INTRASOFT INTERNATIONAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014
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 7th of August 2015.

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. Georgios S. Koliastasis, Member of the Board of Directors

In our above mentioned capacity we declare that:

As far as we know:

a. the consolidated annual financial statements for the year 01/01/2014 to 31/12/2014 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

Message from the CEO

In 2014, the global economy continued to grow but at a slow pace. At INTRASOFT International, we followed a disciplined financial management strategy whose successful outcome has been reflected in our 2014 sales achievements and financial results.

Group revenue for 2014 reached EUR 144.0 million, up almost 6% year on year from EUR 135.9 million in 2013. Even more importantly, operating profit rose to EUR 4.7 million from EUR 2.4 million in 2013. Moreover, for a third consecutive year overall net debt has been reduced by 26.9% year on year.

INTRASOFT International exceeded our expectations for new contract awards in 2014, delivering record bookings of EUR 290 million. The total value of these contracts represented a 9% increase over 2013 bookings and helped boost the company's order backlog to EUR 458.9 million at year-end.

We maintained our leading position in the EU Institutions market winning new contracts with the European Commission who continues to trust our experts and our high-quality IT services, having added more Directorates-General and Agencies to our long client list. In 2014 we served the needs of a great number of Directorates-General, such as: Informatics (DG DIGIT), Taxation and Customs Union (DG TAXUD), Research & Innovation (DG RTD), Justice and Consumers (DG JUST), Communication (DG COMM), Home Affairs (DG HOME) and the Environment (DG Environment), as well as the Statistical Office of the European Union (EUROSTAT) and the European Parliament.

In the Public Sector, we continued our business development efforts in new markets and regions with high-growth potential, such as the Middle East, Africa, Eastern Europe and Southeast Asia. In addition, we made a first step into new contractual, business and technological project frames through our first large Public Private Partnership Project in the public transportation domain.

In the Enterprise Solutions Sector, we reinforced our Banking business activity in Eastern Africa, which constitutes the area of our strategic focus, and as a consequence we celebrated the award of another large banking project in Uganda. In the Telecommunications business solutions sector, we continued growing our services business, adding new customers and offering new technologies. In the SAP solutions sector, we maintained the Gold SAP partner and SAP solutions provider status for medium to large-scale integration projects, both in the private and the public sectors, servicing a variety of industries. More importantly in 2014, we continued to invest in the vertical market of integrated IT systems for Higher Education Institutions, as a specialized partner of SAP solutions for Education, with the successful go live of 2 major projects.

Following closely the developments of the global markets, we intend to continue investment in growing the lines of business which offer attractive long-term prospects with high returns on investment. Being a leading European IT Solutions and Services Group with a strong international presence, INTRASOFT International is now well-positioned to capitalize on markets with long-term structural growth prospects and deliver further value for shareholders.

I would like to personally express my deep appreciation to INTRASOFT International's worldwide team for bringing us to where we are today. Additionally, I am proud to become a member of this team and to be trusted with the leadership of this strong multinational IT and Services Group. All of us at INTRASOFT International are motivated by what was achieved in 2014 —particularly our

record new business bookings— and we are eager to reach new revenue levels in the coming three years with the same strong commitment to creating yet more value together.

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 2014 (1st JANUARY – 31st DECEMBER 2014)

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 2014 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) and offices in Moldova, Morocco, Palestine, Philippines, Romania, Saudi Arabia and Yemen.

Financial Performance

For the fiscal year 2014 INTRASOFT International annual revenues stood at EUR 144,0 million a figure unchanged compared to 2013 (EUR 135,9 million) in a very difficult financial environment characterized by significant cuts in IT spending & budget and a fierce competition on margin, reflecting a 6,0% increase and EUR 4,1 million.

Cost of sales - as a percentage of sales - has been decreased in comparison to 2013, amounting EUR 119,89 million (83,3% of revenue) against EUR 113,46 million (83,5% of revenue) in 2013 due to some one-off costs and combined with the small revenue growth eventually reduced the gross profit in both absolute value and percentage of revenue, amounting EUR 24,1 million (16,7% of revenue) against EUR 22,4 million in 2013 (16,5% of revenue).

