments in subsidiaries are accounted for at cost less impairment in the Company's standalone financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

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

Transactions and non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(b) Joint ventures

Joint ventures or jointly controlled entities are accounted for by proportional consolidation. The Group combines its share in the joint venture on a line-by-line basis in the financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, the loss is recognised immediately.

Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for investments in joint ventures in its stand alone financial statements at cost less impairment.

(c) Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified in acquisition.

Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

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

The Company accounts for investments in associates in its stand alone financial statements at cost less impairment.

2.3. Segmental reporting

The segments are determined on the basis of internal information reviewed by the management of the Group and are reported in the financial statements based on this internal component classification.

2.4. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

(c) Group companies

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

(1) Assets and liabilities for each balance sheet date are translated at the closing rate at the date of the balance sheet;

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

(3) All resulting exchange differences are recognised through other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

2.5. Investment property

Investment property, principally comprising land and buildings, is held by the Group for long-term rental yields. Investment property is measured at cost less depreciation. When the carrying amounts of the investment property exceed their recoverable amounts, the difference (impairment) is charged directly in profit or loss.

The Company classifies all land and buildings rented to subsidiaries as investment property in its stand alone financial statements.

The land classified as investment property is not depreciated. Depreciation on buildings is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, which is 33-34 years.

2.6. Property, plant and equipment

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

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, in order to write down the cost in its residual value.

The expected useful life of property, plant and equipment is as follows:

Buildings	5-12,5 years
Machinery, installations & equipment	5-10 years
Motor vehicles	5-7 years
Telecommunication equipment	3-5 years
Other equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in profit or loss.

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

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

2.7. Leases

(a) Finance leases

Leases of property, plant and equipment whereby the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment leased under a finance lease are depreciated over the shorter of the lease term and their useful life.

(b) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.8. Goodwill

Goodwill is not amortized but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill acquired on a business combination is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating units, which are related to goodwill.

If the carrying amount of the cash-generating unit, including goodwill that has been allocated, exceeds the recoverable amount of the unit, impairment is recognized. The impairment loss is recognized in profit or loss and cannot be reversed.

Gains and losses on the disposal of a cash-generating unit to which goodwill has been allocated include the carrying amount of goodwill relating to the part sold. The amount of goodwill attributable to the part sold is determined by the relative values of the part sold and the part of the cash-generating unit retained.

Goodwill on business combinations has been allocated and is monitored by the Group on the basis of the cash-generating units which have been identified according to the provisions of IAS 36 "Impairment of Assets".

2.9. Intangible assets

The caption 'intangible assets' includes:

a) Computer software: Purchased computer software is stated at historical cost less subsequent amortisation. Amortisation is calculated using the straight-line method over the useful economic lives, not exceeding a period of 3-8 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group (internally-generated software), are recognised as part of intangible assets. Direct costs include materials, staff costs of the software development team and an appropriate portion of relevant overheads. Internally-generated software is amortised using the straight-line method over its useful live, not exceeding a period of 5-10 years.

b) Customer relationships: they relate to amounts recognised on the acquisition from the subsidiary company Intrasoft International Scandinavia of compliance solution business unit of WM-data Denmark A/S, amortised over a period of 10 years and the acquisition of the customer list SAP of LAVISOFT SA in the year 2009, amortised over a period of 5 years respectively.

2.10. Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment at each balance sheet date and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.11. Financial assets

Classification

The group classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and reassesses the classification at each reporting date.

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

This category refers to financial assets acquired principally for the purpose of selling in the short term or if so designated by Management. Derivatives are also categorised as held for trading unless they are designated as hedges. If these assets are either held for trading or are expected to be realised within 12 months of the balance sheet date these assets are classified as current assets.

(b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

Loans and receivables are carried at amortised cost using the effective interest method.

(c) Held-to-maturity investments

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

(d) Available-for-sale financial assets

These are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and measurement

Purchases and sales of investments are recognised on trade date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in other comprehensive income. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. Impairment losses recognised in profit or loss are not reversed through profit or loss.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise.

The fair values of quoted investments are based on year-end bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. In cases where the fair value cannot be measured reliably, investments are measured at cost less impairment.

2.12. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13. Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

The financial assets that are reviewed for impairment (provided that the relative indications exist) are assets stated at cost (investments in subsidiaries and associates in the balance sheet of the parent company), assets measured at amortised cost based on the effective interest rate method (non-current receivables) and available for sale investments.

The recoverable amount of investments in subsidiaries and associates is determined in the same way as for non-financial assets.

For the purposes of impairment testing of the other financial assets the recoverable amount is determined based on the present value of future cash flows, discounted using the original asset-specific rate or a rate of a similar financial asset. Any resulting impairment losses are recognised in profit or loss.

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.14. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished and semi-finished goods, by-products and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion.

Provisions for slow-moving or obsolete inventories are formed when necessary.

2.15. Trade receivables

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished and semi-finished goods, by-products and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion. Provisions for slow-moving or obsolete inventories are formed when necessary.

2.16. Factoring

Trade and other receivables are reduced by the amounts that have been received in advance under factoring agreements without recourse.

2.17. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.18. Non-current assets held for sale and discontinued operations

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The basic criteria to classify a non-current asset (or disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable.

For the sale to be highly probable:

- the appropriate level of management must be committed to a plan to sell the asset (or disposal group)
- an active programme to locate a buyer and complete the plan must have been initiated
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value
- the sale should be expected to be completed within one year from the date of classification
- the actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Immediately prior to initial classification of a non current asset (or disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) will be measured in accordance with the applicable IFRSs.

Non-current assets (or disposal groups) that are classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell and any possible resulting impairment losses are recognised in profit or loss. Any subsequent increase in fair value will be recognised in profit or loss, but not in excess of the cumulative impairment loss which was previously recognised.

While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale, it should not be depreciated or amortised.

2.19. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown after the reduction of the relative income tax in reduction to the product of issue. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are shown in reduction to the product of issue.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.20. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.21. Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.22. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece and other tax jurisdictions in which foreign subsidiaries operate. Current income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns and additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

2.23. Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.24. Employee benefits

(a) Pension obligations

The Group contributes to both defined benefit and defined contribution plans.

The regular contributions for defined contribution plans constitute net periodic costs for the year in which they are due and as such are included in staff costs.

The liability in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the balance sheet date. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the Group discloses information about the contingent liability.

2.25. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.26. Provisions

Provisions are recognized when:

1. There is present legal or constructive obligation as a result of past events
2. It is probable that an outflow of resources will be required to settle the obligation
3. The amount can be reliably estimated.

(a) Warranties

The Group recognizes a provision that represents the present value of the estimated liability for the repair or replacement of guaranteed products or concerning the delivery of projects / rendering of services at the balance sheet date. This provision is calculated on the basis of historical facts over repairs and replacements.

(b) Compensated absences

The claims over compensated absences are recognized as incurred. The Group recognizes the expected cost of short-term employee benefits in the form of compensated absences based on their unused entitlement at the balance sheet date.

(c) Loss-making contracts

The Group recognizes a provision with an immediate charge to profit or loss for loss-making construction contracts or long-term service contracts when the expected revenues are lower than the unavoidable expenses which are estimated to arise in order that the contract commitments are met.

2.27. Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognized when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

(b) Sales of services

Sales of services are recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific service. The stage of completion is assessed on the basis of the costs of the actual services provided until the balance sheet date as a proportion of the costs of the total estimated services to be provided under each contract. Costs of services are recognized in the period incurred. When the services to be provided under a contract cannot be reliably estimated, revenue is recognized only to the extent of costs incurred that are possibly recoverable.

(c) Construction contracts

Revenue from fixed price contracts are recognized, as long as the contract outcome can be estimated reliably, on the percentage of completion method, measured by reference to the percentage of labour hours incurred to date to estimated total labour hours for each contract.

Revenue from cost plus contracts is recognized by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

(d) Interest

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate. Subsequently, interest is recognized on the impaired value.

(e) Dividends

Dividends are recognized when the right to receive payment is established.

2.28. Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the Company’s shareholders.

2.29. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares held as treasury shares.

Diluted earnings per share is calculated by dividing the profit attributable to equity holder so the Company (after deducting interest on convertible shares, net of tax) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effect of dilutive convertible shares).

2.30. Roundings

Differences between amounts presented in the financial statements and corresponding amounts in the notes result from roundings.

3. Financial risk management

3.1. Financial risk factors

INTRASOFT INTERNATIONAL Group, is exposed to a variety of financial risks, including market risk (the effects of changes in foreign currency exchange rates, cash flow and fair value risk from changes in interest rates and market prices), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group as a whole.

The financial liabilities of the Group include short-term loans, long-term loans and finance lease agreements, through which the Group finances its working capital and capital expenditure needs. Moreover, the Group manages financial assets, mainly short-term bank deposits arising from operating activities.

Derivative financial instruments are used exclusively for the hedging of interest or exchange rate risk, since according to the approved policy, speculative use is not permitted.

In summary, the financial risks that arise are analyzed below.

(a) Market risk

Foreign exchange risk

The Group provides services and sells goods with contractual amounts denominated to a large extent in euro. Therefore, it is not exposed to large movements in foreign currency exchange rates against its reporting currency, the euro. The Group did not use derivative financial instruments in the years ended 31 December 2015 and 2014 in order to reduce its exposure to foreign currency exchange risk.

Increase in EURO/USD rate by	Effect on net results 2015	Effect on net results 2014
3%	(243.652)	(208.617)
6%	(487.304)	(417.234)
9%	(730.956)	(625.851)
12%	(974.608)	(834.468)

Price risk

The Group has limited exposure to changes in the prices of the shares held either for trading or as available for sale financial assets.

