INTRASOFT INTERNATIONAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 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 18th of June 2018.

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER
A.D. KOTSIS Passport No AI0956414/11.11.2011	**A.N. MANOS** ID No. AB340384/2.10.2006
THE CHIEF FINANCIAL OFFICER	**THE GROUP CHIEF ACCOUNTANT**
E.V. TERROVITIS ID No. AE 012763/05.02.2007	**N.V. TZANOGLOU** 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
4. Klonis C. Dimitrios, Member
5. Kontellis I.Christos, Member

In our above mentioned capacity we declare that:

As far as we know:

a. the consolidated annual financial statements for the year 01/01/2017 to 31/12/2017 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	THE CHIEF EXECUTIVE OFFICER OF THE BOARD OF DIRECTORS
A.D. KOTSIS Passport No AI0956414/11.11.2011	**A.N. MANOS** ID No. AB340384/2.10.2006

B) Message of the CEO

We labeled 2017 as the **YEAR OF INNOVATION** for Intrasoft International as we wanted to convey a clear message to our customers, partners and employees that thinking out of the box, experimenting with new ideas and technologies and clearly focusing on the long term will from now on be one of the key drivers for the growth of our company.

In parallel, we continued improving our performance on all levels, starting with another successful financial year – EBITDA year-on-year growth of 5,6% to 11.4M eur, revenue at 172M eur, a stable backlog of over 350M eur, very satisfied customers and strengthening of our brand name in all our market segments.

True to our strategy - of becoming a leading global player in providing IT Products and Services to the broader Public Sector - we have secured major new contracts and renewals in the European Institutions market and have continued our expansion in EMEA with our products in Taxation, Social Security, Customs and Compliance. The recently established product development group has reached its staffing targets and is moving full steam ahead to enrich our offering with the newest in technology - analytics, machine learning, blockchain.

Our business with Enterprise customers has exhibited exceptionally strong growth in 2017 adding many new customers and enriching its portfolio with new cloud based services and solutions for the financial, telecommunications, utilities, among others, sectors.

This year we focused on a key element of who we are. The constant questioning and redefining of the way we do things. By continuously putting our ideas, our strategies even our thinking process to the test we ultimately find the most **innovative** solutions. It's through this ongoing process that our company has developed, implemented and structured a truly ambitious vision in a challenging era of continuous change and disruption.

Our continuous investment in digital transformation and employee empowerment manifested in a series of mentoring competitions and events that lasted throughout the year. An internal **Innovation Competition** amongst employees, drew in **41 entries** from across the Group and showcased the rich hub of diverse talents that thrives within INTRASOFT. The two winners leverage on the one hand our predictive analytics knowledge and on the other breakthrough blockchain technologies. We further offered mentoring services to existing ICT businesses and further supported the start-up ecosystem across Europe.

We have always considered people as the main strategic competitive advantage and the ultimate driving force behind every achievement; this is the reason behind our strong employee focus and our continuous drive towards strong employer branding.

We walk toward the future with optimism, assertiveness and a clear vision of growth that will leave a long-lasting impact on INTRASOFT's people and clients.

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 2017 (1st JANUARY – 31st DECEMBER 2017)

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 2017 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, Saudi Arabia and Yemen.

Financial Performance

For the fiscal year 2017 INTRASOFT International annual revenues stood at EUR 171,6 million a figure lower compared to 2016 (EUR 171,8 million), in a very difficult financial environment, reflecting a 0,1% decrease and EUR 0,2 million.

Cost of sales - as a percentage of sales - has been decreased in comparison to 2017, amounting EUR 142,33 million (82,9% of revenue) against EUR 144,06 million (83,8% of revenue) in 2016 and combined with the strong revenue eventually increased the gross profit in both absolute value and percentage of revenue, amounting EUR 29,3 million (17,1% of revenue) against EUR 27,8 million in 2016 (16,2% of revenue).

Marketing & selling costs decreased to EUR 7,83 million in 2017 against EUR 8,29 million in 2016. Administrative expenses reached to EUR 11,40 million in 2017 against EUR 10,67 million in 2016.

Other gains/(losses) was decreased by EUR 361,03 thousand in comparison to 2016 amounting EUR (273,84) thousand against EUR 87,19 gains thousand in 2016

Group's EBITDA amounted to € 11,4 million, compared to € 10,8 million in 2016.

As a matter of consequence, Earnings before interest and tax (EBIT) reached EUR 10,01 million against 9,50 million in 2016.

Earnings before tax (EBT) ended at EUR 3,7 million in 2017 against EUR 1,9 million in 2016.

Net Equity has ended positive stood at EUR 14,3 million in 2017 against EUR 12,9 million in 2016.

Total assets on 31.12.2017 stood at EUR 159,29 million compared to EUR 160,01 million on 31.12.2016.

Total Borrowings in 2017 stood at € 51,5 ml. increased by € 1,6 ml. compared to 2016 (€49,9 ml.)

On 31.12.2017 and following a year of great success in terms of bookings, projects backlog amount EUR 347,6 million, more than 2 years of consolidated revenues, an amazing figure.

The Group in 2017, operating in a continuing ongoing economic crisis —particular in Europe where our priority market is – has continued its efforts but despite its commitments it has been difficult to reduce the bank debt and managed to close the year with a net debt (borrowings minus cash) of EUR 24,2 million increased by € 7,8 million compared to 2016. (EUR 16,4 million in 2016 and EUR 18,3 million in 2015).

INTRASOFT International added yet another year of growth to its 21-year history by gaining new customers and successfully retaining key contracts, which were re-tendered during the year.

(€mil.)	2017*	2016	Diff.
Financial structure ratios			
Net Debt	24,2	16,4	+47,6%
Net debt / equity	1,7x	1,3x	+33,1%

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

(€mil.)	2017*	2016	Diff.
Profitability ratios			
Revenue	171,60	171,82	-0.13%
EBIDTA	11,43	10,82	5,34%
EBITDA/Sales	6,66%	6.29%	5,56%
EBIT	10,01	9,50	5,09%
Financial structure ratios			
Current assets/Total assets	0,84	0,84	0,00%
Current assets/Short-term liabilities	0,95	0,96	0,00%

On December 2017 the Board of directors decided to proceed to the selling of subsidiary "Global Net Solution" for reasons relevant to the current local market conditions and to assign to a Financial advisor, advisory services with regard to the selling of the company.

As a matter of consequence and according to IFRS, comparable Profit and loss statement figures of 2016 are those of Intrasoft International Group which was the aggregation of the same entities currently forming the Group Intrasoft International. Therefore, comparable figures of 2016 in 2017 annual consolidated financial statements differ from 2016 annual figures in 2016 annual consolidated financial statements

Future Outlook

Our company has embarked in the past 3 years in a major strategic transformation that enhanced our portfolio of IT services, launched the development of new software products, built a strong brand that attracts the most talented professionals towards a very employee-focused work environment, while at the same time ensuring that all our customers enjoy the highest quality services in the market.

This is a journey that will last for some years to come, and its full impact is only expected to manifest itself in the next 3 years. While we will grow in our traditional market segments, we will also be looking to venture out in new unchartered territory through partnerships and acquisitions, always around technology and mostly of the "soft" kind.

This upcoming year we will launch initiatives around a key element of our business, namely coding. We will run competitions and events as well as trainings. We will be exploring and discussing how coding can affect our clients and employees' future growth.

We will also continue to invest in Corporate Social Responsibility initiatives and play an ever-increasing role in societies of which we are proud members, in Europe, Africa and the Middle East. This will be a year of exploration that will create disruption and growth across our Group.

The global scene is changing and IT is at the heart of it. We have a challenging and rewarding journey ahead, we look forward to it with excitement and confidence.

Strategically, INTRASOFT International 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 minimize potential adverse effects on the financial performance.

The financial liabilities of the Group 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 Group manages financial assets, mainly short-term bank deposits arising from operating activities.

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

1. 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 Group 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 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 2017 and 2016 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 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

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 Group through the Group Treasury has access to funding through the committed credit lines available at the Group level.

(d) 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.

(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

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

2017: 365 DAYS OF INNOVATION

Group Overview

For INTRASOFT'S Business Units, 2017 was a Year of Innovation and expansion. A wide range of innovative, bold steps was taken, towards the expansion of our services and products and the exploration of new markets and technologies. A year of extraordinary achievement for our European Institutions Business Unit, with wide re-tendering success for existing contracts and important new wins. In 2017, INTRASOFT International welcomed a new Competence Centre in Cape Town, South Africa, part of the Public-Sector Business Unit global expansion plan, and further broadened the owned banking product PROFITS® with the m-PROFITS® Mobile Banking System, r-PROFITS and the PROFITS Performance Management System, managed by the Enterprise Solutions Business Unit.

The dedication, experience and know-how of our people will always be our true power. With a diverse team of professionals, INTRASOFT International is a multicultural hub of talents that blend together to provide customized solutions, to meet specific client needs. We consider our people, our human capital and we continuously invest in their professional and personal growth, development and well-being. We aim to develop and sustain a working environment that will help people flourish, evolve and continuously re-invent themselves.

2017 has also been a year of **extroversion** as our Corporate and Project Governance Department, provided high end consulting services to our clients covering IT Systems Governance, Cyber Security, IT Service Management and Quality Management implementation based on a Risk Management approach.
This year's key accomplishments also included:

- Establishment of an internal IT System Governance Framework based upon COBIT and ITIL following the best practices for Business Process Modelling (BPM).
- **Design** and gradual **implementation** of a company-wide **Secure Development Life Cycle**, aiming to make security an integral part of Software Development following the paradigm of DevSecOps. Furthermore, improvement of our company's Cybersecurity capability, and more specifically Application Security, following the latest security trends on Cybersecurity in the Internet of Things (IoT) as well as Cloud Security.
- **Improvement** on the efficiency of our procedures by establishing automation in the area of SW Testing, reinforcing the 'Sprint' notion for SW delivery while amplifying the usage of modern technologies, in order to publish and download "**containerized**" applications.
- Provision of consulting services in the areas of Risk Management, IT Service Management and Quality supporting our clients' mandate for ISO certifications.
- Re-certification of all our ISO certifications in the areas of Information Security, Business Continuity, Quality, IT Service Management, Translation Services and Continuous Learning.

Below is a brief overview what we have achieved throughout 2017.

European Institutions

In 2017, INTRASOFT International continued to create and provide, innovative services and products that helped our international clients evolve and expand in today's everchanging environment. We were awarded again projects that INTRASOFT has been implementing for years, such as ITSM and CORDIS, indicating our clients' continued trust in the company. But 2017's, 80m euro bookings included some key new wins such as new contracts in Eurostat, ESM and DG HR, broadening our client base across the EU even further.

By remaining focused to our disruptive and innovative strategy and by providing high level services, we have expanded successful collaborations, build more confident strategic partnerships while also creating new ones.

INTRASOFT'S EU INSTITUTIONS MILESTONES FOR 2017

- ITIC contract with the EU expanded with the addition of a new communication solution based on Skype for Business.
- INTRASOFT International has played a pivotal role in the implementation of EU's new 'Open Offices' concept and has been a major contributor to the Windows 2016 upgrade that started within the same year.
- The NUPS contract (an operation managing the European Commission mail systems, video conferencing, IP telephony and remote access) has also expanded its scope of services around Unified Communications and Collaboration (UCC) solutions and in the context of Connecting Europe Facility (CEF) project.
- In 2017, we launched the original long-term archiving solution that we have implemented and operated within our premises, on behalf of the Publications Office (included in the EUDOR contract).

Throughout 2017, our Application Development activities continued to question and re-invent methods and strategies and, ultimately, finding innovative solutions that had a significant impact in European research and development initiatives.

New Framework Contracts: SDMX (ESTAT), CORDIS LOT A and D (Publication office)

Main Achievements

- ITS14 (EP): successful delivery of services of a total value of about 14M EUR at premises of the client, near site and off site
- ERA maintenance and development of new applications (0,5M EUR)
- ESTAT: About 1,5M EUR in maintenance and development of new applications

Consequently, our Application Development activities continued to provide timely solutions to complex systems problems, through state-of-the-art technologies and Agile Project Management methodologies. Over the past year INTRASOFT International has managed to:

- Win an 8-year contract for DGTAXUD ITSM3-TES service contract, for operations management and business monitoring of IT systems for Customs and Taxation.
- Successfully launch the ECTN application-as-a-service for the Port of Cotonu at Benin.
- Continue the implementation of Declaration Management System for HMRC – UK.
- Complete impact assessment and PoC for the utilization of blockchain technology in the domain of Excise goods movement.
- Renew the contract with the Lithuanian customs for the deployment and support of IT system for Transit.

2017 was an extremely productive year for our **Research and Innovation Development Department**. Apart from furthering our activities in numerous Horizon 2020 projects, we participated in new innovation-related undertakings, such as the co-organization of INTRASOFT's internal Innovation competition 2017, the development of INTRASOFT's strategy positioning in the fields of Big Data, Data Analytics and Blockchain and the contribution to Product Development and collaboration with respective teams.