Marketing & selling costs reduced to EUR 10,38 million in 2014 against EUR 10,61 million in 2013. Administrative expenses reduced to EUR 9,53 million in 2014 against EUR 9,74 million in 2013.

Other gains/(losses) was decreased by EUR 0,17 million in comparison to 2013 amounting EUR -0,01 million against EUR -0,18 million in 2013

The Group's 2013 Finance cost were affected by impairments. According to standard procedures, taking into account the market conditions that there is an important and permanent reduction of the fair value of the available-for-sale asset, namely HOL shares listed in ASE, in order for the financial statements to reflect available-for-sale at fair value, management has decided to proceed with the impairment of EUR 9.5 million through P&L.

Group's EBITDA amounted to € 6,8 million, compared to € 5,6 million in 2013.

As a matter of consequence, Earnings before interest and tax (EBIT) reached EUR 4,66 million against 2,44 million in 2013.

Earnings before tax (EBT) ended positive at EUR 1,0 million in 2014 against negative at EUR 11,5 million in 2013.

Net Equity has ended positive stood at EUR 7,6 million in 2014 against EUR 7,9 million in 2013.

Total assets on 31.12.2014 stood at EUR 134,04 million compared to EUR 126,89 million on 31.12.2013.

Total Borrowings in 2014 stood at € 50,2 ml. reduced by € 3,9 ml. compared to 2013 (€ 54,1 ml.) The decrease in Total Borrowing was due to the repayment of loans. Management has decided to continue the repayment efforts.

On 31.12.2014 and following a year of great success in terms of bookings, projects backlog amount EUR 458,9 million, more than 2 years of consolidated revenues, an amazing figure.

The Group in 2014, in spite of the ongoing economic crisis —in particular in Europe where our priority market is – continuing its efforts and commitments to reduce bank debt - managed to close the fiscal year with a net debt (borrowings minus cash) of EUR 28,9 million down by € 10,7 million compared to 2013. (EUR 39,6 million in 2013 and EUR 44,4 million in 2012).

INTRASOFT International added yet another year of growth to its 18-year history by gaining new customers and successfully retaining key contracts, which were re-tendered during the year.

(€mil.)	2014	2013	Diff.
Financial structure ratios			
Net Debt	28,9	39,60	-26,9%
Net debt / equity	3,8x	5,0x	-23,9%

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

(€mil.)	2014	2013	Diff.
Profitability ratios			
Revenue	143,97	135,87	0,33%
EBIDTA	6,80	5,56	22,39%
EBITDA/Sales	4.72%	4,09%	15,51%
EBIT	4.66	2,4	91,06%
Financial structure ratios			
Current assets/Total assets	0,81	0,80	0,32%
Current assets/Short-term liabilities	0,95	0,88	7,53%

Future Outlook

In 2014, the global economy did not record significant gains, however in 2015 global markets are expected to start showing more signs of recovery and growth. Companies in Europe aim to enhance their resilience in a still unsettled market, to identify new areas of growth and to invest in innovation in order to compete effectively in the globalized market. Information and Communication technologies—holding a central role as facilitators of innovation and new employment opportunities—are drawing more attention than ever before.

Within this developing European landscape, INTRASOFT International is planning the key components of its three to five year strategy that will -in the short-term- secure its achievements so far in each market and activity, and -in the medium to long-term- achieve the desired growth in turnover and profitability.

At the core of our strategy, as is natural for a Software and Services company, lies the development of our human resources. The Group's employees are the main driving force in implementing our corporate strategy and achieving the objectives that we set. In this context, we plan to invest heavily in the continuous development of our HR function and the enhancement of the respective processes and activities.

As our business continues to grow globally, we will continue identifying and evaluating locations for the establishment of new Software Development Centers. In that way we will be guaranteeing to our customers and development teams access to the most highly-qualified and competitive resources.

The company continuously monitors new technological trends and contributes to the development and actual implementation of new technologies. Starting in 2015, INTRASOFT International will be taking a step further by investing even more in innovation and R&D both internally, but also through participation in venture capital funds and start-ups.