Cash flow and fair value interest rate risk

The interest-rate risk has been partly mitigated through the conversion of a significant part of borrowings into fixed rate, while it is estimated that during the current financial year the specific risk will be limited since it is considered highly probable that interest rates will remain stable in the medium-term or that will be slightly decreased after the first semester.

The following tables present the sensitivity of the Group's net results in possible fluctuations of the interest rates for the years 2015 and 2014. The analysis takes into consideration borrowings and cash and cash equivalents of the Group as at 31st December 2015 and 2014 respectively.

Financial instruments in Euro

Increase in interest rates (base units) by	Effect on net results 2015	Effect on net results 2014
25	(45.862)	(72.369)
50	(91.725)	(144.738)
75	(137.587)	(217.106)
100	(183.449)	(289.475)

(b) Credit risk

The sales transactions of the Group are made to private companies and public sector organisations with an appropriate credit history, with which in many cases there is a long standing relationship.

Regarding credit risk related to cash deposits, the Group collaborates only with financial institutions of high credit rating.

The Group is not exposed to credit risk concentration, including risk of default, because of the fact that it effectively deals with various agencies of the European Union and, to a lesser extent, institutions of various European governments. As a result of this, the credit risk that the Group faces is not significant.

(c) Liquidity risk

Each Group company draws up and monitors on a monthly basis a cash flow schedule that includes the operating as well as the investing cash flows. All subsidiaries submit to Intracom Holdings on a weekly basis a detailed report of their cash and credit position, in order that an effective monitoring and co-ordination on a group level is achieved.

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities. The Group manages the risks that may arise from lack of adequate liquidity by ensuring there are always approved bank facilities for use. The available undrawn borrowing facilities to the Group are sufficient to address any potential shortfall in cash.

On 31 December 2015 current and non-current borrowings of the Group amounted to 85,0% (2014: 82,5%) and 15,0% (2014: 17,5%) of total borrowings respectively. Current borrowings have been granted since 2006 for working capital purposes and are rolled over on quarter basis with no major changes. The Group focuses on gradual redemption of the debt and in this respect all facilities related to the current borrowings are not considered to be subject to withdrawal from financial institutions in the foreseeable future. It should be pointed out that the Group takes further action to replace short-term borrowings with medium-term due to their greater flexibility, unlike its prior policy to enter into bond loans.

3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. Group's capital is considered sufficient on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less 'cash and cash equivalents'. Total capital employed is calculated as 'equity attributable to Company's equity holders' as shown in the consolidated balance sheet plus net debt.

	01/01-31/12/2015	01/01-31/12/2014
Total borrowings (note 18)	50.596.963,72	50.223.802,68
Less: Cash & cash equivalents (note 15)	(32.252.050,88)	(21.276.293,08)
Net borrowings	**18.344.912,85**	**28.947.509,60**
Equity	10.458.746,49	7.603.406,39
Total Capital Employed	**28.803.659,34**	**36.550.915,99**
Gearing ratio	**63,69%**	**79,20%**

3.3. Fair value estimation

The Group provides the required disclosures relating to fair value measurement through the hierarchy into three levels.

On 31 December 2015 the Group had:

Available-for-sale financial assets out of which EUR 999.999,90 are classified in Level 1 and EUR 676.035,92 are classified in Level 3.

On 31 December 2014 the Group had:

- Available-for-sale financial assets valued EUR 504.022,06 are classified in Level 3.

The fair value of financial instruments traded in active markets is based on quoted market rates at the balance sheet date ('Level 1').

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on observable market data at the balance sheet date ('Level 2').

If the fair values of financial instruments that are not traded in an active market are based on valuation methods and assumptions that are not mainly based on observable market data, the instruments are classified in Level 3. Investments in shares, which are not publicly traded and for which the fair value cannot be reliably estimated, are presented at cost less impairment.

3.4. Offsetting financial assets and financial liabilities

On 31 December 2015 and 2014 the Group does not have any financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

4. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

- The Group uses the percentage of completion method of IAS 11 in order to recognise revenue from construction contracts. Revenue is recognised by reference to the stage of completion of the project at the balance sheet date, based on actual amounts compared to total estimated amounts. Possible adjustments to total estimated contract costs and revenues are taken into consideration in the period in which they arise.

- The Group tests annually whether goodwill has suffered any impairment. This tests are based either on discounted cash flows (value in use) of cash generating units, or on fair values less costs to sell.

5. Segment information

Primary reporting format – business segments

At 31 December 2015, the Group is organised into one main business segments:

- Integrated information technology solutions for government and banking sector

The segment results from continuing operations for the year 2015 and 2014 respectively are as follows:

	1/1-31/12/2015	1/1-31/12/2014
	Integrated information Technology solutions for government and banking sector	Integrated information Technology solutions for government and banking sector
Total gross segment sales	187.265.320,31	143.971.678,30
Total sales	**187.265.320,31**	**143.971.678,30**
Operating profit / Segment result	8.337.949,02	4.655.497,59
EBITDA	10.480.315,41	6.801.684,78
Finance income	207.856,90	828.588,64
Finance cost	(4.186.826,75)	(4.527.775,70)
Finance costs net (note 27)	(3.978.969,84)	(3.699.187,06)
Profit before income tax	**(4.465.783,81)**	**964.078,92**

Other segment items included in the income statement are as follows:

	1/1-31/12/2015	1/1-31/12/2014
	Integrated information Technology solutions for government and banking sector	Integrated information Technology solutions for government and banking sector
Depreciation of property, plant and equipment (note 6)	719.303.88	690.095,31
Impairment of property, plant and equipment and intangible assets	0.00	0,00
Amortization of intangible assets (Note 8)	1.423.062.51	1.456.091,87
Impairment of trade receivables (Note 13)	332.787,04	80.753,75

The segment assets and liabilities at 31 December 2015 and 31 December 2014 as well as the capital expenditure for each year are as follows:

	1/1-31/12/2015	1/1-31/12/2014
	Integrated information Technology solutions for government and banking sector	Integrated information Technology solutions for government and banking sector
Assets	159.605.118,07	134.044.766,34
Associates	0,00	0,00
Total assets	**159.605.118,07**	**134.044.766,34**
Liabilities	149.146.371,58	126.441.359,95
Capital expenditure (notes 6, 8 & 9)	1.070.283,44	724.165,33

Secondary reporting format – geograpical segments

The main business segments of the Group operate in three geographical areas. The home-country of the Group -which is also the main operating country-is Luxembourg.

Information per geographical area:

	Sales		Total assets		Capital expenditure	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Greece	50.750.229,75	33.605.767,91	70.901.283,66	58.941.618,09	433.879,05	314.779,82
EU countries	107.824.440,36	97.025.210,19	66.545.530,27	60.899.018,81	398.666,29	302.087,97
Other countries	28.690.650,20	13.340.700,20	22.158.304,14	14.204.129,44	237.738,10	107.297,54
Total	**187.265.320,31**	**143.971.678,30**	**159.605.118,07**	**134.044.766,33**	**1.070.283,44**	**724.165,33**

Sales are allocated based on the country in which the customer is located. Assets are allocated based on their geographical location. Capital expenditure is allocated based on where the assets are located.

An analysis of the Group's revenues is as follows:

	2015	2014
Sales of goods	14.932.504,84	9.891.518,90
Sales of merchandise	8.099.347,89	2.532.299,87
Sales of services	164.233.467,58	131.547.859,53
Total	**187.265.320,31**	**143.971.678,30**

6. Property, plant and equipment

	Land	Buildings	Plant & Machinery	Tel. equipment	Motor vehicles	Furniture & fixtures	Total
ACQUISITION COST							
Balance at 1 January 2014	**2.556,46**	**2.430.863,06**	**3.762.112,61**	**728.199,67**	**253.559,30**	**3.032.512,97**	**10.209.804,07**
Exchange differences	0,00	0	0	80.169,70	6.236,21	22.046,62	108.452,53
Additions	0,00	45.434,47	245.120,95	36.074,29	20.596,97	36.059,10	383.285,78
Disposals	0,00	(15.000,00)	(84.849,46)	(1.418,10)	(52.431,56)	(11.766,47)	(165.465,59)
Reclassifications	0,00	0,00	0,00	0,00	0	0,00	0,00
Balance at 31 December 2014	**2.556,46**	**2.461.297,53**	**3.922.384,10**	**843.025,56**	**227.960,92**	**3.078.852,22**	**10.536.076,79**
ACCUMULATED DEPRECIATION							
Balance at 1 January 2014	**0,00**	**750.744,76**	**3.591.698,70**	**454.144,46**	**134.957,44**	**2.485.236,90**	**7.416.782,26**
Exchange differences	0,00	0	0	47.515,80	2.837,67	11.616,68	61.970,15
Depreciation charge	0,00	200.575,65	275.828,80	96.513,45	25.759,49	91.417,92	690.095,31
Disposals	0,00	(2.900,00)	(67.857,70)	0,00	(44.047,44)	(10.136,73)	(124.941,87)
Reclassifications	0,00	0,00	0,00	0,00	0	0,00	0
Balance at 31 December 2014	**0,00**	**948.420,41**	**3.799.669,80**	**598.173,71**	**119.507,16**	**2.578.134,77**	**8.043.905,85**
NET BOOK VALUE at 31 December 2014	**2.556,46**	**1.512.877,12**	**122.714,30**	**244.851,85**	**108.453,76**	**500.717,45**	**2.492.170,94**