Indicative highlights of RID project achievements for INTRASOFT International during this period are summarized in the following:

- Digital Automation in Manufacturing provide a strategic focus for us, as software and applications are at the forefront of this new industrial revolution. INTRASOFT International coordinated PROPHESY in the area of predictive maintenance (PdM), bringing new trends and challenges in Industry 4.0, whose objective is to deliver an innovative PdM services platform. INTRASOFT International participated in PRODUCTIVE4.0, the biggest research project in the field of Digital Industry with 109 partners from 19 European countries and a budget of 106M euros. The aim is to create a user platform across value chains and industries, thus promoting the digital networking of manufacturing companies, production machines and products.
- Actions that aim to boost entrepreneurship and innovation in SMEs have always been among our priorities. INTRASOFT International has been actively involved in INVITE as the main ICT integrator. The main objective of INVITE is to bring together the key players and identify the optimum open innovation ecosystem for SMEs and lead them to the new era of Digitalization. INTRASOFT International participated in ENRICH, which offers services to connect European research, technology and business organizations with three global frontrunner innovation markets: Brazil, China and USA. ENRICH in the USA, is powered by NearUS and acts as a central contact point for European research and innovation actors.
- The rise of cybersecurity incidents highlights the importance of new research activities in the field of cyber and IoT security. INTRASOFT International coordinated SecureIoT, which provides predictive IoT security services for highly dynamic environments, including smart objects. INTRASOFT International was the main technical partner in CYBECO, whose aim is to research, develop, demonstrate, evaluate and exploit a new framework for managing cybersecurity risks, focusing on cyber-insurance, as key risk management treatment.
- INTRASOFT International has adopted an open-innovation approach to smart media and coordinates FotoInMotion, a project that will transform a single photograph into a dynamic, high quality video for storytelling and branding. FotoInMotion is an innovative digital tool to help create new value for photography and produce videos with rich, semi-automated editing functions and dynamic effects that can be easily shared.
- Seeking to bring innovation to education, INTRASOFT International participated in OSOS (Open Schools for Open Societies). OSOS provides a powerful framework to support the transformation process of schools into open, more engaging environments for learning by motivating learners and teachers.

Improving accessibility and inclusive mobility was a part of our innovation efforts, developing mobility solutions to cope with transport poverty. In that context, INTRASOFT participated in HiReach, a project which aims to trigger the development of new tools and business models that will cover the needs of potentially vulnerable social groups and difficult-to-reach areas.

Being innovative means being able to **restructure** yourself and 2017 has been a year of full restructuring, especially regarding our "Professional Services" department. Though maintaining its focus on revenue and margin the department finished the year off with **209 consultants** offering their technological know-how on clients site. Within the year the department was presented with new exciting opportunities and participated in new DG tenders. Results will be announced within 2018.

Our Infocom business, under the **SCOPE** brand, underlined once again its prominent role in the EU Institutions' communication and digital content field. In 2017, we were awarded the CORDIS contract for a new contractual period spanning through to 2022, a further testament to our team's unique set of skills and experience. We produced remarkable deliverables for our European Commission communication clients, including DG Research and Innovation, DG Communication and DG Taxation alongside our ongoing work for Agencies, like EU-OSHA and Europol.

Our digital communication team was reinforced to reflect our clients' growing interest, as well as our renewed focus in this field.

Finally, our inhouse analytics and communication consulting platform VARID received much attention and in 2017 we celebrated the signature of our first contract for VARID, a trend which we are rigorously pursuing in 2018.

Public Sector

During 2017 the company saw its continued efforts around the strategy of commercialization and productization of solutions offering in focus regions bear fruit. The company continued investing in Productized Solution Enrichment, Strategic Relationships with Local Partners - elements which we view as the key of successful and sustainable market penetration. Targeted Core Focus Customers in these markets responded positively, recognizing the **enriched functionality, robustness** and **maturity** of our packaged solutions, selecting them as the Product Platform of choice for the support of their core business processes.

2017 was the year that we celebrated commercial successes in **Bahrain**, **Kenya**, **Denmark**, **Morocco**, **Croatia** in the domains of **Social Security**, **Revenue Management** and **Collection**, **Health Insurance** and **Compliance** respectively.

This Product Evolution and Market Penetration Strategy has also yielded many indirect benefits in the form of up and cross selling opportunities, in Targeted Core Focus Customers where INTRASOFT International already has prospect opportunities or contractual obligations. The same strategy was employed in Public Sector Customers positioned in the stakeholder environment of Targeted Core Focus Customers, uniquely positioning INTRASOFT International to offer complementary value-added services and solutions to address integration requirements etc. A typical example of cross selling has been the positioning of the Compliance and Enforcement Solution, ESKORT into the National Social Security Fund of Kenya.

The Business Development activity of INTRASOFT International Public-Sector Team (new contract awards as well as a continuously updated new opportunity pipeline) has meant that we had to reconsider and address the opportunity for reform of our Delivery Organization, in terms of capacity and structure.

The main issue, that needed to be addressed, was the demand for additional Delivery team resources of an expanded skillset over a wide-spread geographical region.

Certain actions were taken for extensive engagement of new resources in East Africa, as well as French and Arabic speaking resources, to address the implementation needs in West and Northern Africa.

These new Delivery Resources cover a wide range of complex technical roles (Project Managers, Business Analysts, Technical Experts etc.) and represent the core technical skills that INTRASOFT International has come to rely on in the delivery of complex, high profile Public Sector Projects.

A second restructuring initiative has been the drive to further strengthen and invest in the capacity of the Product Development Department, in order to deliver new product functionality and enhancements faster while keeping to the INTRASOFT International ethos of Quality.

Revenue Management, Compliance and Collection

Denmark – Debt Collection System, Ministry of Finance

Following the successful completion of a **Proof of Concept** Project in 2015-2016, INTRASOFT International, together with its local integration partner, Netcompany, was awarded a contract to build the foundation for a new Debt Collection System for the Ministry of Taxation in Denmark, based on Oracle's Public-Sector Revenue Management Solution (PSRM). After the completion of the foundation of the new Debt Collection System in early 2017, INTRASOFT International and Netcompany were awarded a new, multi-year framework contract to provide services to incrementally enhance the system with the ultimate goal of being able to support the collection of over **460 types of debt** for more than **1100 Government Agencies**.

United States – Compliance Solution, Michigan Department of Treasury

A 5-year contract was re-established with The State of Michigan Department of Treasury (MDT), a long-time collaborator of INTRASOFT International's internationally acclaimed Risk Management, Compliance and Enforcement Solution, **ESKORT**.

Croatia – Compliance Solution, Ministry of Finance

INTRASOFT International, together with its local integration partner DEKOD, was awarded a major contract for the supply of an integrated system to support the audit and control activities of the Croatian Tax Administration, under the Ministry of Finance. The aim of the solution is to support the Croatian Tax Administration, in its ongoing efforts to detect and prevent tax fraud and other tax offences.

Customs

Lithuania - National Transit Control System, Ministry of Finance / Customs Authority

The Customs Department under the Ministry of Finance of the Republic of Lithuania awarded to INTRASOFT International, through an open tender procedure, the services contract for the development of the National Transit Control System implementing the state capital investment project.

ASEAN - Customs Transit System (ACTS)

INTRASOFT International, as subcontractor of ARISE+ consortium has undertaken the roll out and functional upgrade of the ASEAN Customs Transit System (ACTS), that falls under the Component 3.0 of the ASEAN Customs and Transport Facilitation.

Social Security

Bahrain – Core Social Security, Social Insurance Organization (SIO)

2017 was also marked by an exciting new collaboration between The Social Insurance Organization (SIO) of Bahrain and INTRASOFT International, for the implementation of the new integrated solution for the automation of its business operations, with focus on Pension Administration, Contributions Collections and Financials Management. The aim is to support the strategic SIO business objectives, which include integration on a single platform, standardization, e-governance, interoperability, and evolution management.

Kenya – Core Social Security, Functionality Upgrade and Enhancements, Maintenance

INTRASOFT International renewed its strategic collaboration with NSSF Kenya through a new contract, which aims at providing functionality enhancements to the already implemented system, new applications to address the Risk Analysis and Audit/Inspections Support department and finally enhancements to the Core System electronic gateways. The new contract will also address the requirements of NSSF for support and maintenance, over a period of 3 years.

Health Insurance

Morocco – Core Health Insurance, National Social Security Fund (CNSS)

INTRASOFT International's new contract with the National Social Security Fund (CNSS) of Morocco for the implementation of the new information system, covering the needs of the Organization for **automation of the processes**, within the Mandatory Health Insurance Domain and the **reimbursement** of **health expenses** for the health care services provided to Moroccan private sector employees.

Greece

2017 was a year of expansion for the Greek market, as well. The Group maintained its prominent position, with new collaborations amongst them the following contracts:

- A 3-year service contract with the **Greek Independent Authority for Public Revenue (IAPR)** for the implementation of enhancements, functionality extensions and legislative changes adaptation of its core IT systems, such as the Taxation system (TAXIS), the Customs System (ICISNET), the Audit system (ELENXIS), the Property system (E9) and others.
- An extension to the contract "**Core Computational Infrastructures of Information Society (IS) – G-Cloud node of General Secretariat of Information Systems (GSIS)" of** the **Hellenic Ministry of Administrative Reform and e-Governance.** The objective of the project is to design, implement and set into operation two Central Computing Centers - the IS and GSIS, which will provide computing and storage power through advanced horizontal hardware and software infrastructure.

Enterprise Solutions

2017 was a year of innovation, creativity and expansion and INTRASOFT International Enterprise Solutions succeeded in all three, by launching new extension products for PROFITS® and establishing new collaborations with major institutions.

Banking

INTRASOFT International expanded its already prominent position as one of the key players in international banking solutions, in four Eastern African countries. Our Company adopted an aggressive approach in Kenya, Zambia, Tanzania, Uganda and Ethiopia by participating in several banking commercial bids in close cooperation with **INTRASOFT International Subsidiary in Nairobi, Kenya**. Furthermore, we completed a series of new developments that further enhance the capabilities of the **PROFITS® Core Banking System.**

There were several highlights in 2017:

New Contracts

- **PROFITS® Core Banking System** with **PQH for 11 Banking Institutions.**
- **PROFITS® Core Banking System** implementation at **Mwalimu National SACCO, Kenya** having as an option the implementation of Core Banking System in **Spire Bank in Kenya** (subsidiary of Mwalimu National SACCO).
- **PROFITS®/GIRO DCT On-line (DIAS Credit Transfer)** with **ELTA (Greek Post Office).**

Launches

- **m-PROFITS® Mobile Banking System was launched in 2017**, interfacing it also with the USSD application of local providers in Kenya for the local market.
- **PROFITS® Performance Management System** a **Business Intelligence (BI) solution** for Banks has also been launched and installed in a pilot implementation at HF Group, Kenya and Centenary Bank, Uganda.
- INTRASOFT International has launched the new reporting framework **r-PROFITS®**, which is a standalone new product for ad-hoc reporting.

Completion of Projects

- **Corona of SmartStream Technologies in Greece**: INTRASOFT International completed the installation and implementation of services and the transfer to live operation of the Reconciliation software for **Bank of Greece.**
- **Electronic Clearing House Limited (ZECHL) in Zambia**: The Company completed the implementation of the **National Payments Switch of Zambia** and the User Acceptance Testing. The system is currently in preparation for live operation by mid-2018, with nineteen (19) local banks participating.
- **Centenary Bank in Uganda**: Live operation of **PROFITS® Core Banking System** and implementation of new functionalities.
- **HF Group in Kenya:** Continuation of the provision of Maintenance and Support Services for **PROFITS® Core Banking System** and implementation of new functionalities.
- **Mwalimu Bank, Tanzania:** Continuation of the provision of Maintenance and Support Services for **PROFITS® Core Banking System** and implementation of new functionalities.
- **HEDNO (ΔΕΔΔΗΕ) IVR Upgrade**. INTRASOFT International replaced a legacy IVR with a new generation technology and renovated the Speech application for metering.
- **Vodafone IVR Middleware**: INTRASOFT International upgraded the OmniBridge Services Bus applications to accommodate new functionalities for the new carrier grade IVR platform of Vodafone and several other channels.

Upcoming launches

- The **SaaS PROFITS® for MFIs and SACCOs** (Savings and Credit Cooperatives) version was successfully finalized and will be launched in mid-2018.
- A Joint Venture (JV) with **Mwalimu National SACCO, Kenya** is under establishment for the **Core Banking (PROFITS®) SaaS launching in Kenya.**

A significant number of Core Banking proposals are currently under evaluation regarding our East Africa Business Development.

Telecom

In 2017 we decided to follow the past years' results. We invested in people and relationships by expanding our customer base, portfolio, partnerships and reach. Through targeted events we have managed to raise the awareness of our services, solutions and capabilities of prospective customers, in Greece and abroad. This year's achievements managed to strengthen our position within the Greek market and expand our customer base in Cyprus. Main achievements include:

- **Expansion** in the number of business increasing our **revenue** in **existing contracts**.
- **Strengthening** our **portfolio** with the addition of a new Customer Experience solution and the addition of SaaS.
- **Enhancement** of our **delivery** capabilities, through the completion of critical certifications.
- **Awarded** for several significant projects, such as:
    - **EPA – Deployment of a Business Infrastructure**. We were awarded the deployment of the full business infrastructure of Physikon Aerio SA (EPA).
    - **Vodafone Greece – Application Delivery, Fiber to The Home (FTTH), Field Service Management and VTV projects**
    - **Intralot USA – Supply Chain Management System.** We were awarded the implementation of the supply chain management system of Intralot USA. The system will be used for the management of devices in warehouses and customer premises. The system is based on Oracle SCM Cloud.
    - **National Bank of Greece – Group IFRS9 projects**. We were awarded the implementation of the IFRS9 consolidation solution for the NBG Group. The implementation has been completed on the Oracle Hyperion system.
    - **Piraeus Bank – Middleware implementation of Digital Channels**. We were awarded the implementation of the middleware services needed to support the Digital Channels of Piraeus Bank. The development of the services is carried out on the TIBCO platform.
    - **OTE/Cosmote – Athonite State Portal**, **MyNet**, **Mobile MyNet**, **UFixit Remote Support, NLU Voice Portal, Self-Payment App, B2B Portal** projects.