Strategically, INTRASOFT International will focus in three domains:

2 EU Institutions:

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

3 Public Sector (e-government):

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

4 Enterprise Solutions:

- **4.1** Banking:
  - 4.1.1 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
  - 4.1.2 investing in R&D for our Banking products to remain in line with the most up-to-date technologies (Cloud, Big Data).
- **4.2** Telecommunications:

4.2.1 focusing on Telco operators in the Balkans
4.2.2 introducing partner solutions for OSS/BSS
4.2.3 investigating opportunities for investment in product development and/or acquisition of relevant startups.

4.3 SAP Solutions:
4.3.1 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.

4.4 New Activities:
4.4.1 evaluating projects and investment in the areas of Internet of Things (IoT), Smart Energy Grid, Big Data & Analytics.

Risks and Uncertainties

2.2. Financial risk factors

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

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

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

(a) Market risk

Cash flow risk

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

Foreign exchange risk

The Croup provides services and sells goods with contractual amounts denominated to a large extent in euro. Therefore, it is not exposed to large movements in foreign currency exchange rates against its reporting currency, the euro. The Croup did not use derivative financial instruments in the years ended 31 December 2013 and 2012 in order to reduce its exposure to foreign currency exchange risk.

Fair Value risk

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

(b) Credit risk

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

(c) Liquidity risk

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

(d) Price risk

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

(e) Special risk

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

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

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

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

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

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

Main Achievements of the year 2014

The Group in 2014, in spite of the ongoing economic crisis —in particular in Europe where our priority market is – continuing its efforts and commitments to reduce bank debt - managed to close the fiscal year with a net debt (borrowings minus cash) of EUR 28,9 million down by € 10,7 million compared to 2013. (EUR 39,6 million in 2013 and EUR 44,4 million in 2012).

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

The following paragraphs provide a snapshot of the Group's main achievements in 2014.

1. Application Development & Integration Services

INTRASOFT International delivers a wide range of customized IT systems and applications to clients around the world through its Application Development & Integration Services. EU institutions, national governments as well as large private enterprises rely on its expert services in customized application development to translate their diverse and complex business needs into IT applications, which in turn help them streamline their operations. The European Commission and European Parliament are two of the company's most prominent customers, who have honored us with their trust over a long period of time. Among other challenges, INTRASOFT International is developing and implementing Europe's vision in the area of customs and taxation, in collaboration with the European Commission.

During 2014,

- INTRASOFT International continued working CUSTDEV3, which was awarded in 2013 by the Directorate-General for Taxation and Customs Union (DG TAXUD) to a consortium led by INTRASOFT International. CUSTDEV3 involves the implementation of the new EU customs policy (Union Customs Code) over the next eight years, as well as the business and technical specification of numerous customs-related systems and the maintenance of existing systems centrally operated by DG TAXUD.