	Land	Buildings	Plant & Machinery	Tel. equipment	Motor vehicles	Furniture & fixtures	Total
ACQUISITION COST							
Balance at 1 January 2015	**2.556,46**	**2.461.297,53**	**3.922.384,10**	**843.025,56**	**227.960,92**	**3.078.852,22**	**10.536.076,79**
Exchange differences	0,00	0,00	0,00	84.349,27	4.676.79	23.689,92	112.645,88
Additions	0,00	30.105.,49	587.706,99	90.917,20	86.078.70	127.134,41	921.942,79
Disposals	0,00	0,00	(26.362,44)	0,00	(9.360,90)	(12.804,37)	(48.527,71)
Balance at 31 December 2015	**2.556,46**	**2.491.403,02**	**4.483,728,65**	**1.018.292,03**	**309.355,50**	**3.216.802,07**	**11.522.137,74**
ACCUMULATED DEPRECIATION							
Balance at 1 January 2015	**0,00**	**948.420,41**	**3.799.669,80**	**598.173,71**	**119.507,16**	**2.578.134,77**	**8.043.905,85**
Exchange differences	0,00	0,00	0,00	69.111,59	2.912,94	19.088,91	91.113,44
Depreciation charge	0,00	192.798,63	292.644,89	117.873,33	29.947,25	86.039,79	719.303,88
Disposals	0,00	0,00	(23.683,95)	0,00	(6.084,52)	(10.730,91)	(40.499,38)
Balance at 31 December 2015	**0,00**	**1.141.219,04**	**4.068.630,74**	**785.158,63**	**146.282,83**	**2.672.532,54**	**8.813.823.77**
NET BOOK VALUE at 31 December 2015	**2.556,46**	**1.350.183,98**	**415.097,91**	**213.133,40**	**163.072,68**	**544.269,53**	**2.708.313,96**

There are no assets held under finance lease.

7. Goodwill

Amounts in Euro	
Balance at 1 January 2014	**13.572.454,82**
Exchange differences	0
Balance at 31 December 2014	**13.572.454,82**
Balance at 1 January 2015	**13.572.454,82**
Exchange differences	0
Balance at 31 December 2015	**13.572.454,82**
Net book amount at 31 December 2015	**13.572.454,82**

Goodwill resulted from the acquisition of the companies listed below and is allocated to cash generating units (CGUs) as follows:

Amounts in Euro	
Goodwill analysis	
Previous entity of INTRASOFT International before merger	11.362.824,00
INTRASOFT International Scandinavia A.S.	2.209.590,82
TOTAL	**13.572.454,82**

In order to assess whether there is goodwill impairment as at 31 December 2015, the Group performed the relevant impairment tests, at Group level, on cash generating units (CGUs) to which goodwill has been allocated.

The recoverable amount of goodwill from the above companies has been determined based on value-in-use calculations. The value-in-use reflects the present value of future expected cash flows of the CGU discounted at a rate that reflects the time value of money and the risks associated with the CGU. Cash flow projections reflect the business plans covering the five-year period 2015-2019 which were approved by the Group's Board of Directors. These business plans are based on financial results of 2015 whereas cash flows beyond the five-year period are extrapolated using the perpetuity growth rate as presented below.

The key assumptions used for the most significant CGUs for the period 2016 - 2020 are as follows:

	Intrasoft International SA	Intrasoft International Scandinavia
Revenue growth	**4,75%**	**3-4%**
Gross margin	**12,15%**	**30,0% - 35,50%**
EBITDA margin	**5,75%**	**2,5% - 7,5%**
Perpetuity growth rate	**2%**	**2%**
Discount rate	**6,50%**	**6,50%**

The key assumptions used for value-in-use calculation are based on past performance as well as on expectations of the future development of operation and are consistent with external factors.

Based on the tests performed, the goodwill recoverable amount exceeds its carrying value and there is no impairment loss.

8. Intangible assets

	Development costs	Trademarks & licenses	Software	Internally-generated software	Customer relationship	Other	Total
ACQUISITION COST							
Balance at 1 January 2014	**142.353,12**	**663.497,45**	**9.330.316,93**	**28.881.864,98**	**1.707.484,00**	**480.999,99**	**41.206.516,47**
Exchange differences	18.318,22	0	0,00	171.716,78	0	0	190.035,00
Additions	0,00	0	143.998,96	0	0	196.880,59	340.879,55
Balance at 31 December 2014	**160.671,34**	**663.497,45**	**9.474.315,89**	**29.053.581,76**	**1.707.484,00**	**677.880,58**	**41.737.431,02**
ACCUMULATED DEPRECIATION							
Balance at 1 January 2014	0	642,11	9.151.338,30	25.091.551,56	1.706.987,19	0	35.950.519,16
Exchange differences	0	0	0	14.327,97	0	0	14.327,97
Depreciation charge	0	141,48	150.941,30	1.304.512,30	496,79	0	1.456.091,87
Impairment	0	0	0	0,00	0	0	0,00
Balance at 31 December 2014	**0**	**783,59**	**9.302.279,60**	**26.410.391,83**	**1.707.483,98**	**0,00**	**37.420.939,00**
NET BOOK VALUE at 31 December 2014	**160.671,34**	**662.713,86**	**172.036,29**	**2.643.189,93**	**0,02**	**677.880,58**	**4.316.492,02**

	Development costs	Trademarks & licenses	Software	Internally-generated software	Customer relationship	Other	Total
ACQUISITION COST							
Balance at 1 January 2015	**160.671,34**	**663.497,45**	**9.474.315,89**	**29.053.581,76**	**1.707.484,00**	**677.880,58**	**41.737.431,02**
Exchange differences	18.804,05	0,00	0,00	169.822.43	0,00	0,00	**188.626.48**
Additions	0,00	0,00	111.340,53	38.535,80	0,00	0,00	**149.876,33**
Disposals	0,00	0,00	(2.209,09)	0,00	0,00	0,00	**(2.209,09)**
Disposals of subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Reclassifications	0,00	0,00	677.880,58	0,00	0,00	(677.880,58)	**0,00**
Balance at 31 December 2015	**179.475,39**	**663.497,45**	**10.261.327,91**	**29.261.939,99**	**1.707.484,00**	**0,00**	**42.073.724,74**
ACCUMULATED DEPRECIATION							
Balance at 1 January 2015	**0**	**783,59**	**9.302.279,60**	**26.410.391,83**	**1.707.483,98**	**0,00**	**37.420.939,00**
Exchange differences	0,00	0,00	0,00	52.971,89	0,00	0,00	**52.971,89**
Depreciation charge	0,00	141,48	210.598,82	1.212.322,21	0,00	0,00	**1.423.062,51**
Impairment	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Disposals	0,00	0,00	(556,09)	0,00	0,00	0,00	**(556,09)**
Disposals of subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Reclassifications	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Balance at 31 December 2015	**0,00**	**925,07**	**9.512.322,34**	**27.675.685,92**	**1.707.483,98**	**0,00**	**38.896.417,31**
NET BOOK VALUE at 31 December 2015	**179.475,39**	**662.572,38**	**749.005,59**	**1.586.254,06**	**0,02**	**0,00**	**3.177.307,42**

9. Investment property

Amounts in Euro	31/12/2015	31/12/2014
Cost		
Balance at the beginning of period	**206.107,42**	**206.107,42**
Balance at the end of period	**206.107,42**	**206.107,42**
Accumulated Depreciation		
Balance at the beginning of period	**0,00**	**0,00**
Impairment	0,00	0,00
Balance at the end of period	**0,00**	**0,00**
Net book amount at the end of period	**206.107,42**	**206.107,42**

The investment property relates to land rented to Intracom Telecom SA. Rental income from investment properties for 2015 amounted to €36.883,07 (2014: €37.721,52). The operating expenses related to the land amounted to €1.441,10 (2014: €1.456,20)

The Group estimated the fair value of its property as at 31 August 2011. Impairment losses were recorded in the 2011 year's profit or loss amounting to €250.000,00. During 2015 no indications for impairment existed.

10. Investment in subsidiaries

The interest held in subsidiaries as at 31 December is as follows:

Entity Name	Country of incorporation	31/12/2015 Net Book Value	31/12/2015 Net Equity	31/12/2015 Profit / (Loss)	31/12/2015 Interest held (%)
Intrasoft International SA	Belgium	4.059.738,00	4.427.195,02	532.401,87	99,99%
Intrasoft SA	Greece	90.000,00	15.728,45	3.895,10	99,00%
Intrasoft International Bulgaria Ltd	Bulgaria	46.016,98	49.451,48	12.983,45	100,00%
Intrasoft Information Technology UK Ltd	United Kingdom	0,00	(14.136,34)	(2.453,13)	100,00%
Intrasoft Middle East FZC	United Arab Emirates	200.277,01	2.514.822,15	837.357,91	80,00%
Global Net Solutions SA	Bulgaria	200.000,00	1.386.407,71	324.317,77	100,00%
Intrasoft International Scandinavia AS	Denmark	3.303.000,00	2.539.044,92	15.660,77	100,00%
Intrasoft International USA, Inc.	USA	817,59	10.305,81	(6.980,93)	100,00%
Intracom Exports	Cyprus	773.370,53	2.346.791,87	(21.887,68)	100,00%
Intrasoft Information East Africa Ltd	Kenya	0,00	(2.967,37)	(2.949,67)	100,00%
Total		**8.673.220,11**	**13.272.643,70**	**1.692.345,46**	

Entity Name	Country of incorporation	31/12/2014 Net Book Value	31/12/2014 Net Equity	31/12/2014 Profit / (Loss)	31/12/2014 Interest held (%)
Intrasoft International SA	Belgium	4.059.738,00	3.894.793,15	406.983,65	99,99%
Intrasoft SA	Greece	90.000,00	19.623,55	(4.456,05)	99,00%
Intrasoft International Bulgaria Ltd	Bulgaria	46.016,98	36.468,03	(11.759,77)	100,00%
Intrasoft Information Technology UK Ltd	United Kingdom	0,00	(11.683,21)	(4.460,52)	100,00%
Intrasoft Middle East FZC	United Arab Emirates	200.277,01	1.367.907,80	1.002.491,98	80,00%
Global Net Solutions SA	Bulgaria	200.000,00	1.261.578,65	484.437,43	100,00%
Intrasoft International Scandinavia AS	Denmark	2.783.000,00	2.003.384,15	(434.025,91)	100,00%
Intrasoft International USA, Inc.	USA	817,59	817,59	0,00	100,00%
Intracom Exports	Cyprus	773.370,53	447.426,24	(19.409,23)	100,00%
Total		**8.153.220,11**	**9.020.315,95**	**1.419.801,58**	

The movement on Investments account is as follows:

Amounts in Euro	31/12/2015	31/12/2014
Balance at the beginning of period	**8.153.220,11**	**8.267.337,97**
Acquisition of subsidiaries	0,00	0,00
Additions	520.000,00	200.000,00
Disposals / write offs	0,00	(314.117,86)
Balance at the end of period	**8.673.220,11**	**8.153.220,11**

In 2014, the company proceeded to a disposal of EUR 314.117,86 of its subsidiary Intrasoft Jordan S.A.