- **Completion of** major projects such as the following:
    - **Piraeus Bank – Hyperion Planning**. We have successfully completed the design and implementation of financial management functionality using ORACLE's Hyperion suite.

- **EPA – Deployment of a Business Infrastructure**. We have successfully completed the deployment of the full business infrastructure of Physikon Aerio SA (EPA), within six (6) months.
- **Vodafone Greece – NGA for Retail & Enterprise**. We have successfully completed the design and implementation of the Fiber to the Cabinet (FTTC) and VPU Light (Virtually Partially Unbundled) for the NGA, regarding the Retail and Enterprise Sector.
- **Cosmote – Omilia**. We have successfully completed the enhancement of Cosmote's IVR infrastructure to support Natural Language Processing. This was carried out using innovative technology from Omilia.
- **MTN Cyprus - HR Approval & Enterprise Content Management System.** We have successfully completed the deployment of an Enterprise Content System that would also support approval flows of the HR system of MTN Cyprus. The solution was built on ORACLE's Web-Central suite.

SAP

INTRASOFT International is an **SAP HANA authorized Reseller**, a **certified Partner Center of Expertise (PCoE)** and **a leading SAP Integrator** in the **EMEA** region, both in the Private and in the Public sectors, servicing a variety of industries. The company also 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.

The major 2017 highlight for the INTRASOFT International SAP activity, has been the continuation of its **expansion of operations in the MENA region** (Bahrain, Egypt, Iraq, Jordan, Qatar, Kingdom of Saudi Arabia, Kuwait, Lebanon, Libya, New Palestine, Oman, United Arab Emirates and Yemen), where INTRASOFT International has been officially **nominated by SAP as a Channel Partner** for SAP All-In-One Solutions (BAiO), SAP Business-Objects platform, SAP Cloud Applications and SAP HANA platform and a **certified Partner Center of Expertise.**

Our strategic investment in SAP for the MENA region is mainly focusing in the Utilities sector, where INTRASOFT International won in 08/2016 a 6,5-year contract for the implementation and maintenance of the "***Billing and Customer Care Systems CIS Acquisition and Implementation***" project of the Electricity Distribution Company (EDCO) of Jordan.

Within 2017, INTRASOFT International undertook and executed successfully a number of **Maintenance Contracts and Service Level Agreements**, for its customer base in Greece and abroad, including Cyprus University of Technology (SLcM), HELLENIC PETROLEUM GROUP (IS-Oil), INTRALOT S.A. (ERP), ION S.A. (ERP), KENYA HOUSING FINANCE (ERP, CRM), THESSALONIKI PORT AUTHORITY (ERP).

In addition, INTRASOFT International has:

- **expanded** its footprint in the Maillis Group, by securing three (3) SAP related projects.
- successfully **completed** the payroll project at the University of Patra and was awarded a five (5) year SLA contract.

- **completed** the Attica Gas Supply deregulation project.
- **secured** a place in the support of the "One ERP" project at COSMOTE GROUP.
- been **awarded** the implementation of SAP HCM Talent management and Recruitment at National Bank of Greece.

New Ventures

During 2017, the New Ventures business department stayed active in exploring new markets and technologies, especially regarding Advanced Data Analytics, Blockchain and the Internet of things for the smart utility grid (electricity and water). It pioneered several initiatives in all above fronts and most importantly:

- It **initiated** the INTRASOFT International activity in **Receivables Risk Management** based on advanced analytics and targeting the enterprise sector.
- It was **awarded** with a pilot project concerning **Waste Water Pollution Monitoring**, based on an innovative, Internet of Things and predictive data analytics solution partnership. This trial project will be installed in **EYDAP**, the organization managing the water and waste water network and operations in the greater Attika region.
- It **led** the **cross-BU virtual team** in exploring the advanced prescriptive data analytics and Blockchain technology trends, triggering product extensions and novel services in the areas of banking and e-Government while enhancing inter-BU collaboration.
- It **played** a **key part** in the collaboration and information exchange with the Odyssey and Marathon Venture Capitals, in which INTRASOFT International and Intracom Holdings respectively hold a stake within.
- It **supported** key innovation activities within the INTRASOFT International Organization with foremost our **Internal Innovation Contest**. This was a horizontal initiative spanning across all sites and companies of the Intrasoft Group, generating more than **40 innovative business ideas** generated from our employees.
- It **completed**, as program manager of **'Broadband Rural'** (the ambitious Greek government project to cover underserved rural regions of Greece that was a 2017 European Broadband award winner), **the second phase** of the project, achieving more than 60 % of the required population coverage, as scheduled.

Luxembourg, 18^{th} of June 2018

Athanasios Kotsis	*Alexandros Manos*
Chairman	CEO

D) Independent Auditors' Report

To the Shareholders of INTRASOFT INTERNATIONAL S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **I**NTRASOFT INTERNATIONAL GROUP (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **I**NTRASOFT INTERNATIONAL GROUP as at 31 December 2017, and their financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report for which reference is made to the "Report on Other Legal and Regulatory Requirements", to the Statements of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, as adopted by the European Union, and for such internal control 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as incorporated into the Greek Legislation, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, 05 July 2018

Zoe D. Sofou

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 14701

ΣΟΛ Crowe SOL
ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ

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	2017	2016
ASSETS			
Non-current assets			
Property, plant and equipment	6	2.457.897,06	2.346.000,54
Goodwill	7	13.572.454,82	13.572.454,82
Other intangible assets	8	4.178.206,77	3.075.087,84
Investment property	9	206.107,42	206.107,42
Investment in associates (accounted for using the equity method)	11	817.797,51	559.282,04
Available-for-sale financial assets	12	829.517,86	804.178,63
Deferred income tax assets	13	88.565,34	113.665,24
Trade and other receivables	14	2.526.650,33	4.294.438,84
		24.677.197,11	**24.971.215,37**
Current assets			
Inventories	15	1.042.098,27	2.177.348,57
Trade and other receivables	14	104.793.313,49	97.100.255,62
Current income tax receivables		789.306,27	2.236.364,24
Cash and cash equivalents	16	27.279.793,00	33.523.721,99
		133.904.511,02	**135.037.690,42**
Non-current assets classified as held for sale	36	708.083,98	
Total assets		**159.289.792,11**	**160.008.905,79**
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		537.404,83	1.198.720,28
Other reserves	18	4.844.709,31	5.270.803,14
Retained earnings		6.069.948,81	3.572.076,64)
		13.004.662,95	**11.594.200,07**
Minority interest		**1.318.146,86**	**1.321.646,15**
Total equity		**14.322.809,81**	**12.915.846,21**
LIABILITIES			
Non-current liabilities			
Borrowings	19	0,00	0,00
Retirement benefit obligations	20	3.555.396,00	3.179.355,25
Long-term provisions for other liabilities and charges	22	654.037,67	710.148,79
Trade and other payables	23	20.000,00	2.687.512,92
		4.229.433,67	**6.577.01 6,96**
Current Liabilities			
Trade and other payables	23	81.733.852,77	82.303.042,23
Current income tax liabilities		2.214.293,50	3.817.400,05
Borrowings	19	51.461.274,12	49.908.383,34
Short-term provisions for other liabilities and charges	22	4.808.578,92	4.487.216,98
		140.217.999,31	**140.516.042,61**
Liabilities directly associated with non-current assets classified as held for sale	36	519.549,31	
Total liabilities		**144.966.982,29**	**147.093.059,57**
Total equity and liabilities		**159.289.792,10**	**160.008.905,78**

The notes are an integral part of these financial statements.

Statement of comprehensive income

	Note	2017	2016
Continuing operations:			
Sales		171.600.023,63	171.823.900,53
Cost of sales	24	(142.333.584,91)	(144.060.595,85)
Gross profit		**29.266.438,73**	**27.763.304,68**
Selling and marketing costs	24	(7.828.882,43)	(8.288.852,37)
Administrative expenses	24	(11.400.427,38)	(10.665.937,05)
Other income	26	250.438,26	608.104,77
Other gains / (losses) - net	27	(273.841,82)	87.187,57
Operating profit		**10.013.725,36**	**9.503.807,60**
Finance income	28	168.633,56	209.748,75
Finance cost	28	(4.929.072,49)	(5.192.740,17)
Finance costs - net		**(4.760.438,93)**	**(4.982.991,42)**
Share of profit / (loss) of associates (after tax and minority interest)		15.815,47	97.249,02
Profit before income tax		**5.269.101,90**	**4.618.065,20**
Income tax expense	29	(1.526.386,00)	(2.725.403,96)
Profit after tax for the period from continuing operations		**3.742.715,90**	**1.892.661,25**
Discontinued operations:			
Profit / (loss) after tax for the period from discontinued operations	36	**(1.129.074,59)**	**330.475,12**
Profit / (loss) after tax for the year (from continuing and discontinued operations)		**2.613.641,31**	**2.223.136,37**
Profit / (loss) after tax attributable to:			
Equity holders of the Company		2.501.889,93	2.021.266,49
Minority interest		111.751,37	201.869,87
		2.613.641,31	**2.223.136,37**
Other comprehensive income:			
Currency translation differences	18f	(830.587,94)	194.450,08
Available-for-sale financial assets - Fair value gains		23.333,33	
Actuarial gains / (losses)	18	0,00	39.181,65
Other comprehensive income, net of tax:		**(807.254,61)**	**233.631,73**
Total comprehensive income for the period		**1.806.386,70**	**2.456.768,09**
Other comprehensive income attributable to:			
Owners of the parent		(661.315,45)	195.802
Minority interest		(145.939,16)	37.830
		(807.254,61)	**233.631,73**
Total comprehensive income attributable to:			
Owners of the parent		1.837.941,43	2.217.068,35
Minority interest		(31.554,73)	239.699,74
		1.806.386,70	**2.456.768,09**
Earnings /(loss) per share attributable to owners of the parent for the year (in € per share)			
Basic	29	**40,29**	**32,55**

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 2016		**1.552.600,00**	**5.601,121,49**	**1.035.726,62**	**1.180.978,52**	**1.088.319,86**	**10.458.746,49**
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	162.993,66	0,00	31.456,42	**194.450,08**
Actuarial gains / (losses)		0,00	39.181,65	0,00	0,00	0,00	**39.181,65**
Other		0,00	0,00	0,00	0,00	0,00	**0,00**
Other comprehensive income		**0,00**	**39.181,65**	**162.993,66**	**0,00**	**31.456,42**	**233.631,73**
Net profit / (loss)		0,00	0,00	0,00	2.021.266,49	201.869,87	**2.223.136,37**
Total recognized income / (expense) for the year		**0,00**	**39.181,65**	**162.993,66**	**2.021.266,49**	**233.326,29**	**2.456.768,09**
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	0,00	**0,00**
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	(369.500,00)	0,00	369.500,00	0,00	**0,00**
Other		0,00	0,00	0,00	331,63	0,00	**331,63**
		0,00	**(369.500,00)**	**0,00**	**369.500,00**	**0,00**	**331,63**
Balance at 31 December 2016		**1.552.600,00**	**5.270.803,14**	**1.198.720,28**	**3.572.076,64**	**1.321.646,15**	**12.915.846,21**

	Note	Share capital	Other reserves	Fair value reserves	Retained earnings	Minority interest	Total equity
Balance at 1 January 2017		**1.552.600,00**	**5.270.803,14**	**1.198.720,28**	**3.572.076,64**	**1.321.646,15**	**12.915.846,21**
Available-for-sale financial assets – Fair value gain / (loss)	12	0,00	0,00	23.333,33	0,00	0,00	**23.333,33**
Currency translation differences	18f	0,00	0,00	(684.648,78)	0,00	(145.939,16)	**(830.587,94)**
Actuarial gains / (losses)	18	0,00	0,00	0,00	0,00	0,00	**0,00**
Other comprehensive income		**0,00**	**0,00**	**(661.315,45)**	**0,00**	**(145.939,16)**	**(807.254,61)**
Net profit / (Loss)		0,00	0,00	0,00	**2.501.889,93**	**111.751,37**	**2.613.641,31**
Total recognized income / (expense) for the year		**0,00**	**0,00**	**(661.315,45)**	**2.501.889,93**	**(34.187,79)**	**1.806.386,70**
Transfer from other reserves to retained earnings		*0,00*	(426.093,83)	0,00	426.093,83	0,00	**0,00**
Issue of share capital on acquisition of subsidiary		0,00	0,00	0,00	0,00	30.688,50	**30.688,50**
Dividends		0,00	0,00	0,00	(2,47)	0,00	**(2,47)**
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	(430.109,13)	0,00	**(430.109,13)**
		0,00	**(426.093,83)**	**0,00**	**(4.017,77)**	**30.688,50**	**(399.423,10)**
Balance at 31 December 2017		**1.552.600,00**	**4.844.709,31**	**537.404,83**	**6.069.948,81**	**1.318.146,86**	**14.322.809,81**

The notes are an integral part of these financial statements.