During the year 2015, the Company converted part of the loan had been granted to its subsidiary Intrasoft International Scandinavia in share capital amounted EUR 520.000,00

In the last quarter of 2015, Intrasoft International SA acquired 88 % of the company Intrasoft International East Africa. The effect on the Financial Statement of the acquisition was not significant.

In order to assess whether there is an impairment of investments in subsidiaries as at 31 December 2015, the Company performed the relevant impairment tests.

Entity Name	Country of incorporation	31/12/2015 Cost Book Value	31/12/2015 Impaired amount	31/12/2015 Net Book Value
Intracom Exports	Cyprus	6.614.075,00	5.840.704,47	773.370,53
Intrasoft International Scandinavia AS	Denmark	6.688.582,19	3.385.582,19	3.303.000,00

The Management of the company considers that there is no need to proceed to any impairment test regarding the rest subsidiaries.

11. Investments in associates

Entity Name	Country of incorporation	31/12/2015 Net Book Value	31/12/2015 Net Equity	31/12/2015 Profit / (Loss)	31/12/2015 Interest held (%)
Advanced Transport Telematics SA	Greece	297.460,00	581.000,23	171.016,17	50,00%
Total		**297.460,00**	**581.000,23**	**171.016,17**	

Entity Name	Country of incorporation	31/12/2014 Net Book Value	31/12/2014 Net Equity	31/12/2014 Profit / (Loss)	31/12/2014 Interest held (%)
Advanced Transport Telematics SA	Greece	271.460,00	558.456,77	15.536,77	50,00%
Total		**271.460,00**	**558.456,77**	**14.536,77**	

During the year 2014, the Company established a 50% held subsidiary Company with the name of Advanced Transport Telematics SA in Greece.

During the year 2015, the Company proceeded to payments of EUR 26.000 of its subsidiary Advanced Transport Telematics SA which will be used to increase the share capital.

12. Available-for-sale financial assets

Amounts in Euro	2015	2014
Balance at the beginning of period	**504.022,06**	**2.147.869,51**
Impairment	0,00	(3.399,46)
Fair value adjustments (note 15f)	0,00	0,00
Additions	1.172.013,76	0,00
Disposals/write-offs	0,00	(1.640.447,99)
Balance at the end of period	**1.676.035,82**	**504.022,06**
Non-current portion	**1.676.035,82**	**504.022,06**
- Equity securities		
Listed securities		
3.333.333 Shares of Attika Bank SA	999.999,90	0,00
	999.999,90	0,00
Unlisted securities		
Intranet	249.778,80	249.778,80
Edap-Etep Kritis	11.738,82	11.738,82
Akropolis Park	242.504,44	242.504,44
Odyssey Partners	172.013,86	0,00
	676.035,92	**504.022,06**
	1.676.035,82	**504.022,06**

Available-for-sale FA are denominated in the following currencies:		
Euro	1.676.035,82	504.022,06
	1.676.035,82	**504.022,06**

The investments in listed companies relate to companies listed in the Athens Stock Exchange, and are measured at their quoted stock prices at the balance sheet date.

Additions to the Company concerning the participation in ATTIKA BANK 0,14% common registered shares which they were introduced for trading to Athens Stock Exchange on January 18th, 2016.

During the year 2015, the subsidiary Intracom Exports Ltd acquired 2,45% of the company Odyssey Partners S.C.A. SICAR amounted EUR 172.013,86. The purpose of the Odyssey Partners S.C.A. is the investment of the funds available to it in risk capital within the widest meaning permitted under the 2004 Act and CSSF Circular 06/241.

Fair value of listed and unlisted securities represents a Level 1, respectively a Level 3 measure. Investments in unlisted shares are shown at cost less impairment.

Entity Name	Country of incorporation	31/12/2015 Cost Book Value	31/12/2015 Impaired amount	31/12/2015 Net Book Value
Intranet	Greece	270.000,00	20.221,20	249.778,80
Edap-Etep Kritis	Greece	11.738,82	0,00	11.738,82
Akropolis Park	Greece	302.504,44	60.000,00	242.504,44
Odyssey Partners	Luxemburg	172.013,86	0,00	172.013,86
Attika Bank SA	Greece	999.999,90	0,00	999.999,90
Total		**1.756.257,02**	**80.221,20**	**1.676.035,82**

13. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The offset amounts are as follows:

Amounts in Euro	31/12/2015	31/12/2014
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	(328.806,22)	(1.040.268,77)
Deferred tax assets to be recovered within 12 months	(11.369,65)	(12.259,27)
	(340.175,87)	**(1.052.528,039)**
Deferred tax liabilities:		
Deferred tax liabilities to be settled after more than 12 months	229.006,73	227.757,78
Deferred tax liabilities to be settled within 12 months	0,00	0,00
	229.006,73	**227.757,78**
	(111.169,14)	**(824.770,26)**

The gross movement on the deferred income tax account is as follows:

Amounts in Euro	31/12/2015	31/12/2014
Balance at beginning of period:	**(824.770,26)**	**(821.770,02)**
Exchange differences	0,00	(0,01)
Tax charged to equity	0,00	0,00
Income statement charge (Note 34)	713.601,12	(3.000,25)
Balance at the end of period	**(111.169,14)**	**(824.770,26)**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Provisions – Impairment losses	Tax losses	Other	Total
Deferred tax asset				
Balance at 1 January 2014	**(332.829,17)**	**0,00**	**(716.105,05)**	**(1.048.934,22)**
Charged / (credited) to the income statement	(2.931,88)	0,00	(661,95)	(3.593,83)
Charged to equity	0,00	0,00	0,00	0,00
Exchange differences	0,00	0,00	0,00	0,00
Balance at 31 December 2014	**(335.761,05)**	**0,00**	**(716.767,00)**	**(1.052.528,04)**
Charged / (credited) to the income statement	2.300,33	0,00	710.051,84	712.352.17
Charged to equity	0,00	0,00	0,00	0,00
Exchange differences	0,00	0,00	0,00	0,00
Balance at 31 December 2015	**(333.460,72)**	**0,00**	**(6.715,16)**	**(340.175,87)**

Provisions/Impairment losses amounts € 333.460,72 derived from other provisions

Other assets amounts € 6.715,16 derived from other provisions.

The Group has not recognized deferred tax asset on the losses of the previous and the current year. These losses amount to € 13.398.523,74

	Accelerated tax depreciation	Accrued income	Other	Total
Deferred tax liability				
Balance at 1 January 2014	**199.547,52**	**0,00**	**27.616,69**	**227.164,20**
Charged / (credited) to the income statement	593,58	0,00	0,00	593,58
Disposal of subsidiaries	0,00	0,00	0,00	0,00
Balance at 31 December 2014	**200.141,10**	**0,00**	**27.616,69**	**227.757,78**
Charged / (credited) to the income statement	1.248,95	0,00	0,00	1.248,95
Exchange differences	0,00	0,00	0,00	0,00
Balance at 31 December 2015	**201.390,05**	**0,00**	**27.616,69**	**229.006,73**

14. Trade and other receivables

Amounts in Euro	31/12/2015	31/12/2014
Trade receivables	50.660.846,62	43.436.638,96
Less: provision for impairment of receivables	(8.937.456,19)	(8.605.704,76)
Trade receivables - net	**41.723.390,43**	**34.830.934,20**
Receivables from related parties (note 39)	2.923.975,02	5.976.771,30
Loans to related parties	2.681.318,72	2.522.516,24
Advances to suppliers	614.755,41	596.145,39
Prepaid expenses	2.343.489,88	1.227.796,96
Accrued income	48.953.025,00	41.591.102,78
Other receivables	1.592.186,11	762.135,76
Total	**100.832.140,58**	**87.507.402,62**
Non-current portion	4.261.957,79	3.779.510,36
Current portion	96.570.182,79	83.727.892,26
Total	**100.832.140,58**	**87.507.402,62**

The analysis of trade receivables of the Group at the end of each year is as follows:

Amounts in Euro	31/12/2015	31/12/2014
Total	**41.723.390,43**	**34.830.934,20**
Not past due and not impaired at the balance sheet date	22.883.077,92	19.803.736,66

Not impaired at the balance sheet date but past due in the following periods:		
	31/12/2015	**31/12/2014**
< 90 days	5.382.530,91	3.645.954,31
90-180 days	5.276.600,12	2.734.428,52
180-270 days	7.506.236,89	7.412.582,15
270-365 days	468.445,98	374.772,33
1-2 years	206.498,62	663.764,31
> 2 years	0,00	195.695,92
	18.840.312,52	**15.027.197,54**
	41.723.390,44	**34.830.934,20**

There is no concentration of credit risk in relation to trade receivables, since the Group has a great number of customers. The Group has developed policies to ensure that the sales agreements take place with customers with sufficient credit quality. The credit policy of the Group is determined on a case by case basis and is set out in the agreed terms in the contract signed with each customer.

The movement of provision for impairment of trade and other receivables is analysed as follows:

	Individually impaired	Collectively impaired	Total impairment
Balance at 1 January 2014	**8.770.937,54**	**0,00**	**8.770.937,54**
Additional provision for the period	80.771.70	0,00	**80.771,70**
Unused amounts reversed	(244.389,96)	0,00	**(244.389,96)**
Exchange differences	192,00	0,00	**192,00**
Discounting	(1.807,23)	0,00	**(1.807,23)**
Balance at 31 December 2014	**8.605.704,53**	**0,00**	**8.605.704,53**
Balance at 1 January 2015	**8.605.704,53**	**0,00**	**8.605.704,53**
Additional provision for the period	332.787,04	0,00	**332.787,04**
Unused amounts reversed	(1.035,61)	0,00	**(1.035,61)**
Discounting	0,00	0,00	**0,00**
Balance at 31 December 2015	**8.937.455,96**	**0,00**	**8.937.455,96**

Trade and other receivables are analyzed in the following currencies:

	31/12/2015	31/12/2014
Euro (EUR)	79.822.576,27	71.909.210,69
US Dollar (USD)	18.653.767,68	13.180.254,03
Bulgarian Leva (BGN)	602.404,86	690.215,45
Jordan Dinar (JOD)	1.165.413,95	1.243.055,09
Danish Corona (DKK)	116.693,84	88.709,37
Other	471.283,97	395.957,99
	100.832.140,58	**87.507.402,62**

15. Inventories

	31/12/2015	31/12/2014
Raw materials	931,93	577,76
Merchandise	2.693.624,10	1.488.873,82
Other	275.835,60	246.444,39
Total	**2.970.391,63**	**1.735.895,97**
Less: Provision for obsolete , slow-moving and damaged stock:		
Merchandise	300.854,96	300.854,96
Other	0,00	0,00
Total	**300.854,96**	**300.854,96**
	2.669.536,67	**1.435.041,01**

The movement of the provision is as follows:

	31/12/2015	31/12/2014
Analysis of provision		
Opening balance	**300.854,96**	**300.854,96**
Additional provision for the period	0,00	0,00
Provision used	(0,00)	(0,00)
Closing balance	**300.854,96**	**300.854,96**

16. Cash and cash equivalents

Cash and cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	31/12/2015	31/12/2014
Cash in bank and in hand	31.200.976,72	20.425.546,25
Short-term bank deposits	1.051.074,16	850.746,83
Total	**32.252.050,88**	**21.276.293,08**

The effective interest rate on short-term time deposits for the Company was 1,00% (2014: 1,00%).

Cash and cash equivalents are analysed in the following currencies:

	31/12/2015	31/12/2014
Euro (EUR)	26.569.745,51	17.782.190,03
US Dollar (USD)	3.891.487,91	2.125.959,17
Other	1.790.817,46	1.368.143,87
Total	**32.252.050,88**	**21.276.293,08**.

17. Share capital

	Number of shares	Ordinary shares	Share premium	Total
Balance at 31 December 2014	**62.104**	**62.104**	**0,00**	**1.552.600,00**
Balance at 31 December 2015	**62.104**	**62.104**	**0,00**	**1.552.600,00**

On 31 December 2015 the Company's share capital amounts to €1.552.600,00 divided into 62.104 of which INTRACOM Holdings SA holds 62.103 shares with a nominal value of €25,00 each. All shares are fully paid-in up.

18. Other reserves

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Reserves for actuarial gain / losses	Other reserves	Total
Balance at 1 January 2014	**544.175,34**	**0,00**	**10.423.972,64**	**26.401,37**	**(891.786,54)**	**(4.246.883,99)**	**5.855.878,41**
Transfer from retained earnings	0,00	0,00	272.500,00	0,00	0,00	0,00	272.500,00
Transfer to retained earnings	0,00	0,00	(229.100,00)	0,00	0,00	0,00	(229.100,00)
Actuarial gain / losses	0,00	0,00	0,00	0,00	(474.740,80)	0,00	(474.740,80)
Other	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31 December 2014	**544.175,34**	**0,00**	**10.467.372,64**	**26.401,37**	**(1.366.527,34)**	**(4.246.883,99)**	**5.424.537,61**

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Reserves for actuarial gain / losses	Other reserves	Total
Balance at 1 January 2015	**544.175,34**	**0,00**	**10.467.372,64**	**26.401,37**	**(1.366.527,34)**	**(4.246.883,99)**	**5.424.537,61**
Transfer from retained earnings	83.885,95	0,00	46.850,00	0,00	0,00	0,00	**130.735,95**
Transfer to retained earnings	0,00	0,00	(299.500,00)	0,00	0,00	0,00	**(299.500,00)**
Reclassification	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Actuarial gain / losses	0,00	0,00	0,00	0,00	345.347,93	0,00	**345.347,93**
Other	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Balance at 31 December 2015	**456.995,04**	**241.210,57**	**9.781.702,48**	**26.401,37**	**(599.157,67)**	**(4.246.883,99)**	**5.601.121,49**

(a) Statutory reserve

The Group is required by Luxemburg law to appropriate annually, to a legal reserve, an amount equal to 5% of its statutory net profit until the aggregate reserve reaches 10% of the subscribed share capital. Such a reserve is not available for distribution. The cap of 10% of the subscribed capital has been reached and therefore the Legal Reserve amounts 155.260,00€.

(b) Special reserve

The special reserve includes amounts that were created following resolutions of the Annual General meetings, have no specific purpose and can therefore be used for any reason following approval from the Annual General meeting, as well as amounts, which were created under the provisions of Greek law. These reserves have been created from after tax profits and are therefore not subject to any additional taxation in case of their distribution or capitalisation.

(c) Tax free reserve

<u>Tax-free reserves under special laws</u>

This account includes reserves created from profits, whichwere used for the acquisition of new fixed assets employed in the production process and are therefore regarded as tax-free under special provisions of development laws in force each time. In other words, this reserve is created from profits for which no taxis calculated or paid.

<u>Reserves created under the provisions of tax law from tax free income or from income taxed under special provisions</u>

This reserve includes the portion of the net income carried forward every year that comes from tax-free profits and profits taxed under special provisions by using up the tax liability.

The above-mentioned reserves can be capitalised or distributed, following the approval of the Annual General Meeting, after taking into consideration the restrictions that may apply. In case of capitalisation or distribution, tax is calculated at the current tax rate.

(d) Extraordinary reserve

Extraordinary reserves include amounts of reserves formed following resolutions of Ordinary General Meetings, have no specific purpose and can therefore be used for any purpose upon relevant resolution of the Ordinary General Meeting, as well as amounts of reserves formed based on provisions of the Greek law. The above extraordinary reserves have been formed from taxed profits and are therefore not subject to any additional taxation in case of their distribution or capitalization.

(e) Other reserves

The total amount of EUR (4.246.883,99) consist of consequences of the cross-border merger.

(f) Fair value reserve

Fair value reserve is analyzed as follows:

	Available for sale financial assets	Currency translation	Total
Balance at 1 January 2014	**0,00**	**(107.017,23)**	**(107.017,23)**
Revaluation:	0,00	0,00	**0,00**
Currency translation differences	0,00	660.111,49	**660.111,49**
Balance at 31 December 2014	**0,00**	**553.094,26**	**553.094,26**

	Available for sale financial assets	Currency translation	Total
Balance at 1 January 2015	**0,00**	**553.094,26**	**553.094,26**
Revaluation:	0,00	0,00	**0,00**
Currency translation differences	0,00	482.632,36	**482.632,36**
Balance at 31 December 2015	**0,00**	**1.035.726,62**	**1.035.726,62**

This reserve in 2015 includes the Currency Translation differences from the translation of foreign subsidiaries financial statements.

19. Borrowings

Amounts in Euro	31/12/2015	31/12/2014
Non-current borrowings		
Bank borrowings	7.600.000,00	8.800.000,00
Obligations under finance leases	0,00	0,00
Total non-current borrowings	**7.600.000,00**	**8.800.000,00**
Current borrowings		
Bank overdrafts	0,00	0,00
Bank borrowings	42.996.963,72	41.423.802,68
Obligations under finance leases	0,00	0,00
Total current borrowings	**42.996.963,72**	**41.423.802,68**
Total borrowings	**50.596.963,72**	**50.223.802,68**

The company took advantage of the mergers that took place in the Greek banking system which provide us the opportunity to unify the majority of the loans and set the interest rate lower through common pricing. The levels of weighted average interest rate for the period 2015 (6,14%) are lower than those of 2014 (6,26%) due to the negative Euribor rates. The Company assesses that during the current year, interest rate risk is limited since it is expected that interest rates will remain stable and in case that there is an improvement in the economic climate in Greece, a further decrease is expected.

The Group has approved credit lines for working capital financing purposes and issuances of letters of guarantees in excess of Euro 88 million.

All above lines are reviewed on an annual basis and are guaranteed by INTRACOM SA Holdings.

	2015	2014
Euro (EUR)	47.850.002,69	49.000.008,76
US Dollar (USD)	2.746.961,03	1.223.793,92
Total	**50.596.963,72**	**50.223.802,68**

The contractual undiscounted cash flows of the borrowings are as follows:

Amounts in Euro	31/12/2015	31/12/2014
Not later than 1 year	42.996.963,72	41.423.802,68
Between 1 and 2 years	7.600.000,00	8.800.000,00
	50.596.963,72	**50.223.802,68**

Finance leases

There are no Finance lease liabilities for the year 2015 and 2014.