Cash flow statement

	Note	2017	2016
Profit after tax for the period from continuing operations		**3.742.715,90**	**1.892.661,25**
Profit after tax for the period from discontinued operations		**(1.129.074,59)**	**330.475,12**
Adjustments for:			
Tax	29	1.526.386,00	2.725.403,96
Depreciation of property, plant & equipment	6	730.606,79	671.329,70
Amortisation of intangible assets	8	687.929,03	641.107,00
Impairments of available -for-sale financial assets		0,00	903.333,24
(Profit)/loss on disposal of available-for-sale financial assets		986,29	0,00
(Profit) / loss on disposal of subsidiaries		0,00	0,00
Dividend income		0,00	(2.074,35)
Interest income	28	(168.633,56)	(209.748,75)
Interest expense	28	4.929.072,49	4.289.406,93
Exchange gains / (losses)		375.619,82	88.132,90
Share of result of associates		(15.815,47)	(97.249,02)
		10.679.792,69	**11.232.777,97**
(Increase) / decrease in inventories	15	1.135.250,30	492.188,10
(Increase) / decrease in trade and other receivables		(6.107.096,99)	(562.553,88)
Increase / (decrease) in payables		(3.236.702,38)	(3.695.104,41)
Increase / (decrease) in provisions		265.250,83	671.609,02
Increase / (decrease) in pension & other benefits		(376.040,75)	(208.882,37)
Changes in working capital		**(8.319.338,99)**	**(3.302.743,55)**
Net cash generated from / (used in) operating activities		**2.360.453,70**	**7.930.034,43**
Cash flows from operating activities			
Interest paid		(5.141.281,58)	(3.522.089,60)
Income tax paid		(1.657.334,69)	(1.912.363,36))
Net cash from operating activities		**(4.438.162,57)**	**2.495.581,47**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1.322.983,68)	(396.294,92)
Purchase of intangible assets	8	(1.979.138,14)	(539.513,67)
Proceeds from sale of property, plant & equipment	6	48.578,80	10.260,15
Proceeds from sale of intangible assets		547,20	0,00
Purchase of available-for-sale financial assets	8	(2.005,90)	(31.476,07)
Acquisition of subsidiary, net of cash acquired		(24.661,50)	0,00
Acquisition of associates and joint ventures		(242.700,00)	(50.000,00)
Dividends received		0,00	2.074,35
Interest received		168.633,56	217.375,65
Net cash used in investing activities		**(3.353.729,67)**	**(787.574,50)**
Cash flows from financing activities			
Repayments of borrowings		0,00	(688.580,38)
Proceeds from borrowings		1.552.890,77	0,00
Net cash used in financing activities		**1.552.890,77**	**(688.580,38)**
Net (decrease) / increase in cash & cash equivalents		**(6.239.001,47)**	**1.019.426,59**
Cash and cash equivalents at beginning of the period		33.523.721,99	32.252.050,87
Effects of exchange rate changes on cash and cash equivalents		(4.927,53)	252.244,53
Cash and cash equivalents at end of the period	16	**27.279.792,99**	**33.523.721,99**

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.

On January 12th, 2017 the company established the VALEU Consulting S.A. the company paid the amount of 24.661,50 for the 40,10% of total capital. VALEU Consulting S.A is the result of joint efforts between INTRASOFT International and management consulting firm Planet S.A.; the company complements the current service offerings of INTRASOFT and PLANET while benefiting from INTRASOFT's leading position in the European Institutions market and PLANET's extensive consulting experience across Europe. Value's focus is on strategy, policy and implementation services related to policy-making in the EU. This includes strategic studies, impact assessments, evaluations and much more. These services will be provided to all the EU institutions and bodies across all topics

On March 30th, 2017 the Company paid the amount of 241.500,00 euros, for the acquisition of 24.150 (10% of total capital) ordinary registered shares (with a nominal value of 10 euros each) of the company under the name RURAL CONNECT BROADBAND NETWORKS SPV. RURAL CONNECT BROADBAND NETWORKS SPECIAL PURPOSE COMPANY (RC), has been established in 2014 in order to execute the Private-Public-Partnership (PPP) project, named "Development of Broadband Infrastructure in Rural "White" Areas of the Greek Territory and Services for the Exploitation-Development of the Infrastructure via PPP – Geographical Area 2" (the "Project"). The Project is funded by EU structural funds, and is executed under a "PPP process contract", signed on 29/12/2014, governed by the Greek State Laws, with the company "Information Society SA" acting as contracting authority.

On May 5th, 2017 the company participate by 5% to the company "THESSALONIKI's CONTROLLED PARKING SYSTEM S.A." with the distinctive title "STELSTATH", with the amount of EUR 1.200,00.

On November 22nd, 2017 the Company acquired the 100,00% held subsidiary Company with the name of INTRACOM (CYPRUS) LTD in Cyprus.

In December 2017 the Company decided to liquidate its 100% subsidiary company INTRACOM EXPORTS LTD in Cyprus.

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 18th of June 2018 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 2017, in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union (EU).

The 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, which are carried at fair value. There are no IFRSs that have been applied before their respective dates of application.

The financial statements have been prepared on a going concern basis

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.

The banks renewed their credit facilities, including guarantee limits, in favor of the Company, and that there is no indication that they intend to withdraw their support over the next twelve months. Following the signing of the Mandate Letter on 23/03/2017 by Intrasoft International SA and the Mandated Lead Arranger (National Bank), the three participating banks (Alpha Bank, Piraeus Bank, Eurobank) have proceeded with the approval procedures of a syndicated loan, the amount of which amounts to EUR 46.250.000. On 25th January 2018 the syndicated loan agreement was signed by Intrasoft International SA, Intracom Holdings, NBG London Branch (acting as Arranger), Alpha London Branch, Piraeus Frankfurt Branch and Eurobank Private Bank Lux. The proceeds of the loan will fully repay the short-term loans of the four systemic Greek banks. The substitution of a long-term facility for short-term loans will improve financial soundness, give a favourable impression to the market, and reduce the burden of administrative tasks by unifying the terms of transactions with financial institutions.

a) Regulatory Financial Statements

The accompanying financial statements have been based on the financial statements prepared in accordance with the local Commercial and Tax Law (of the respective countries), appropriately adjusted and reclassified by certain out-of-book memorandum adjustments for purposes of conformity with the IFRSs.

b) New standards, amendments to existing standards and interpretations

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

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

IAS 7 (Amendment) "Statement of Cash Flows"
(COMMISSION REGULATION (EU) No. 2017/1990 of 6th November 2017, L 291/89 - 9/11/2017)

This applies to annual accounting periods starting on or after 1st January 2017. Earlier application is permitted.

In January 2016 the IASB issued amendments in IAS 7 "Statement of Cash Flows" about improvements to disclosures. These disclosures require companies to provide information about changes in their financing liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).

IAS 12 (Amendment) "Income Taxes"

(COMMISSION REGULATION (EU) No. 2017/1989 of 6th November 2017, L 291/84 - 9/11/2017)

This applies to annual accounting periods starting on or after 1st January 2017. Earlier application is permitted.

In January 2016 the IASB issued amendments in IAS 12 "Income Taxes" about Recognition of Deferred Tax Assets for Unrealised Losses, clarifying how to account for deferred tax assets related to debt instruments measured at fair value to address diversity in practice.

IFRS 12 "Disclosure of Interests in Other entities"

The amendment holds for the annual fiscal periods beginning on or after the 1st of January 2017.

The amendment clarifies that the disclosure requirements in IFRS 12 apply to interests in entities within the scope of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", apart from the requirements to disclose summarized financial information.

Standards and Interpretations effective for subsequent periods

New standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning after 1 January 2018 and have not been applied in the preparation of these statutory financial statements. None of the above is expected to have a significant impact on the statutory financial statements except for the following:

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 Hedge Accounting establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is in the process of finalising their assessment regarding the effect of IFRS 9 on their financial statements. Based on Management's initial assessment, the adoption of IFRS 9 is not expected to have a significant impact. More specifically, trade and other receivables which represent the largest portion of financial assets held by the Group will continue to be measured at amortised cost, while available-for-sale financial assets will be measured at fair value through other comprehensive income (including financial assets measured at cost according to IAS 39). Compared to Management's initial assessment, the new provisions for the calculation of impairment losses is not expected to result in significant losses.

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 recognized. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently in the process of finalising their assessment regarding the effect of IFRS 15 on its financial statements. The impact on the Group's equity is expected to arise mainly from the integrated information technology solutions for the public sector and banks. The impact on this segment is expected to reach €0.6 mil. The cumulative effect of the adoption of IFRS 15 will impact Group's equity on 1 January 2018, without restating comparatives.

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

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

IAS 40 "Investment property"

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

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. In December 2016 the IASB issued amendments in IAS 40 "Investment Property", clarifying that an entity shall transfer a property to, or form, investment property when, and only when, there is change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use.
These amendments do not affect Group financial statements. These amendments have not yet been endorsed by the European Union.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration"

This applies to annual accounting periods starting on or after 1st January 2018.
In December 2016 the IASB issued the Interpretation IFRIC 22 "Foreign Currency Transactions and Advance Consideration" providing guidance on how to determine the date of the transaction when applying IAS 21 about foreign currency transactions. This Interpretation applies to foreign currency transactions when an entity recognizes a payment or receipt of advance consideration before the entity recognizes the related asset, expense or income.
The Group will assess the impact of the new standard on its financial statements. These amendments have not yet been endorsed by the European Union.

IFRIC 23 "Uncertainty over Income Tax Treatments"
This applies to annual accounting periods starting on or after 1st January 2019.
In June 2017 the IASB issued the Interpretation IFRIC 23 "Uncertainty over Income Tax Treatments" to specify how to reflect uncertainty in accounting for income taxes.
The Group will assess the impact of the new standard on its financial statements. These amendments have not yet been endorsed by the European Union.

IFRS 17 "Insurance Contracts"
This applies to annual accounting periods starting on or after 1st January 2021. Earlier application is permitted.

In May 2017, the IASB issued a new accounting Standard, called IFRS 17 "Insurance Contracts" that replaces IFRS 4 "Insurance Contracts", which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values, instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements.
This new standard does not affect Group's financial statements and has not yet been endorsed by the European Union.

Amendments that regard part of the annual improvement program of IASB (International Accounting Standards Board)

Annual Improvements to IFRSs 2014-2016 Cycle
(COMMISSION REGULATION (EU) No. 2018/182 of 7th February 2018, L 34/1 - 8/2/2018)
IASB in its annual improvement program, published in December 2016 a Cycle of minor amendments to existing Standards. The Group will assess the impact of the new standard on its financial statements.
IFRS 1 "First-time Adoption of International Financial Reporting Standards"
The amendment applies to the annual fiscal periods beginning on or after the 1st of January, 2018. The amendment deletes short-term exemptions for first-time adopters.
IAS 28 "Investments in Associates and Joint Ventures"
The amendment applies to the annual fiscal periods beginning on or after the 1st of January, 2018.
The amendment clarifies that when an investment in an associate or a joint venture is held by an entity that is a venture capital organization, or a mutual fund, and similar entities apply the election to measure that investment at fair value through profit or loss in accordance to IFRS 9, this election shall be made separately for each associate or joint venture, at initial recognition.
Annual Improvements to IFRSs 2015-2017 Cycle
IASB in its annual improvement program, published in December 2017 a Cycle of narrow-scope amendments to existing Standards that apply to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted. The Group will assess the impact of the new standard on its financial statements. These amendments have not yet been endorsed by the European Union.
IFRS 3 "Business Combinations"
The amendment clarifies that a company remeasures its previously held interest in a joint operation when it obtains control of the business.
IFRS 11 "Joint Arrangements"
The amendment clarifies that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
IAS 12 "Income Taxes"
The amendment clarifies that a company accounts for all income tax consequences of dividend payments in the same way.
IAS 23 "Borrowing Costs"
The amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

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 ventures. 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. Segment reporting

The segments are determined on the basis of the internal reporting received by the Group's Management and presented in the financial statements on the same basis as that used for internal reporting purposes.

2.4. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Company's branches are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Euro, which is the functional measurement currency and the presentation currency of the Company.

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 financial assets and liabilities measured at their fair value, are reported as part of the fair value and consequently are recognised where also the fair value gain or loss.

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. Property, plant and equipment

The property, plant and equipment, is stated at historical cost less accumulated depreciation and any impairment loss. Historical 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 Company and the cost of the item can be measured reliably. The repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method by equal annual charges over the estimated useful life of the asset, 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.

An asset's cost and accumulated depreciation are written down on its disposal or retirement when no future economic benefits are expected from its continuing use.

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.

2.6. Investment property

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

The land classified as investment property is not depreciated.

2.7. Leases

(a) Finance leases

Leases of property, plant and equipment, where 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. If there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the property, plant and equipment acquired under finance leases is depreciated over the longer of the useful life of the asset or the lease term.

(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 Company (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.

b) Customer relationships: concern assets recognised on the acquisition of the customer list SAP of LAVISOFT SA in the year 2009 (amortised using the straight-line method over a period of 5 years).

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 is 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 2017 and 2016 in order to reduce its exposure to foreign currency exchange risk.