20. Retirement benefit obligations

According to Greek Labor Law, employees are entitled to indemnity on dismissal and retirement, the amount of which varies depending on the years of services, salary level and the way the employee leaves his or her employment (dismissal or retirement). Employees that resign or are dismissed for legally valid reasons are not indemnified. The indemnity payable on retirements is 40% of the amount that would have been payable to the same employee on dismissal on the same day (retirement date). In Greece, based on customary practice, these programs are not funded. The Group charges to the income statement the expense attributable to the service provided by employees in the year, with a corresponding increase in the provision for staff retirement indemnities. Any payments made to retiring employees are set against the related provision. An independent actuary (Manolis Valavanis - Member of the Hellenic Actuarial Society and of the American Academy of Actuaries) calculated the Group's liability for retirement indemnities.

The movement of the net liability as presented in the balance sheet and the basic assumptions used in the actuarial study as at 31 December 2015 and 2014 are as follows:

	2015	2014
Balance sheet obligations for:		
Pension benefits	2.970.472,88	3.160.247,91
Total	**2.970.472,88**	**3.160.247,91**
Income statement charge for (Note30):		
Pension benefits	155.572.90	158.475,93
Total	**155.572.90**	**158.475,93**
Actuarial (gains)/losses (OCI)		

Pension benefits	345.347,93	(474.740,80)
Total	**345.347,93**	**(474.740,80)**
The amounts recognized in the Balance Sheet are as follows:		
	2015	**2014**
Present value of funded obligations	2.970.472,88	3.160.247,91
	2.970.472,88	**3.160.247,91**
Present value of unfunded obligations	0,00	0,00
	0,00	**0,00**
Liability in the Balance Sheet	**2.970.472,88**	**3.160.247,91**
The amounts recognized in the income statement are as follows:		
	2015	**2014**
Current service cost	155.531,85	158.417,84
Interest cost	41,05	58,09
Net actuarial (gains) / losses recognized in the period	0,00	0,00
Past service cost	0,00	0,00
Total included in employee benefit expense (Note 30)	**155.572,90**	**158.475,93**
Total Charge allocated as follows:		
	2015	**2014**
Cost of sales	156.375,44	158.341,46
Selling and marketing costs	(835,34)	(1.252,24)
Administrative expenses	32,80	1.386,71
Total	**155.572,90**	**158.475,93**
Movement in the liability recognized in the balance sheet		
	2015	**2014**
Balance at the beginning of period	**3.160.247,91**	**2.527.031,18**
Total expense included in employee benefit expense	155.572,90	158.475,93
Disposal of subsidiaries	**0,00**	0,00
Actuarial (gain)/loss from change in financial assumptions	(345.347,93)	474.740,80
Experience (gains)/losses	0,00	0,00
Balance at the end of period	**2.970.472,88**	**3.160.247,91**

The Principle Actuarial Assumptions Used for Accounting Purposes are:

	31/12/2015	31/12/2014
Discount rate	**1,80%**	**2,20%**
Future salary increases	**2,30%**	**2,50%**
Future pension increases	**2,00%**	**2,00%**

<u>Sensitivity analysis</u>

The use of a discount rate plus 50BP will lead to an actuarial liability lower by 9% and the opposite, a discount rate minus 50BP will lead to an actuarial liability higher by 10%

The use of a salary rate plus 50BP will lead to an actuarial liability higher by 10% and the oppsite, a salary rate minus 50BP will lead to an actuarial liability lower by 9%.

	Projected Benefit Obligation	%
Discount rate plus 50BP	**2.565.031**	**-9%**
Discount rate minus 50BP	**3.075.889**	**10%**
Salary rate plus 50BP	**3.073.122**	**10%**
Salary rate minus 50BP	**2.565.031**	**-9%**

21. Grants

Amounts in Euro	31/12/2015	31/12/2014
Balance at the beginning of period	**0,00**	**9.474,93**
Additions	0,00	0,00
Transfer to the profit or loss (amortisation)	0,00	(9.474,93)
Balance at the end of period	**0,00**	**0,00**

The grants relate to subsidiary company Global Net Solution SA for the expansion of its telecommunications network.

22. Provisions

Long-term provisions are analyzed as follows:

	Tax liabilities	Project losses	Total
Balance at 1 January 2014	**504.037,67**	**329.740,38**	**833.768,15**
Utilized during the year	0,00	(125.582,01)	**(125.582,01)**
Additional provision for the period	0,00	0,00	**0,00**
Balance at 31 December 2014	**504.037,67**	**204.148,47**	**708.186,14**
Unused amounts reversed	0,00	(2.998,38)	**(2.998,38)**
Utilized during the year	0,00	(221.583,96)	**(221.583,96)**
Additional provision for the period	150.000,00	386.548,98	**536.548,98**
Balance at 31 December 2015	**654.037,67**	**366.115,11**	**1.020.152,78**

Short-term Provisions are analyzed as follows:

	Staff related	Project losses	Other	Total
Balance at 1 January 2014	**2.154.426,14**	**213.799,38**	**123.477,98**	**2.491.703,50**
Additional provision for the period	1.186.066,13	470.329,95	24.241,49	**1.680.637,57**
Unused amounts reversed	(134.284,65)	0,00	(26494,86)	**(160.779,51)**
Exchange differences	0,00	0,00	0,00	**0,00**
Utilized during the year	(909.915,93)	(582.997,77)	0,00	**(1.492.913,7)**
Balance at 31 December 2014	**2.296.291,69**	**101.131,56**	**121.224,61**	**2.518.647,86**
Additional provision for the period	3.141.505,69	191.489,57	21.921,30	**3.354.916,56**
Unused amounts reversed	(370.293,00)	(1.485,34)	(24.720,46)	**(396.498,8)**
Utilized during the year	(1.652.652,81)	(290.511,37)	(28.297,47)	**(1.971.461,65)**
Balance at 31 December 2015	**3.414.851,57**	**624,42**	**90.127,98**	**3.505.603,97**

The staff related provisions comprise short term accrued employee benefit like provisions for leave pay, provision for untaken vacation days and provisions for bonus.

23. Trade and other payables

Amounts in Euro	31/12/2015	31/12/2014
Trade payables	27.003.163,70	17.660.028,85
Amounts due to related parties (Note 39)	10.141.430,62	11.821.904,08
Accrued Expenses	17.781.431,32	12.108.759,35
Social security and other taxes	5.647.024,25	2.949.914,38
Advances from customers	16.688.361,65	16.526.949,44
Deferred revenue	9.262.424,01	5.544.052,34
Other payables	1.812.859,22	1.102.140,15
Total	**88.336.694,76**	**67.713.748,59**
Non-current portion	1.612.253.40	16.993,88
Current portion	86.724.441,36	**67.696.754,71**
Total	**88.336.694,76**	**67.713.748,59**

Trade and other payables are denominated in the following currencies:

	31/12/2015	31/12/2014
Euro (EUR)	74.099.329,70	57.454.895,43
US Dollar (USD)	11.676.557,50	7.128.518,90
Bulgarian Leva (BGN)	1.002.122,13	966.531,73
Romanian (RON)	128.424,08	0,00
Jordan Dinar (JOD)	1.325.151,35	1.844.225,29
Danish Corona (DKK)	105.110,00	319.577,25
Total	**88.336.694,76**	**67.713.748,59**

24. Expenses by nature

Amounts in Euro	Note	1/1-31/12/2015	1/1-31/12/2014
Employee benefit expense	25	65.573.100,72	60.315.425,76
Costs of inventories recognized as expense		24.294.917,85	10.876.769,96
Depreciation of property, plant and equipment:			
- Owned Assets	6	719.303,88	690.095,31
- Leased Assets	6	0,00	0,00
Amortisation of intangible assets	8	1.423.062,51	1.456.091,87
Impairment of intangible assets	8	0,00	0,00
Additional provision of inventories	15	0,00	(3.066,78)
Impairment charge for bad and doubtful debts	14	332.787,04	80.753,75
Subcontractors		75.175.848,78	56.112.031,30
Exchange differences		71.377,13	0,00
Repair and maintenance expenditure on property, plant and equipment		10.167,09	8.687,42
Operating lease rentals:			
- Property		1.876.207,42	1.785.256,17
- Machinery		2.074.984,94	1.990.734,05
- Office equipment		60.635,66	44.122,84
Transportation / Travel expenses		4.281.284,66	3.737.702,85
Telecommunication cost		729.298,43	746.945,36
Third party fees		1.248.811,56	1.234.921,94
Advertising		176.806,95	142.708,05
Other administrative expenses		375.865,99	164.497,35
Building expenses		1.501.996,56	1.487.742,42
Other		(592.048,32)	(1.077.395,56)
Total		**179.334.408,82**	**139.794.024,06**

Allocation of total expenses by function	1/1-31/12/2015	1/1-31/12/2014
Cost of sales	156.883.893,20	119.886.821,90
Selling & marketing costs	11.125.142,88	9.531.982,98
Administrative expenses	11.325.372,75	10.375.219,18
Total	**179.334.408,82**	**139.794.024,06**

Allocation of depreciation of property, plant & equipment by function	1/1-31/12/2015	1/1-31/12/2014
Cost of sales	455.990,18	453.702,74
Selling & marketing costs	76.772,17	73.439,33
Administrative expenses	186.541,54	162.953,24
Total	**719.303,89**	**690.095,31**

Allocation of amortization of intangible assets by function	1/1-31/12/2015	1/1-31/12/2014
Cost of sales	1.122.071,59	1.188.647,51
Selling & marketing costs	40.814,01	39.114,69
Administrative expenses	260.176,91	228.329,67
Total	**1.423.062,51**	**1.456.091,87**

Allocation of employee benefit expenses by function	1/1-31/12/2015	1/1-31/12/2014
Cost of sales	52.141.095,81	49.144.867,71
Selling & marketing costs	5.842.187,91	6.050.080,81
Administrative expenses	7.589.817,00	5.120.477,24
Total	**65.573.100,72**	**60.315.425,76**

Allocation of exchange differences by function	1/1-31/12/2015	1/1-31/12/2014
Cost of sales	0,00	0,00
Selling & marketing costs	0,00	0,00
Administrative expenses	71.377,13	0,00
Total	**71.377,13**	**0,00**

25. Employee benefits

	1/1-31/12/2015	1/1-31/12/2014
Number of employees	**1.490**	**1.353**
Amounts in Euro	1/1-31/12/2015	1/1-31/12/2014
Wages and salaries	53.148.562,08	48.641.662,83
Social security costs	10.306.404,24	10.015.195,84
Other employer contributions and expenses	500.915,84	126.396,74
Share options granted to directors and employees	0,00	57.701,29
Pension costs - defined contribution plans	122.190,39	136.249,64
Pension costs - defined benefit plans	155.572,90	158.475,93
Other post employment benefits	1.339.455,27	1.179.743,49
Total	**65.573.100,72**	**60.315.425,76**

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company.