Increase in EURO/USD rate by	Effect on net results 2017	Effect on net results 2016
3%	(259.787)	(290.040)
6%	(519.573)	(580.081)
9%	(779.360)	(870.121)
12%	(1.039.147)	(1.160.161)

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 2017 and 2016. The analysis takes into consideration borrowings and cash and cash equivalents of the Group as at 31st December 2017 and 2016 respectively.

Financial instruments in Euro

Increase in interest rates (base units) by	Effect on net results 2017	Effect on net results 2016
25	(60.454)	(40.962)
50	(120.907)	(81.923)
75	(181.361)	(122.885)
100	(241.815)	(163.847)

(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 it effectively deals with various agencies of the European Union and, to a lesser extent, institutions of various European governments. Because of this, the credit risk that the Group faces is not significant.

(c) Liquidity risk

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities. Due to the dynamic nature of the underlying businesses, the Group through the Group Treasury has access to funding through the committed credit lines available at the Group level.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2017 and 31 December 2016 based on contractual undiscounted payments.

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.

	01/01-31/12/2017	01/01-31/12/2016
Total borrowings (note 18)	51.461.274,12	49.908.383,34
Less: Cash & cash equivalents (note 15)	(27.279.793,00)	(33.523.721,99)
Net borrowings	**24.181.481,12**	**16.384.661,35**
Equity	14.322.809,81	12.915.846,21
Total Capital Employed	**38.504.290,93**	**29.300.507,57**
Gearing ratio	**62,8%**	**55,92%**

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 2017 the Group had:

- Available-for-sale financial assets out of which EUR 119.999,97 are classified in Level 1(3.333.333 Shares of ATTIKA Bank listed in Athens Stock Exchange) and EUR 504.022,06 are classified in Level 3.

On 31 December 2016 the Group had:

- Available-for-sale financial assets out of which EUR 96.666,64 are classified in Level 1 and 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 2017 and 2016 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 2017, 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 2017 and 2016 respectively are as follows:

	1/1-31/12/2017	1/1-31/12/2016
	Integrated information Technology solutions for government and banking sector	Integrated information Technology solutions for government and banking sector
Total gross segment sales	171.600.023,63	171.823.900,53
Total sales	**171.600.023,63**	**171.823.900,53**
Operating profit / Segment result	10.013.725,36	9.503.807,60
EBITDA	11.432.261,17	10.816.244,91
Finance income	168.633,56	209.748,75
Finance cost	(4.929.072,49)	(5.192.740,17)
Finance costs net (note 27)	(4.760.438,93)	(4.982.991,42)
Profit before income tax	**5.269.101,90**	**4.618.065,20**

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

	1/1-31/12/2017	1/1-31/12/2016
	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)	730.606,79	671.329,70
Impairment of property, plant and equipment and intangible assets	0.00	0,00
Amortization of intangible assets (Note 8)	687.929,02	641.107,00
Impairment of trade receivables (Note 14)	(39.743,51)	133.920,08

The segment assets and liabilities at 31 December 2017 and 31 December 2016 as well as the capital expenditure for each year are as follows:

	1/1-31/12/2017	1/1-31/12/2016
	Integrated information Technology solutions for government and banking sector	Integrated information Technology solutions for government and banking sector
Assets	159.289.792,11	160.008.905,79
Associates	0,00	0,00
Total assets	**159.289.792,11**	**160.008.905,79**
Liabilities	144.966.982,29	147.093.059,57
Capital expenditure (notes 6, 8 & 9)	3.437.830,89	895.616,29

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	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Greece	36.605.643,10	44.455.714,56	72.312.477,54	65.047.305,69	2.209.575,29	493.643,29
EU countries	101.403.937,19	113.167.477,24	72.629.439,56	76.663.704,88	671.259,80	352.049,26
Other countries	33.590.443,34	14.200.708,73	14.347.875,00	18.297.895,22	556.995,80	49.923,74
Total	**171.600.023,63**	**171.823.900,53**	**159.289.792,11**	**160.008.905,79**	**3.437.830,89**	**895.616,29**

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:

	2017	2016
Sales of goods	5.523.256,25	8.115.754,75
Sales of merchandise	4.831.554,28	11.197.852,09
Sales of services	161.245.213,10	152.510.293,69
Total	**171.600.023,63**	**171.823.900,53**

6. Property, plant and equipment

	Land	Buildings	Plant & Machinery	Tel. equipment	Motor vehicles	Furniture & fixtures	Assets Under Construction	Total
ACQUISITION COST								
Balance at 1 January 2016	**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**
Exchange differences	0,00	0,00	3.771,16	26.141,56	2.705,80	7.407,41		40.025,93
Additions	0,00	55.171,10	260.971,16	18.624,94	0,00	52.561,89	1.014,91	388.344,00
Disposals	0,00	0,00	(55.839,20)	(1.287,56)	(8.468,27)	(6.496,17)		(72.091,20)
Balance at 31 December 2016	**2.556,46**	**2.546.574,12**	**4.692.631,77**	**1.061.770,96**	**303.593,03**	**3.270.275,21**	**1.014,91**	**11.878.416,47**
ACCUMULATED DEPRECIATION								
Balance at 1 January 2016	**0,00**	**1.141.219,04**	**4.068.630,74**	**785.158,63**	**146.282,83**	**2.672.532,55**		**8.813.823.78**
Exchange differences	0,00	0	139,90	24.335,27	1.443,39	6.379,33		32.297,90
Depreciation charge	0,00	168.710,38	360.423,43	105.096,26	35.527,62	78.367,60		748.125,29
Disposals	0,00	0,00	(52.644,51)	0,00	(3.493,05)	(5.693,49)		(61.831,05)
Balance at 31 December 2016	**0,00**	**1.309.929,42**	**4.376.549,56**	**914.590,16**	**179.760,79**	**2.751.586,00**		**9.532.415,92**
NET BOOK VALUE at 31 December 2016	**2.556,46**	**1.236.644,70**	**316.082,21**	**147.180,80**	**123.832,25**	**518.689,21**	**1.014,91**	**2.346.000,54**

	Land	Buildings	Plant & Machinery	Tel. equipment	Motor vehicles	Furniture & fixtures	Assets Under Construction	Total
ACQUISITION COST								
Balance at 1 January 2017	**2.556,46**	**2.546.574,12**	**4.692.631,77**	**1.061.770,96**	**303.593,03**	**3.270.275,21**	**1.014,91**	**11.878.416,47**
Exchange differences	0,00	0,00	0,00	(108.019,01)	(10.966,46)	(33.778,52)		(152.763,99)
Additions	0,00	216.934,78	503.843,90	427.953,94	0,00	197.255,18		1.345.987,80
Disposals	0,00	(42.692,89)	(7.352,21)	(542.476,30)	0,00	0,00		(592.521,40)
Transfer to assets held for sale	(2.556,46)	(273.183,92)	(113.678,38)	0,00	(182.203,92)	(246.498,64)	(1,014,91)	(819.136,23)
Balance at 31 December 2017	**0,00**	**2.447.632,09**	**5.075.445,08**	**839.229,60**	**110.422,65**	**3.187.253,23**	**0,00**	**11.659.982,65**
ACCUMULATED DEPRECIATION								
Balance at 1 January 2017	**0,00**	**1.309.929,42**	**4.376.549,56**	**914.590,16**	**179.760,79**	**2.751.586,00**	**0,00**	**9.532.415,92**
Exchange differences	0,00	0,00	(8.043,12)	(92.069,65)	(5.114,62)	(24.532,48)	0,00	(129.759,87)
Depreciation charge	0,00	163.488,26	387.846,46	92.673,79	11.526,79	75.071,49	0,00	730.606,79
Disposals	0,00	0,00	(4.519,11)	(539.423,49)	0,00	0,00	0,00	(543.942,60)
Reclassifications	0,00	0,00	0,00	(292,61)	0,00	1.507,18	0,00	1.215,39
Transfer to assets held for sale	0,00	(30.257,68)	(78.411,27)	0,00	(108.407,87)	(171.373,22)	0,00	(388.450,04)
Balance at 31 December 2017	**0,00**	**1.443.160,00**	**4.673.422,52**	**375.478,19**	**77.765,91**	**2.632.258,97**	**0,00**	**9.202.085,59**
NET BOOK VALUE at 31 December 2017	**0,00**	**1.004.472,09**	**402.022,56**	**463.751,41**	**32.656,74**	**554.994,26**	**0,00**	**2.457.897,06**

There are no assets held under finance lease.

7. Goodwill

Amounts in Euro	
Balance at 1 January 2016	**13.572.454,82**
Exchange differences	0
Balance at 31 December 2016	**13.572.454,82**
Balance at 1 January 2017	**13.572.454,82**
Exchange differences	0
Balance at 31 December 2017	**13.572.454,82**
Net book amount at 31 December 2017	**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 2017, 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 2018-2022 which were approved by the Group's Board of Directors. These business plans are based on financial results of 2017 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 2018 - 2022 are as follows:

	Intrasoft International SA	Intrasoft International Scandinavia
Revenue growth	**1,6-3%**	**1,5-2%**
Gross margin	**9,50%**	**70%**
EBITDA margin	**5,75%**	**18% - 20,5%**
Perpetuity growth rate	**1%**	**1%**
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 2016	**179.475,39**	**663.497,45**	**10.261.327,91**	**29.261.939,99**	**1.707.484,00**	**0,00**	**42.073.724,74**
Exchange differences	5.352,24	0,00	0,00	48.336,97	0,00	0,00	**53.689,21**
Additions	0,00	485,73	6.376,36	500.410,20	0,00	0,00	**507.272,29**
Disposals	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Balance at 31 December 2016	**184.827,63**	**663.983,18**	**10.267.704,28**	**29.810.687,16**	**1.707.484,00**	**0,00**	**42.634.686,23**
ACCUMULATED DEPRECIATION							
Balance at 1 January 2016	**0,00**	**925,07**	**9.512.322,34**	**27.675.685,92**	**1.707.483,98**	**0,00**	**38.896.417,31**
Exchange differences	0,00	0,00	0,00	21.447,83	0,00	0,00	**21.447,83**
Depreciation charge	0,00	242,68	40.320,41	601.170,16	0,00	0,00	**641.733,25**
Disposals	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 2016	**0,00**	**1.167,75**	**9.552.642,75**	**28.298.303,91**	**1.707.483,98**	**0,00**	**39.559.598,40**
NET BOOK VALUE at 31 December 2016	**184.827,63**	**662.815,43**	**715.061,53**	**1.512.383,24**	**0,02**	**0,00**	**3.075.087,84**

	Development costs	Trademarks & licenses	Software	Internally-generated software	Customer relationship	Other	Total
ACQUISITION COST							
Balance at 1 January 2017	**184.827,63**	**663.983,18**	**10.267.704,28**	**29.810.687,16**	**1.707.484,00**	**0,00**	**42.634.686,23**
Exchange differences	5.352,24	0,00	200.960,54	(406.020,51)	0,00	0,00	**(205.059,97)**
Additions	0,00	0,00	735.628,40	1.356.214,69	0,00	0,00	**2.091.843,09**
Disposals	0,00	0,00	(204.613,21)	0,00	0,00	0,00	**(204.613,21)**
Reclassifications	(181.827,63)	0,00	0,00	0,00	0,00	0,00	**(181.827,63)**
Transfer to assets held for sale	(3.000,00)	(2.842,78)	(21.291,46)	0,00	0,00	0,00	**(27.134,24)**
Balance at 31 December 2017	**0,00**	**661.140,40**	**10.978.388,55**	**30.760.881,34**	**1.707.484,00**	**0,00**	**44.107.894,28**
ACCUMULATED DEPRECIATION							
Balance at 1 January 2017	**0,00**	**1.167,75**	**9.552.642,75**	**28.298.303,91**	**1.707.483,98**	**0,00**	**39.559.598,40**
Exchange differences	0,00	0,00	209.501,75	(301.856,77)	0,00	0,00	**(92.355,02)**
Depreciation charge	0,00	0,00	198.447,71	489.481,31	0,00	0,00	**687.929,02**
Disposals	0,00	0,00	(204.066,01)	0,00	0,00	0,00	**(204.066,01)**
Reclassifications	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Transfer to assets held for sale	0,00	(1.167,75)	(20.251,13)	0,00	0,00		**(21.418,88)**
Balance at 31 December 2017	**0,00**	**0,00**	**9.621.029,62**	**28.601.173,91**	**1.707.483,98**	**0,00**	**39.929.687,51**
NET BOOK VALUE at 31 December 2017	**0,00**	**661.140,40**	**1.357.358,93**	**2.159.707,43**	**0,02**	**0,00**	**4.178.206,77**

9. Investment property

Amounts in Euro	31/12/2017	31/12/2016
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 2017 amounted to €36.480,89 (2016: €36.589,38). The operating expenses related to the land amounted to €1.178,81 (2016: €1.105,73)

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 2016 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	31/12/2017 Net Book Value	31/12/2017 Net Equity	31/12/2017 Profit / (Loss)	31/12/2017 Interest held (%)
Intrasoft International SA	Belgium	4.059.738,00	2.902.336,88	454.464,33	99,99%
Intrasoft SA	Greece	90.000,00	8.301,38	(3.556,71)	99,00%
Intrasoft International Bulgaria Ltd	Bulgaria	46.016,98	27.194,88	(4.032,35)	100,00%
Intrasoft Information Technology UK Ltd	United Kingdom	0,00	0,00	16.530,21	100,00%
Intrasoft Middle East FZC	United Arab Emirates	200.277,01	6.103.692,72	569.898,73	80,00%
Global Net Solutions SA	Bulgaria	200.000,00	188.534,67	(1.129.074,59)	100,00%
Intrasoft International Scandinavia AS	Denmark	4.083.000,00	3.249.162,02	280.605,77	100,00%
Intrasoft International USA, Inc.	USA	817,59	24.219,80	2.884,67	100,00%
Intracom Cyprus	Cyprus	23.000,00	115.044,83	(30.437,41)	100,00%
VALEU CONSULTING	Belgium	24.661,50	58.417,50	(3.082,50)	40,10%
Intrasoft Information East Africa Ltd	Kenya	0,00	23.456,21	(12.336,70)	100,00%
Total		**8.727.511,08**			

Entity Name	Country of incorporation	31/12/2016 Net Book Value	31/12/2016 Net Equity	31/12/2016 Profit / (Loss)	31/12/2016 Interest held (%)
Intrasoft International SA	Belgium	4.059.738,00	4.947.872,55	520.677,53	99,99%
Intrasoft SA	Greece	90.000,00	11.858,09	(3.870,36)	99,00%
Intrasoft International Bulgaria Ltd	Bulgaria	46.016,98	31.227,23	(18.224,25)	100,00%
Intrasoft Information Technology UK Ltd	United Kingdom	0,00	(16.530,21)	(2.393,87)	100,00%
Intrasoft Middle East FZC	United Arab Emirates	200.277,01	3.739.759,56	1.115.596,52	80,00%

Global Net Solutions SA	Bulgaria	200.000,00	1.317.214,46	330.475,12	100,00%
Intrasoft International Scandinavia AS	Denmark	3.303.000,00	2.280.437,13	(258.607,79)	100,00%
Intrasoft International USA, Inc.	USA	817,59	28.362,66	15.276,30	100,00%
Intracom Exports	Cyprus	773.370,53	2.324.776,83	(22.015,04)	100,00%
Intrasoft Information East Africa Ltd	Kenya	0,00	40.397,80	40.829,14	100,00%
Total		**8.673.220,11**	**15.671.940,17**	**1.912.241,35**	

The movement on Investments account is as follows:

Amounts in Euro	31/12/2017	31/12/2016
Balance at the beginning of period	**8.673.220,11**	**8.673.220,11**
Acquisition of subsidiaries	47.661,50	0,00
Additions	780.000,00	0,00
Disposals / write offs	(773.370,53)	0,00
Balance at the end of period	**8.727.511,08**	**8.673.220,11**

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 Group 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 2016, the Company performed the relevant impairment tests.

During the year 2017, the Company converted part of the loan had been granted to its subsidiary Intrasoft International Scandinavia in share capital amounted EUR 780.000,00

On January 12th the company established the VALEU Consulting S.A. the company paid the amount of 24.661,50 for the 40,10% of total capital.

On November 22nd, 2017 the Company acquired the 100,00% held subsidiary Company with the name of INTRACOM (CYPRUS) LTD in Cyprus with the amount of EUR 23.000,00.

In December 2017 the Company decided to liquidate its 100% subsidiary company INTRACOM EXPORTS LTD in Cyprus.

In order to assess whether there is an impairment of investments in subsidiaries as at 31 December 2017, the Company performed the relevant impairment tests.

Entity Name	Country of incorporation	31/12/2017 Cost Book Value	31/12/2017 Impaired amount	31/12/2017 Net Book Value
Intrasoft International Scandinavia AS	Denmark	7.468.582,19	3.385.582,19	4.083.000,00

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	31/12/2017 Net Book Value	31/12/2017 Net Equity	31/12/2017 Profit / (Loss)	31/12/2017 Interest held (%)
Advanced Transport Telematics SA	Greece	576.890,03	1.153.780,05	35.215,97	50,00%
STELSTATH	Greece	3.858,01	67.885,44	43.885,44	5,00%
RURAL CONNECT BROADBAN	Greece	237.049,47	2.286.662,21	(44.505,25)	10,00%
Total		**817.797,51**	**3.508.327,70**	**34.596,16**	

Entity Name	Country of incorporation	31/12/2016 Net Book Value	31/12/2016 Net Equity	31/12/2016 Profit / (Loss)	31/12/2016 Interest held (%)
Advanced Transport Telematics SA	Greece	559.282,04	966.564,08	194.498,05	50,00%
Total		**559.282,04**	**966.564,08**	**194.498,05**	

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.

During the year 2016, the Company contributed EUR 50.000 to its subsidiary Advanced Transport Telematics SA.

On March 30th, the Company paid the amount of 241.500,00 euros, for the acquisition of 24.150 (10% of total capital) ordinary registered shares (with a nominal value of 10 euros each) of the company under the name RURAL CONNECT BROADBAND NETWORKS SPV.

On May 5th.2017 the company participate by 5% to the company "THESSALONIKI's CONTROLLED PARKING SYSTEM S.A." with the distinctive title "STELSTATH", with the amount of EUR 1.200,00.

Amounts in Euro	2017	2016
Balance at the beginning of period	**559.282,04**	**412.033,01**
Acquisition of associates	242.700,00	0,00
Additions	0,00	50.000,00
Share of results (after tax & minority interests)	15.815,47	97.249,02
Disposals/write-offs	0,00	0,00
Balance at the end of period	**817.797,51**	**559.282,04**

12. Available-for-sale financial assets

Amounts in Euro	2017	2016
Balance at the beginning of period	**804.178,63**	**1.676.035,82**
Impairment	0,00	(903.333,26)
Fair value adjustments (note 15f)	23.333,33	0,00
Additions	205.495,83	31.476,07
Disposals/write-offs	(203.489,93)	0,00
Balance at the end of period	**829.517,86**	**804.178,63**
Non-current portion	**829.517,86**	**804.178,63**
- Equity securities		
Listed securities		
3.333.333 Shares of Attika Bank SA	119.999,97	96.666,64
	119.999,97	**96.666,64**
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	205.495,83	203.489,93
	709.517,89	**707.511,99**
	829.517,86	**804.178,63**
Available-for-sale FA are denominated in the following currencies:		
Euro	829.517,86	804.178,63
	829.517,86	**804.178,63**

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.

During 2016, a loss of € 903 thousand was recorded in the Company's results for investments in listed securities (note 24).

During the year, the Fair value adjustments of € 23 thousand was recorded in the Company's reserves for investments in listed securities (note 15f).

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	31/12/2017 Cost Book Value	31/12/2017 Impaired amount	31/12/2017 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		205.495,83	0,00	205.495,83
Attika Bank SA	Greece	999.999,90	879.999,93	119.999,97
Total		**1.789.738,99**	**960.221,13**	**829.517,86**

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	31/12/2017	31/12/2016
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	(316.461,72)	(328.000,49)
Deferred tax assets to be recovered within 12 months	0,00	(15.671,54)
	(316.461,72)	**(343.672,03)**
Deferred tax liabilities:		
Deferred tax liabilities to be settled after more than 12 months	227.896,38	230.006,79
Deferred tax liabilities to be settled within 12 months	0,00	0,00
	227.896,38	**230.006,79**
	(88.565,34)	**(113.665,24)**

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

Amounts in Euro	31/12/2017	31/12/2016
Balance at beginning of period:	**(113.665,24)**	**(111.169,14)**
Exchange differences	0,00	0,00
Tax charged to equity	0,00	0,00
Income statement charge (Note 34)	25.099,90	(2.496,10)
Balance at the end of period	**(88.565,34)**	**(113.665,24)**

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	Other	Total
Deferred tax asset			
Balance at 1 January 2016	**(333.460,72)**	**(6.715,16)**	**(340.175,87)**
Charged / (credited) to the income statement	(779,43)	(2.716,73)	(3.496,16)
Charged to equity	0,00	0,00	0,00
Exchange differences	0,00	0,00	0,00
Balance at 31 December 2016	**(334.240,15)**	**(9.431,89)**	**(343.672,03)**
Charged / (credited) to the income statement	18.252,18	8.958,13	27.210,31
Charged to equity	0,00	0,00	0,00
Exchange differences	0,00	0,00	0,00
Balance at 31 December 2017	**(315.987,97)**	**(473,76)**	**(316.461,72)**

Provisions/Impairment losses amounts € 315.987,97 derived from other provisions

Other assets amounts € 473,76 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 € 1.907.190,60

	Accelerated tax depreciation	Accrued income	Other	Total
Deferred tax liability				
Balance at 1 January 2016	**201.390,05**	**0,00**	**27.616,69**	**229.006,73**
Charged / (credited) to the income statement	1.000,06	0,00	0,00	1.000,06
Disposal of subsidiaries	0,00	0,00	0,00	0,00
Balance at 31 December 2016	**202.390,11**	**0,00**	**27.616,69**	**230.006,79**
Charged / (credited) to the income statement	(2.110,41)	0,00	0,00	1.000,06
Exchange differences	0,00	0,00	0,00	0,00
Balance at 31 December 2017	**200.279,70**	**0,00**	**27.616,69**	**227.896,38**

14. Trade and other receivables

Amounts in Euro	31/12/2017	31/12/2016
Trade receivables	55.054.619,35	52.587.739,19
Less: provision for impairment of receivables	(8.644.616,79)	(8.891.378,19)
Trade receivables - net	**46.410.002,56**	**43.696.361,00**
Receivables from related parties (note 39)	7.291.411,13	8.552.876,57
Loans to related parties	2.443.115,00	2.840.121,20
Advances to suppliers	14.493,84	7.215,16
Prepaid expenses	1.898.402,13	2.806.608,30
Accrued income	47.344.193,12	42.383.628,23
Other receivables	1.918.346,04	1.107.884,00
Total	**107.319.963,82**	**101.394.694,46**
Non-current portion	2.526.650,33	4.294.438,84
Current portion	104.793.313,49	97.100.255,62
Total	**107.319.963,82**	**101.394.694,46**

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

Amounts in Euro	31/12/2017	31/12/2016
Total	**46.410.002,56**	**43.696.361,00**
Not past due and not impaired at the balance sheet date	26.307.685,65	20.793.588,79
Not impaired at the balance sheet date but past due in the following periods:		
	31/12/2017	**31/12/2016**
< 90 days	3.040.333,10	3.993.315,90
90-180 days	4.998.699,82	3.708.697,42
180-270 days	11.682.544,53	14.693.216,96
270-365 days	379.757,77	426.260,29
1-2 years	981,68	81.281,64
> 2 years	0,00	0,00
	20.102.316,90	**22.902.772,21**
	46.410.002,55	**43.696.361,00**

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 2016	**8.937.455,96**	**0,00**	**8.937.455,96**
Additional provision for the period	133.920,08	0,23	**133.920,31**
Unused amounts reversed	(6.970,82)	0,00	**(6.970,82)**
Utilized during the period	0,00	(173.027,26)	**(173.027,26)**
Balance at 31 December 2016	**9.064.405,22**	**(173.027,03)**	**8.891.378,19**
Balance at 1 January 2017	**9.064.405,22**	**(173.027,03)**	**8.891.378,19**
Additional provision for the period	87.662,71	0,00	**87.662,71**
Unused amounts reversed	(127.406,22)	0,00	**(127.406,22)**
Disposals/write-offs	(207.017,89)	0,00	**(207.017,89)**
Balance at 31 December 2017	**8.817.643,82**	**(173.027,03)**	**8.644.616,79**

Trade and other receivables are analyzed in the following currencies:

	31/12/2017	31/12/2016
Euro (EUR)	94.248.008,05	83.182.542,65
US Dollar (USD)	12.964.544,43	16.155.774,38
Bulgarian Leva (BGN)	67.555,46	631.599,06
Jordan Dinar (JOD)	0,00	1.243.775,09
Other	39.855,89	181.003,29
	107.319.963,82	**101.394.694,46**

15. Inventories

	31/12/2017	31/12/2016
Raw materials	0,00	1.815,72
Merchandise	1.092.657,72	2.192.186,52
Other	250.295,51	284.201,29
Total	**1.342.953,23**	**2.478.203,53**
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**
	1.042.098,27	**2.177.348,57**

The movement of the provision is as follows:

	31/12/2017	31/12/2016
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:

	31/12/2017	31/12/2016
Cash in bank and in hand	27.170.513,02	33.299.770,11
Short-term bank deposits	109.279,98	223.951,88
Total	**27.279.793,00**	**33.523.721,99**

The effective interest rate on short-term time deposits for the Group was 1,00% (2016: 1,00%).