Amounts in Euro		31/12/2015	31/12/2014
Short-tem employee benefits		1.346.720,32	988.841,16
	Total	**1.346.720,32**	**988.841,16**

26. Other operating income

Amounts in Euro		1/1-31/12/2015	1/1-31/12/2014
Amortization of grants received (note 21)		0,00	23.611,,78
Dividend Income		2.093,19	0,00
Other income from grants		36.553,68	36.663,44
Rental income		46.247,49	44.258,38
Insurance reimbursement		3.486,92	1.839,55
Other		350.796,61	382.880,09
Other		3.217,86	1.245,61
	Total	**441.395,75**	**490.498,85**

27. Other gains / (losses) – net

Amounts in Euro		1/1-31/12/2015	1/1-31/12/2014
Impairment charge on available for sale investments (note 12)		0,00	0,00
Impairment charge of subsidiaries (Note 10)		0,00	(2.305,73)
Net foreign exchange gains / (losses)		257.763,51	112.026,75
Profit / (loss) on disposal of property, plant and equipment		555,63	7.478,69
Other		292.677,35	(129.855,21)
	Total	**(34.358,21)**	**(12.655,49)**

28. Finance expenses / (income) – net

Amounts in Euro	1/1-31/12/2015	1/1-31/12/2014
Finance expenses		
Bank borrowings	(3.523.798,70)	(3.939.440,07)
Finance leases	0,00	0,00
Letters of guarantee fees	(772,636,18)	(573.434,26)
Interest on prepayments of projects	(134.388,45)	(63.905,09)
Net foreign exchange gains / (losses)	243.837,25	49.003,72
Fair value gains / (losses) on financial instruments	159,33	0,00
Total Finance expenses	**(4.186.826,75)**	**(4.527.775,70)**
Finance income		
Interest income on short-term bank deposits	20.522,01	22.433,74
Interest income on loans to related parties	159.987,46	80.286,60
Other	27.347,43	725.868,30
Total Finance income	**207.856,90**	**828.588,64**
Total Finance result	**(3.978.969,84)**	**(3.699.187,06)**

29. Income tax

Amounts in Euro	1/1-31/12/2015	1/1-31/12/2014
Current tax	(1.862.365,78)	(1.419.203,85)
Deferred tax (note 14)	(713.601,12)	3.000,25
Total	**(2.575.966,90)**	**(1.416.203,60)**

On 17 July 2015 the new corporate tax law in Greece was set into force, by voting of the relevant Draft Tax Law, according to which the corporate income tax rate of legal entities for undistributed profits is set at 29% for fiscal year 2015 onwards.

On 31 December 2014, the Jordanian government published Law No. 34 of 2014 (“the new tax law”) which is effective 1 January 2015. The income tax for companies has change from 14% to 20%.

According to the tax laws in the respective jurisdictions of the Parent Company and its Subsidiaries, the Group income tax rates applicable to Company were as follows:

	2015	2014
Luxembourg	29,22%	29,22%
Greece	29%	26%
Romania	16%	16%
Belgium	33,99%	33,99%
Bulgaria	10%	10%
Denmark	25%	25%
Cyprus	12,5%	12,5%
United Arab Emirates	0,00%	0,00%
Jordan	20%	14%

Unaudited tax years

The parent company has not been tax audited for the financial year 2013 - 2015.

The financial years for which the Company and its subsidiaries have not been audited and, therefore, the tax liabilities for these open years have not been finalized, are presented as follow. The cumulative provision for unaudited tax years amounts to EUR 654.037,67 for the Group.

	Country of in cooperation	Unaudited Tax Years
Intarsoft International S.A. Luxembourg	Luxembourg	2013 - 2015
Intrasoft International Greek branch	Greece	2010 - 2015
Intrasoft International Romanian branch	Romania	n/a
Intrasoft International Scandinavia	Denmark	2007 - 2015
Intrasoft International Belgium	Belgium	-
Intrasoft Jordan	Jordan	2011 - 2015
Global Net Solution	Bulgaria	2009 - 2015
Intrasoft International Ltd	Bulgaria	2011 - 2015
Intracom Cyprus	Cyprus	2010 - 2015
Intracom Exports	Cyprus	2006 - 2015
Intrasoft Information Technology Ltd	UK	2011 - 2015
Intrasoft SA	Greece	2010 - 2015
Intrasoft International Jordanian branch	Jordan	2011 - 2015

The tax on the losses before tax of the Group and the Company differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits/losses of the group companies as follows:

Amounts in Euro	1/1-31/12/2015	1/1-31/12/2014
Profit before tax	**4.465.783,81**	**964.078,92**
Tax calculated at Greek tax rate applicable on profits	(1.295.077,30)	(250.660,52)
Income not subject to tax	(61.354,28)	29.877,62
Expenses not deductible for tax purposes	(486.910,35)	(689.891,24)
Effect from different tax rates	275.790,08	224.771,66
Adjustment for over provision in previous periods	205.838,81	0,00
Tax losses of the period	(272.234,29)	(522.601,95)
Other taxes	(942.019,57)	(207.699,17)
Tax Charge	**(2.575.966,90)**	**(1.416.203,60)**

30. Earnings / (losses) per share

Basic earnings / (losses) per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 21).

Amounts in Euro	1/1-31/12/2015	1/1-31/12/2014
Profit / (loss) attributable to equity holders of the company	1.722.345,32	(607.236,38)
Weighted average number of ordinary shares in issue	62.104	62.104
Basic earnings / (losses) per share	27,73	(9,78)

Diluted earnings / (losses) per share

Diluted earnings / (losses) per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, such as stock options. For the share options calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Amounts in Euro	1/1-31/12/2015	1/1-31/12/2014
Profit / (loss) attributable to equity holders of the company	1.722.345,32	(607.236,38)
Weighted average number of ordinary shares in issue	62.104	62.104
Basic earnings / (losses) per share	27,73	(9,78)

From the calculation of the weighted average number of ordinary shares of diluted earnings, no difference has occurred in relation to basic earnings per share.

31. Cash generated from operations

Amounts in Euro	Note	1/1(31/12/2015	1/1(31/12/2014
Profit after tax for the period from continuing operations		**1.889.816,91**	**(452.124,68)**
Profit after tax for the period from discontinued operations		**0,00**	**0,00**
Adjustments for :			
Tax	29	2.575.966,90	1.416.203,60
Depreciation of property, plant & equipment	6	719.303,88	690.095,31
Amortisation of intangible assets	8	1.423.062,51	1.456.091,87
(Profit) / Loss on disposal of property, plant & equipment	27	(555,63)	(7.478,69)
(Profit) / Loss on disposal of available-for-sale financial assets	28	0,00	(659.710,40)
Interest income	28	(207.856,90)	(168.878,24)
Interest expense	28	4.186.826,75	4.527.775,70
Exchange gains / losses		507.482,83	(112.026,75)
Dividend Income		(2.093,19)	0,00
Government grants		0,00	(23.611,78)
Share of result of associates		(106.804,62)	(7.768,39)
		10.985.149,42	**6.790.728,50**
Changes in working capital			
(Increase) / decrease in inventories		(1.234.495,66)	(973.036,72)
(Increase) / decrease in trade and other receivables		(13.165.935,47)	1.279.290,95
Increase / (decrease) in payables		20.355.511,60	10.195.146,28
Increase / (decrease) in provisions		1.298.922,75	(98.637,65)
Increase / (decrease) in pension & other benefits		155.572,90	633.216,73
		7.409.576,11	**11.035.979,60**
Net cash generated from / (used in) operating activities		**18.394.725,54**	**17.826.708,10**

32. Commitments

As at the balance sheet date the Company has the following commitments:

Operational Lease Commitments (amounts in Euro)	1/1(31/12/2015	1/1(31/12/2014
Not later than 1 year	3.069.207,56	3.121.017,90
Later than 1 year and not later than 5 years	6.993.318,19	7.769.095,44
Later than 5 years	2.596.029,39	4.549.340,46
TOTAL	**12.658.555,14**	**15.439.453,80**

Additionally Intrasoft International SA guarantees that Intrasoft International Scandinavia A/S can discharge its obligations as they fall due in case financing is not otherwise procured. Also the company will support Intrasoft International Scandinavia A/S financially to ensure that the company can discharge its obligations as they fall due.