Cash and cash equivalents are analysed in the following currencies:

	31/12/2017	31/12/2016
Euro (EUR)	24.764.937,12	27.568.423,69
US Dollar (USD)	2.179.210,27	3.137.295,62
GBP	5.238,35	1.054.979,54
Other	330.407,25	1.763.023,14
Total	**27.279.793,00**	**33.523.721,99**

17. Share capital

	Number of shares	Ordinary shares	Share premium	Total
Balance at 31 December 2016	**62.104**	**62.104**	**0,00**	**1.552.600,00**
Balance at 31 December 2017	**62.104**	**62.104**	**0,00**	**1.552.600,00**

On 31 December 2017 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 2016	**530.418,29**	**241.210,57**	**10.083.702,48**	**26.401,37**	**(1.021.179,41)**	**(4.259.431,81)**	**5.601.121,49**
Transfer from retained earnings	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Transfer to retained earnings	0,00	0,00	(369.500,00)	0,00	0,00	0,00	**(369.500,00)**
Actuarial gain / losses	0,00	0,00	0,00	0,00	39.181,65	0,00	**39.181,65**
Other	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Balance at 31 December 2016	**530.418,29**	**241.210,57**	**9.714.202,48**	**26.401,37**	**(981.997,76)**	**(4.259.431,81)**	**5.270.803,14**

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Reserves for actuarial gain / losses	Other reserves	Total
Balance at 1 January 2017	**530.418,29**	**241.210,57**	**9.714.202,48**	**26.401,37**	**(981.997,76)**	**(4.259.431,81)**	**5.270.803,14**
Transfer from retained earnings	13.431,17	0,00	0,00	0,00	0,00	0,00	**13.431,17**
Transfer to retained earnings	0,00	0,00	(439.525,00)	0,00	0,00	0,00	**(439.525,00)**
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	0,00	0,00	**0,00**
Other	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Balance at 31 December 2017	**543.849,46**	**241.210,57**	**9.274.677,48**	**26.401,37**	**(981.997,76)**	**(4.259.431,81)**	**4.844.709,31**

(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

Tax-free reserves under special laws

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.

Reserves created under the provisions of tax law from tax free income or from income taxed under special provisions

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 2016	**0,00**	**1.035.726,62**	**1.035.726,62**
Revaluation:	0,00	0,00	0,00
Currency translation differences	0,00	162.993,66	162.993,66
Balance at 31 December 2016	**0,00**	**1.198.720,28**	**1.198.720,28**

	Available for sale financial assets	Currency translation	Total
Balance at 1 January 2017	**0,00**	**1.198.720,28**	**1.198.720,28**
Revaluation:	23.333,33	0,00	**23.333,33**
Currency translation differences	0,00	(684.648,78)	**(684.648,78)**
Balance at 31 December 2017	**23.333,33**	**514.071,50**	**537.404,83**

This reserve in 2017 includes the Currency Translation differences from the translation of foreign subsidiaries financial statements.

19. Borrowings

Amounts in Euro	31/12/2017	31/12/2016
Non-current borrowings		
Bank borrowings	0,00	0,00
Obligations under finance leases	0,00	0,00
Total non-current borrowings	**0,00**	**0,00**
Current borrowings		
Bank overdrafts	752.388,65	0,00
Bank borrowings	50.708.885,47	49.908.383,34
Obligations under finance leases	0,00	0,00
Total current borrowings	**51.461.274,12**	**49.908.383,34**
Total borrowings	**51.461.274,12**	**49.908.383,34**

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 2017 (6,00%) are lower than those of 2016 (6,14%) 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 50,7 million.

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

	2017	2016
Euro (EUR)	50.708.894,23	48.549.903,75
US Dollar (USD)	752.379,89	1.358.479,59
Total	**51.461.274,12**	**49.908.383,34**

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

Amounts in Euro	31/12/2017	31/12/2016
Not later than 1 year	51.461.274,12	49.908.383,34
Between 1 and 2 years	0,00	0,00
	51.461.274,12	**49.908.383,34**

Finance leases

There are no Finance lease liabilities for the year 2017 and 2016.

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 2017 and 2016 are as follows:

	2017	2016
Balance sheet obligations for:		
Pension benefits	3.555.396,00	3.179.355,25
Total	**3.555.396,00**	**3.179.355,25**
Income statement charge for (Note30):		
Pension benefits	387.682,84	248.064,02
Total	**387.682,84**	**248.064,02**
Actuarial (gains)/losses (OCI)		
Pension benefits	0,00	39.181,65
Total	**0,00**	**39.181,65**
The amounts recognized in the Balance Sheet are as follows:		
	2017	**2016**
Present value of funded obligations	3.555.396,00	3.179.355,25
	3.555.396,00	**3.179.355,25**
Present value of unfunded obligations	0,00	0,00
	0,00	**0,00**
Liability in the Balance Sheet	**3.555.396,00**	**3.179.355,25**
The amounts recognized in the income statement are as follows:		
	2017	**2016**
Current service cost	387.682,84	248.033,88
Interest cost	0,00	30,14
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)	**387.682,84**	**248.064,02**

Total Charge allocated as follows:			
		2017	**2016**
Cost of sales		387.682,84	250.400,04
Selling and marketing costs		0,00	(1.461,91)
Administrative expenses		0,00	(874,11)
	Total	**387.682,84**	**248.064,02**
Movement in the liability recognized in the balance sheet			
		2017	**2016**
Balance at the beginning of period		**3.167.713,16**	**2.970.472,88**
Total expense included in employee benefit expense		387.682,84	248.064,02
Disposal of subsidiaries		**0,00**	0,00
Actuarial (gain)/loss from change in financial assumptions		0,00	(39.181,65)
Experience (gains)/losses		0,00	0,00
Balance at the end of period		**3.555.396,00**	**3.179.355,25**

The Principle Actuarial Assumptions Used for Accounting Purposes are:

	31/12/2017	31/12/2016
Discount rate	**1,70%**	**1,80%**
Future salary increases	**2,30%**	**2,30%**
Future pension increases	**2,00%**	**2,00%**

Sensitivity analysis

The use of a discount rate plus 50BP will lead to an actuarial liability lower by 8% and the opposite, a discount rate minus 50BP will lead to an actuarial liability higher by 9%

The use of a salary rate plus 50BP will lead to an actuarial liability higher by 8% and the oppsite, a salary rate minus 50BP will lead to an actuarial liability lower by 7%.

	Projected Benefit Obligation	%
Discount rate plus 50BP	**3.130.000**	**-8%**
Discount rate minus 50BP	**3.711.93**	**9%**
Salary rate plus 50BP	**3.678.592**	**8%**
Salary rate minus 50BP	**3.154.804**	**-7%**

21. Provisions

Long-term provisions are analyzed as follows:

	Loss at completion (projects)	Tax liability provision	Total
Balance at 1 January 2016	**0,00**	**654.037,67**	**654.037,67**
Charged/(credit) to the income statement	56.111,12	0,00	**56.111,12**
Utilized during the year	0,00	0,00	**0,00**
Balance at 31 December 2016	**56.111,12**	**654.037,67**	**710.148,79**
Utilized during the year	(56.111,12)	0,00	**(56.111,12)**
Balance at 31 December 2017	**0,00**	**654.037,67**	**654.037,67**

Short-term Provisions are analyzed as follows:

	Staff related	Project losses	Other	Total
Balance at 1 January 2016	**3.414.851,57**	**624,42**	**90.127,98**	**3.505.603,97**
Additional provision for the period	4.790.856,55	936.085,56	84.570,92	**5.811.513,03**
Unused amounts reversed	(924.302,20)	0,00	0,00	**(924.302,20)**
Utilized during the year	(3.141.031,88)	(695.783,47)	(68.782,47)	**(3.905.597,82)**
Balance at 31 December 2016	**4.140.374,04**	**240.926,51**	**105.916,43**	**4.487.216,98**
Additional provision for the period	5.485.723,64	1.088,51	203.306,37	**5.690.118,52**
Unused amounts reversed	(1.027.897,54)	943.160,36	(65.302,62)	**(150.039,80)**
Utilized during the year	(6.202.927,24)	(793.144,18)	(34.299,66)	**(7.030.371,08)**
Disposals/write-offs	0,00	0,00	(9.085,34)	**(9.085,34)**
Balance at 31 December 2017	**4.216.012,54**	**392.031,20**	**200.535,18**	**4.808.578,92**

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

22. Trade and other payables

Amounts in Euro	31/12/2017	31/12/2016
Trade payables	16.468.356,81	21.188.919,81
Amounts due to related parties (Note 39)	8.266.658,76	9.250.234,77
Accrued Expenses	10.522.617,59	12.169.348,31
Social security and other taxes	6.222.619,87	5.400.188,75
Advances from customers	29.420.213,70	26.412.285,81
Deferred revenue	9.805.639,78	9.475.576,11
Other payables	1.047.746,26	1.094.001,59
Total	**81.753.852,77**	**84.990.555,15**
Non-current portion	20.000,00	2.687.512,92
Current portion	81.733.852,77	**82.303.042,23**
Total	**81.753.852,77**	**84.990.555,15**

Trade and other payables are denominated in the following currencies:

	31/12/2017	31/12/2016
Euro (EUR)	75.008.075,05	74.233.925,66
US Dollar (USD)	5.731.817,88	8.266.579,37
Bulgarian Leva (BGN)	61.145,71	852.984,43
Romanian (RON)	431.321,28	1.164.646,71
Jordan Dinar (JOD)	503.779,08	444.891,20
GB Pound (GBP)	0,00	5.493,62
Danish Corona (DKK)	17.713,77	22.034,17
Total	**81.753.852,77**	**84.990.555,15**

23. Expenses by nature

Amounts in Euro	Note	1/1-31/12/2017	1/1-31/12/2016
Employee benefit expense	25	71.036.524,24	68.266.664,14
Costs of inventories recognized as expense		9.584.347,40	16.730.488,17
Depreciation of property, plant and equipment:			
- Owned Assets	6	730.606,79	671.329,70
- Leased Assets	6	0,00	0,00
Amortisation of intangible assets	8	687.929,03	641.733,28
Reversal of write-down of inventories		(4.250,74)	(10.844,09)
Impairment charge for bad and doubtful debts	14	(39.743,51)	133.920,08
Subcontractors		67.641.711,43	68.397.277,17
Exchange differences		268.393,98	(98.094,21)
Repair and maintenance expenditure on property, plant and equipment		0,00	
Operating lease rentals:			
- Property		1.769.797,25	1.577.413,43
- Machinery		1.986.639,98	2.072.328,79

- Office equipment	43.897,85	59.212,06
Transportation / Travel expenses	5.176.632,49	4.827.345,08
Telecommunication cost	681.106,08	789.224,59
Third party fees	651.180,50	1.098.980,61
Advertising	45.219,24	108.522,95
Other administrative expenses	822.800,82	786.884,88
Building expenses	588.918,56	1.336.937,76
Other	(108.816,65)	(4.373.313,45)
Total	**161.562.894,71**	**163.015.385,27**

Allocation of total expenses by function	1/1-31/12/2017	1/1-31/12/2016
Cost of sales	142.333.584,91	144.060.595,85
Selling & marketing costs	7.828.882,43	8.288.852,37
Administrative expenses	11.400.427,38	10.665.937,05
Total	**161.562.894,72**	**163.015.385,27**

Allocation of depreciation of property, plant & equipment by function	1/1-31/12/2017	1/1-31/12/2016
Cost of sales	520.210,23	491.396,51
Selling & marketing costs	23.681,12	21.636,95
Administrative expenses	186.715,45	158.296,24
Total	**730.606,79**	**671.329,70**

Allocation of amortization of intangible assets by function	1/1-31/12/2017	1/1-31/12/2016
Cost of sales	499.635,11	440.103,30
Selling & marketing costs	12.722,62	10.023,54
Administrative expenses	175.571,29	191.605,83
Total	**687.929,03**	**641.732,68**

Allocation of employee benefit expenses by function	1/1-31/12/2017	1/1-31/12/2016
Cost of sales	58.542.286,82	55.737.516,01
Selling & marketing costs	5.077.294,87	6.744.797,26
Administrative expenses	7.416.942,55	7.589.435,83
Total	**71.036.524,25**	**70.071.749,10**

Allocation of exchange differences by function	1/1-31/12/2017	1/1-31/12/2016
Cost of sales	0,00	0,00
Selling & marketing costs	0,00	0,00
Administrative expenses	268.393,98	(98.094,21)
Total	**268.393,98**	**(98.094,21)**

24. Employee benefits

	1/1-31/12/2017	1/1-31/12/2016
Number of employees	**1.560**	**1.291**
Amounts in Euro		
Wages and salaries	57.019.026,21	55.449.970,33
Social security costs	11.729.656,77	10.504.556,68
Other employer contributions and expenses	113.339,16	276.125,60
Share options granted to directors and employees	0,00	0,00
Pension costs - defined contribution plans	0,00	131.885,14
Pension costs - defined benefit plans	387.682,84	250.400,04
Other post-employment benefits	1.786.819,25	1.653.726,36
Total	**71.036.524,24**	**68.266.664,14**

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	31/12/2017	31/12/2016
Short-tem employee benefits	3.374.938,21	1.963.947,51
Longt-tem employee benefits	99.136,00	93.179,45
Total	**3.474.074,21**	**2.057.126,96**

25. Other operating income

Amounts in Euro	1/1-31/12/2017	1/1-31/12/2016
Amortization of grants received (note 21)	0,00	0,00
Dividend Income	0,00	2.074,35
Other income from grants	0,00	0,00
Rental income	46.685,09	41.434,53
Insurance reimbursement	6.902,26	7.488,56
Other	127.204,41	81.329,93
Other	69.646,50	475.777,40
Total	**250.438,26**	**608.104,77**

26. Other gains / (losses) – net

Amounts in Euro	1/1-31/12/2017	1/1-31/12/2016
Impairment charge on available for sale investments (note 12)	0,00	0,00
Impairment charge of subsidiaries (Note 10)	0,00	0,00
Net foreign exchange gains / (losses)	(375.619,82)	0,00
Profit / (loss) on disposal of property, plant and equipment	0,00	0,00
Other	102.764,29	87.187,57
Total	**(273.841,82)**	**87.187,57**

27. Finance expenses / (income) – net

Amounts in Euro	1/1-31/12/2017	1/1-31/12/2016
Finance expenses		
Bank borrowings	(3.792.938,13)	(3.745.029,00)
Finance leases	0,00	0,00
Letters of guarantee fees	(809.812,83)	(737.408,75)
Interest on prepayments of projects	(113.126,14)	(118.542,74)
Net foreign exchange gains / (losses)	(213.195,38)	311.573,56
Fair value gains / (losses) on financial instruments	0,00	(903.333,24)
Total Finance expenses	**(4.929.072,49)**	**(5.192.740,17)**
Finance income		
Interest income on short-term bank deposits	5.419,56	17.895,30
Interest income on loans to related parties	160.226,85	191.677,46
Other	2.987,15	175,99
Total Finance income	**168.633,56**	**209.748,75**
Total Finance result	**(4.760.438,93)**	**(4.982.991,42)**

28. Income tax

Amounts in Euro	1/1-31/12/2017	1/1-31/12/2016
Current tax	(1.526.386,00)	(2.725.403,96)
Deferred tax (note 14)	0,00	0,00
Total	**(1.526.386,00)**	**(2.725.403,96)**

The Luxembourg law N° 7020 on tax reform and the budget, voted on 14 December 2016, introduce tax measures affecting corporate taxpayers. The corporate income tax rate is reduced. The current effective combined income tax rate, including the corporate income tax, municipal business tax and the contribution to the unemployment fund is decreased to 27.08% in 2017.

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:

	2017	2016
Luxembourg	27,08%	29,22%
Greece	29%	29%
Romania	16%	16%
Belgium	33,99%	33,99%
Bulgaria	10%	10%
Denmark	22%	22%
Cyprus	12,5%	12,5%
United Arab Emirates	0,00%	0,00%
Jordan	20%	20%
Kenya	30%	30%

Unaudited tax years

The parent company has not been tax audited for the financial year 2015 - 2017.

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	2015 – 2017
Intrasoft International Greek branch	Greece	2012 - 2017
Intrasoft International Romanian branch	Romania	n/a
Intrasoft International Jordanian branch	Jordan	2011 - 2017
Intrasoft International Scandinavia	Denmark	2007 - 2017
Intrasoft International Belgium	Belgium	2012 – 2017
Intrasoft Jordan	Jordan	2010 - 2017
Intrasoft International Middle East	UAE	n/a
Global Net Solution	Bulgaria	2009 - 2017
Intrasoft International East Africa Ltd	Kenya	2015 - 2017
Intrasoft International Ltd	Bulgaria	2011 - 2017
Intracom Cyprus	Cyprus	2012 - 2017
VALEU Consulting SA	Belgium	2017
Intrasoft Information Technology Ltd	UK	2011 – 2017
Intrasoft SA	Greece	2012 – 2017
Intrasoft International SA	Boston – USA	2014 - 2017

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	1/1-31/12/2017	1/1-31/12/2016
Profit before tax	**5.269.101,90**	**4.618.065,20**
Tax calculated at Greek tax rate applicable on profits	(1.528.039,55)	(1.430.353,70)
Income not subject to tax	(264.809,57)	28.220,42

Expenses not deductible for tax purposes	(363.525,79)	(456.502,18)
Effect from different tax rates	422.017,63	230.997,39
Adjustment for over provision in previous periods	325.485,52	(75.867,64)
Tax losses of the period	(188.802,23)	(1.065.911,33)
Other taxes	71.287,96	44.013,06
Tax Charge	**(1.526.386,02)**	**(2.725.403,97)**

29. 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	1/1-31/12/2017	1/1-31/12/2016
Profit / (loss) attributable to equity holders of the company	2.501.889,93	2.021.266,49
Weighted average number of ordinary shares in issue	62.104	62.104
Basic earnings / (losses) per share	40,29	32,55

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	1/1-31/12/2017	1/1-31/12/2016
Profit / (loss) attributable to equity holders of the company	2.501.889,93	2.021.266,49
Weighted average number of ordinary shares in issue	62.104	62.104
Basic earnings / (losses) per share	40,29	32,55

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.

30. Cash generated from operations

Amounts in Euro	Note	1/1(31/12/2017	1/1(31/12/2016
Profit after tax for the period from continuing operations		**3.742.715,90**	**1.892.661,25**
Profit after tax for the period from discontinued operations		**(1.129.074,59)**	**330.475,12**
Adjustments for:			
Tax	29	1.526.386,00	2.725.403,96
Depreciation of property, plant & equipment	6	730.606,79	671.329,70
Amortisation of intangible assets	8	687.929,03	641.107,00
Impairments of available -for-sale financial assets		0,00	903.333,24
(Profit)/loss on disposal of available-for-sale financial assets		986,29	0,00
(Profit) / loss on disposal of property, plant & equipment		0,00	0,00
(Profit) / loss on disposal of subsidiaries		0,00	0,00
Dividend income		0,00	(2.074,35)
Interest income	28	(168.633,56)	(209.748,75)
Interest expense	28	4.929.072,49	4.289.406,93
Exchange gains / (losses)		375.619,82	88.132,90
Share of result of associates		(15.815,47)	(97.249,02)
		10.679.792,69	**11.232.777,97**
Changes in working capital			
(Increase) / decrease in inventories	15	1.135.250,30	492.188,10
(Increase) / decrease in trade and other receivables		(6.107.096,99)	(562.553,88)
Increase / (decrease) in payables		(3.236.702,38)	(3.695.104,41)
Increase / (decrease) in provisions		265.250,83	671.609,02
Increase / (decrease) in pension & other benefits		(376.040,75)	(208.882,37)
Changes in working capital		**(8.319.338,99)**	**(3.302.743,55)**
Net cash generated from / (used in) operating activities		**2.360.453,70**	**7.930.034,43**

31. Commitments

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

Operational Lease Commitments (amounts in Euro)	1/1(31/12/2017	1/1(31/12/2016
Not later than 1 year	3.115.180,40	2.708.217,27
Later than 1 year and not later than 5 years	7.757.293,00	6.846.409,11
Later than 5 years	1.920.557,03	1.819.808,67
TOTAL	**12.793.030,43**	**11.374.435,05**

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).

32. 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	2017	2016
Guarantees for advance payments	9.534.703,46	9.177.857,71
Guarantees for good performance	19.182.314,87	19.729.984,10
Guarantees for participation in contests	2.377.997,88	3.469.432,84
Counter-guarantees	398.509,65	464.035,61
Other	158.017,40	158.813,30
Total	**31.651.543,27**	**33.000.123,57**

Outstanding legal cases

There is an outstanding legal case against a subsidiary company 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.

33. Related party transactions

The following transactions are carried out with related parties:

Entity	Receivable	Sale of services	Income from Rent	Sales of Goods	Financial Income
Intracom Holdings SA entities					
Intracom Holdings S.A.	135,00	39.000,00			
Intracat	4.282.794,11	581.848,04		4.442.963,10	
Fracasso Hellas	459,24	459,24			
Intracom Defence S.A.	281.328,50	89.800,00			
Intradevelopment S.A.	97.638,82	202,38			
Intracom Contrust-Bucharest	34.586,80	0,00			
Intracom Holdings LTD (cyprus)					
Intracom Technologies LTD					
In Maint S.A.	1.252,92	0,00			
Intracom Holdings International Ltd	5.689,38				
Intracom Operations LTD	27.361,54	0,00			
Advance Transport Telematics AE	2.808.656,46	2.297.753,37	1.879,20		158.802,48
	7.539.902,77	**3.009.063,03**	**1.879,20**	**4.442.963,10**	**158.802,48**
Related parties					
Intralot S.A.	2.088.315,36	3.130.163,02			
Intralot Interactive	23.808,00	38.400,00			
Intralot Inc. U.S.A.	0,00	149.512,00			
Intralot Services S.A.	82.500,00	39.800,00			
	2.194.623,36	**3.357.875,02**	**0,00**	**0,00**	**0,00**
Total	**9.734.526,13**	**6.366.938,05**	**1.879,20**	**4.442.963,10**	**158.802,48**

Entity	Payable	Purchase of services	Rent charge	*Purchase of goods*
Intracom Holdings SA entities				
Intracom Holdings S.A.	8.081.314,99	1.431.048,46	742.326,25	
Intrakat S.A	0,00	268.310,52		
Intracom LTD Skopje	4.376,23	18.025,27		
Intrapower SA	77.400,98	89.045,10		
In Maint S.A.	0,00	173.739,33		96.998,89
	8.163.092,20	**1.980.168,68**	**742.326,25**	**96.998,89**
Related parties				
Stadio Karaiskaki	0,00	12.500,00		
Intralot Services S.A.	103.566,56	276.244,00		
Intratour		17.600,00		
	103.566,56	**306.344,00**	**0,00**	**0,00**
Total	**8.266.658,76**	**2.286.512,68**	**742.326,25**	**96.998,89**

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 2017 no amount was granted or reimbursed on top of the open balance due on 31.12.2016. As at 31 December 2017, this receivable amounted to 65.969,27 EUR. The interest rate that is used is the average effective rate applicable to Company’s short-term loans. (Note 16).

34. Post balance sheet events

On 25th January 2018 the syndicated loan agreement was signed by Intrasoft International SA, Intracom Holdings, NBG London Branch (acting as Arranger), Alpha London Branch, Piraeus Frankfurt Branch and Eurobank Private Bank Lux. The proceeds of the loan will fully repay the short-term loans of the four systemic Greek banks. The substitution of a long-term facility for short-term loans will improve financial soundness, give a favourable impression to the market, and reduce the burden of administrative tasks by unifying the terms of transactions with financial institutions.

35. Subsidiaries

The companies included in the consolidated financial statements and the related direct percentage interests held are as follows on 31.12.2017:

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	10%	Full
Intracom Cyprus L.T.D.	Cyprus	100,00%			Full
Advanced Transport Telematics SA	Greece	50%			Equity through profit and loss
VALEU CONSULTING	Belgium	40,10%	01.2017	10%	Full
STELSTATH	Greece	5,00%	05.2017		Equity through profit and loss
RURAL CONNECT BROADBAND	Greece	10,00%	03.2017		Equity through profit and loss

36. Assets held for Sale and Discontinued Operations

On December 2017 the Board of directors decided to proceed to the selling of subsidiary “Global Net Solution EOOD” for reasons relevant to the current local market conditions and to assign to a Financial advisor, advisory services with regard to the selling of the company On February 2018 the Board of directors decided to dissolve the company as from 30th of April 2018.

As a matter of consequence and according to IFRS, comparable Profit and loss statement figures of 2016 are those of Intrasoft International Group which was the aggregation of the same entities currently forming the Group Intrasoft International. Therefore, comparable figures of 2016 in 2017 annual consolidated financial statements differ from 2016 annual figures in 2016 annual consolidated financial statements

Analysis of the result of discontinued operations and the result recognised on the remeasurement of assets or disposal group is as follows:

Amounts in Euro	2017	2016
Revenue	1.535.588,27	3.644.521,00
Expenses	(2.639.562,96)	(3.277.061,88)
Profit before tax of discontinued operations	**(1.103.974,69)**	**367.459,12**
Tax	(25.099,90)	(36.984,00)
Profit after tax of discontinued operations	**(1.129.074,59)**	**330.475,12**

Assets classified as held for sale:

Global Net Solution EOOD	2017	2016
ASSETS		
Non-current assets		
Property, plant and equipment	374.975,56	430.686,19
Other intangible assets	2.539,14	5.715,36
Deferred income tax assets	0,00	25.099,90
Trade and other receivables	0,00	22.063,02
	377.514,70	**483.564,47**
Current assets		
Inventories	31.111,68	343.357,89
Trade and other receivables	140.644,00	608.291,08
Cash and cash equivalents	158.813,60	825.829,19
	330.569,28	**1.777.478,16**
Total assets	**708.083,98**	**2.261.042,63**

Liabilities directly associated with non-current assets classified as held for sale:

Global Net Solution EOOD	2017	2016
LIABILITIES		
Non-current liabilities		
Retirement benefit obligations	0,00	11.642,09
Trade and other payables	0,00	7.512,92
	0,00	**19.155,01**
Current Liabilities		
Trade and other payables	244.918,13	838.926,15
Current income tax liabilities	0,00	11.359,05
Borrowings	265.545,84	0,00
Short-term provisions for other liabilities and charges	9.085,34	74.387,96
	519.549,31	**924.673,16**
Total liabilities	**519.549,31**	**943.828,17**

Statement of comprehensive income for the period from discontinued operations:

Global Net Solution EOOD	2017	2016
Discontinue operations:		
Sales	1.451.128,40	3.644.521,00
Cost of sales	(25.447,38)	(67.156,86)
Gross profit	**1.425.681,02**	**3.577.364,14**
Selling and marketing costs	(2.044.064,84)	(2.711.421,55)
Administrative expenses	(560.455,89)	(523.617,99)
Other income	77.570,34	21.392,08
Operating profit	**(1.101.269,37)**	**363.716,68**
Finance income	6.889,53	7.626,90
Finance cost	(9.594,85)	(3.884,46)
Finance costs - net	**(2.705,32)**	**3.742,44**
Profit before income tax	**(1.103.974,69)**	**367.459,12**
Income tax expense	(25.099,90)	(36.984,00)
Profit after tax for the period from discontinuing operations	**(1.129.074,59)**	**330.475,12**