In connection with:

(a) a secured bond loan issued on 30 June 2014 by a Greek company under the distinctive title "ADVANCED TRANSPORT TELEMATICS A.E."(the Issuer or the Borrower) in the amount of €2,730,000 (the Senior Bond Loan) to be subscribed for by, amongst others, NATIONAL BANK OF GREECE S.A. (NBG) with NBG as bondholder agent (the Senior Bond Loan Bondholder Agent);

(b) a secured bond loan issued on 30 June 2014 by the Issuer in the amount of €1,460,000 (the VAT Bond Loan) to be subscribed for by, amongst others, NBG with NBG as Bond holder agent (the VAT Bond Loan Bondholder Agent);

(c) a secured fixed term loan in the amount of €3.985.372,43 (the T.A.A. Loan) granted to the Borrower by NBG (the Lender),

the Company:

(i) has granted a pledge over all its shares in the Issuer (representing 50% of the Issuer's share capital) (the Senior Bond Loan Share Pledge) in favour of the Senior Bond Loan Bondholder Agent as security for the Senior Bond Loan pursuant to an agreement dated 30 June 2014 (the Senior Bond Loan Share Pledge Agreement);

(ii) has granted a pledge over all its shares in the Issuer (representing 50% of the Issuer's share capital) (the VAT Bond Loan Share Pledge) in favour of the VAT Bond Loan Bondholder Agent as security for the VAT Bond Loan pursuant to an agreement dated 30 June 2014 (the VAT Bond Loan Share Pledge Agreement);

(iii) has granted a pledge over all its shares in the Borrower (representing 50% of the Borrower's share capital) (the TAA Loan Share Pledge and together with the Senior Bond Loan Share Pledge and the VAT Bond Loan Share Pledge, the Share Pledges and each a Share Pledge) in favour of the Lender as security for the TAA Loan pursuant to an agreement dated 30 June 2014 (the TAA Loan Share Pledge Agreement and together with the Senior Bond Loan Share Pledge Agreement and the VAT Bond Loan Share Pledge Agreement, the Share Pledge Agreements and each a Share Pledge Agreement);

(iv) has entered into a bond loan agreement and a bond subscription agreement in connection with a subordinated bond loan issued by the Issuer on 30 June 2014 in the amount of € 4,886,230 (the Subordinated Bond Loan) subscribed by the Company and the Greek societe anonyme under the distinctive title "INTPAKAT", with General Commercial Registry Number (G.E.M.H.)00408501000 with registered seat in Peania Attikis (19th klm, of Peanias-Markopoulo avenue) ("Intrakat");

(v) has granted a pledge over the subordinated bonds issued to the Company by the Issuer (the Senior Bond Loan Subordinated Bonds Pledge) in favour of the Senior Bond Loan Bondholder Agent as security for the Senior Bond Loan pursuant to an agreement dated 30 June 2014 (the Senior Bond Loan Subordinated Bonds Pledge Agreement);

(vi) has granted a pledge over the subordinated bonds issued to the Company by the Issuer (the VAT Bond Loan Subordinated Bonds Pledge) in favour of the VAT Bond Loan Bondholder Agent as security for the VAT Bond Loan pursuant to an agreement dated 30 June 2014 (the VAT Bond Loan Subordinated Bonds Pledge Agreement);

(vii) has granted a pledge over the subordinated bonds issued to the Company by the Issuer (the TAA Loan Subordinated Bonds Pledge and together with the Senior Bond Loan Subordinated Bonds Pledge and the VAT Bond Loan Subordinated Bonds Pledge, the Subordinated Bonds Pledges and each a Subordinated Bonds Pledge) in favour of the Lender as security for the TAA Loan pursuant to an agreement dated 30 June 2014 (the TAA Loan Subordinated Bonds Pledge Agreement and together with the Senior Bond Loan Subordinated Bonds Pledge Agreement and the VAT Bond Loan Subordinated Bonds Pledge Agreement, the Subordinated Bonds Pledge Agreements and each a Subordinated Bonds Pledge Agreement);

(viii) has entered into an intercreditor agreement dated 30 June 2014 with, amongst others, the Issuer, Intrakat and NBG (in its capacity as Intercreditor Agent, Bondholder Agent and Lender), regulating the relationship of the creditors under the Senior Bond Loan, the VAT Bond Loan, the TAA Loan and the Subordinated Bond Loan (the Intercreditor Agreement); and

(ix) has entered into a shareholders' support agreement dated 30 June 2014 with, amongst others, Intrakat, NBG as Senior Bond Loan Bondholder Agent, VAT Bond Loan Bondholder Agent and Lender, pursuant to which each of the Company and Intrakat has undertaken as a direct obligation and not a guarantee, to pay specific amounts should there be a deficiency pursuant to the terms of the Senior Bond Loan, the VAT Bond Loan and the TAA Loan (the Shareholders Support Agreement).

33. Contingencies / outstanding legal cases

The Group has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business as follows:

Amounts in Euro	2015	2014
Guarantees for advance payments	12.296.259,10	10.973.072,13
Guarantees for good performance	19.692.435,14	15.360.414,80
Guarantees for participation in contests	2.840.658,67	4.090.566,94
Counter-guarantees	607.255,43	442.370,85
Other	158.616,93	157.927,00
Total	**35.595.225,27**	**31.024.351,71**

Outstanding legal cases

There is an outstanding legal case against the Greek branch from the Ministry of Merchant Marine (MMM) concerning violations during the execution of a project completed and delivered to the MMM in a prior period. The penalties and rebates that were initially claimed have been reduced to €9 mil., following relevant appeals of the Company and ministerial decisions. Subsequently, according to a decision by the administrative court of appeal of Piraeus, the above mentioned penalties and rebates were cancelled. According to the Company's legal advisers the appeal exercised by the Greek State against the previous decision by the administrative court of appeal of Piraeus will not succeed and hence there will be no surcharge on the Company.

It is not anticipated that any material liabilities will arise from the contingent liabilities.

34. Related party transactions

The following transactions are carried out with related parties:

Entity	Receivable	Sale of services
Intracom Holdings SA entities		
Intracom Holdings S.A.	1.418.472,02	0,00
Intracom Holdings LTD (cyprus)	41.601,41	0,00
Intracom Technologies LTD	33.000,00	
Intrakat S.A.	28.730,07	1.565.864,75
Intradevelopment S.A.	97.436,44	0,00
Intracom Defence S.A.	192.864,00	89.800,00
Intracom Contrust-Bucharest	34.586,80	0,00
INTRACOM OPERATION	27.361,54	0,00
Advance Transport Telematics AE	2.865.963,80	8.255.073,58
Fracasso Hellas	2.242,71	2.069.96
In Maint S.A.	1.252,92	0,00
	4.743.511,71	**9.912.808,29**
Related parties		
Intralot S.A.	651.854,48	1.546.768,96
Intralot Interactive	35.424,00	38.400,00
Stadio Karaiskaki	42.663,27	0,00
Stigmiaio Laxeio	131.840,23	0,00
	861.781,98	**1.585.168,96**
Total	**5.605.293,74**	**11.497.977,25**

Entity	Payable	Purchase of services	*Purchase of goods*	Rent charge
Intracom Holdings SA entities				
Intracom Holdings S.A.	8.459.299,52	1.403.836,95		684.000,00
Intacom Defense Electronics	1.230,00			
Intrakat S.A.	1.531.997,26	3.033.621,69		
In Maint S.A.	40.564,68	470.077,91	2.950,00	
Intracom Holding Inter.-Leukosia				
Intracom LTD Skopje		8.307,49		
Intracom Holdings LTD (cyprus)	14.935,75			
Intracom Telecom Holding Leukosia				
Advance Transport Telematics AE				
	10.048.027,21	**4.915.844,04**	**2.950,00**	**684.000,00**
Related parties				
Stadio Karaiskaki		25.000,00		
Intralot S.A.	93.403,41	58.213,69		
Tech.Park Crete				
Intratour		24.300,00		
	93.403,41	**107.513,69**	**-**	**-**
Total	**10.141.430,62**	**5.015.050,24**	**2.950,00**	**684.000,00**

Services from and to related parties, as well as sales and purchases of goods, take place on the basis of the price lists in force with non-related parties. Other related parties are mainly associates and companies in which the major shareholder of the Company holds an interest share.

Key Management compensations

During the financial year, the company granted interest-bearing advances to a member of its administrative body amounting to 65.327,95 EUR, on top of the open balance due on 31.12.2014. During the financial year 2015 14.350,00 EUR were reimbursed. As at 31 December 2015, this receivable amounted to 79.969,27 EUR. The interest rate that is used is the average effective rate applicable to company’s short term loans. See note 25

35. Post balance sheet events

No significant events occurred after the balance sheet date.

36. Subsidiaries

The companies included in the consolidated financial statements and the related direct percentage interests held are as follows on 31.12.2015:

Entity Name	Country of incorporation	Direct % interest held	Date of establishment	Indirect % interest held	Consolidation method
Intrasoft International SA	Belgium	99,99%			Full
Intrasoft SA	Greece	99,00%		1,00%	Full
Intrasoft International Bulgaria Ltd	Bulgaria	100,00%	07.11.2011		Full
Intrasoft Information Technology UK Ltd	United Kingdom	100,00%	22.09.2011		Full
Intrasoft Middle East FZC	United Arab Emirates	80,00%	14.11.2013		Full
Intrasoft Jordan L.L.C.	Jordan			80,00%	Full
Global Net Solutions SA	Bulgaria	100,00%			Full
Intrasoft International Scandinavia AS	Denmark	100,00%			Full
Intrasoft International USA, Inc.	USA	100,00%	13.06.2012		Full
Intrasoft International East Africa	Kenya	88,00%	2015		Full
Intracom Exports L.T.D.	Cyprus	100,00%			Full
Intracom Cyprus L.T.D.	Cyprus	0,00%		100,00%	Full