- INTRASOFT International continued working on FITSDEV3, a critical framework contract with DG TAXUD in the Taxation and Excise domains. INTRASOFT International, being involved in the Taxation and Excise for quite a long period has become a recognized leader in these domains.
- Five EU countries (Belgium, Bulgaria, Ireland, Romania and Slovenia), as well as Croatia that entered EMCS operations in 2013, based their EMCS implementation on X-EYES, a core solution (asset) jointly implemented by INTRASOFT International and IBM NL.
- The Lithuanian Customs Department awarded INTRASOFT International a contract to implement the country's new National Transit System. The project started in January 2013 and continued through 2014.
- In 2014, the Lithuanian Customs Department awarded another critical project to INTRASOFT International: the implementation of the Lithuanian National Single Window that provides a one-stop shop for the interaction of economic operators in Lithuania with Customs and the agencies responsible for providing certificates for the import, export and transit movements of goods. This is the second Single Window project of INTRASOFT International, establishing its position in this domain.
- INTRASOFT International continued to provide services to DG TAXUD and all EU Member State Customs and Taxation Administrations under the framework of the ITSM2 Lot2 contract.
- INTRASOFT International has been awarded a contract for the implementation of the ASEAN Customs Transit System (ACTS) for the Association of Southeast Asian Nations (ASEAN), including Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. ACTS is a Customs Management System designed to facilitate the movement of goods being transported by road throughout ASEAN Member States. INTRASOFT International implements the complete system, including the software applications and the communication system, required to manage and monitor the movement of goods. This is the first major Customs project of INTRASOFT International in Eastern Asia.
- CENTAUR2, a consortium led by INTRASOFT International has been awarded the Horizon 2020 Framework Contract by the (DG RTD). The purpose of this contract is the provision of IT services for the development and maintenance of IT systems related to the management of Research and Innovation projects. Under this contract, INTRASOFT International undertook the revamping of the EURAXESS Portal of DG RTD, a pan-European initiative supported by 40 participating countries across Europe, aiming at becoming the daily tool for a vast majority of researchers in the private and academic field.
- INTRASOFT International continued being the market leader in providing software development services to the European Parliament.
- INTRASOFT International undertook the maintenance, support and further development of the audiovisual site of the European Parliament (http://audiovisual.europarl.europa.eu/), which provides high quality content about Parliament activities to the public and notably to journalists.
- INTRASOFT International continued providing services to the Directorate-General for Justice and Consumers (DG JUST) for the development, maintenance and support of the European e-Justice Portal and the European Criminal Records Information System (ECRIS). In addition, INTRASOFT International completed the feasibility study for the interconnection of EU Land Registers — a very ambitious project which will enable notaries and other professionals in any EU country to search other countries' Land Registers through the European e-Justice Portal.

- INTRASOFT International continued providing business-specific application services to the statistical office of the European Union (EUROSTAT). These include the EBB validation and computations system as well as the SIMSTAT/ESDEN applications for exchanging microdata (trader level data) on intra-EU exports of goods between Member States.
- INTRASOFT International delivered application development services to the Directorate-General for Home Affairs (DG HOME) of the European Commission, including further development of the EU's anti-trafficking website, maintenance of the European Migration Network (EMN) and management and operation of the European Web Site on Integration (EWSI).
- INTRASOFT International delivered the eGrants application for registering and managing applications by external organizations in the context of Directorate-General of Communication (DG COMM) Grant program of the European Parliament.

2. Outsourcing & Managed Services

Outsourcing and Managed Services is one of INTRASOFT International's key areas. In 2014, INTRASOFT International has been awarded a new large contract, the Network Users Proximity Services (NUPS).

Indicative on-going projects include:

- Network Infrastructure Services for Directorate-General for Informatics (DG DIGIT): provision of infrastructure support services for data and telephony cabling. The service entails a complex logistics procedure (stock planning & management), field operations, as well as a 24/7 service desk to receive calls, plan actions, support field technicians and answer critical calls outside normal working hours.
- IT Support Services (ITSS) for DG DIGIT: provision of IT support to the European Commission's end users (approximately 42.000 people). The service includes local service desk, desk-site support, logistics support and application support, as well as workstation and system administration. During 2014, both front-office as well as back-office services (servers, security, and more complex issues) services were managed by INTRASOFT International. Finally, during 2014, although INTRASOFT International already had the responsibility of the operational part of the Logistics Services, the company was also awarded the planning part of this service. This means that INTRASOFT International manages the IT Logistics Service end-to-end.
- Grant Management Systems Support (GMSS) for DG DIGIT: provision of application management and user support services. INTRASOFT International is managing mission-critical applications through which entities across the world (e.g. universities and large industrial corporations) can submit proposals to receive funding for their research projects. Moreover, it supports both proposal submitters and the external experts who evaluate the proposals submitted.
- Network Users Support Services: The scope of this service is to give third level support within the following areas:
    - Electronic Mail (Exchange), managing +50.000 mailboxes
    - I-Call maintaining the ACD telephone system of the Commission
    - Video Conferencing: supporting and designing the whole Commission Video Conference infrastructure of 600+ video conference rooms, including VIPs. Additionally, taking care of the booking of all video conference rooms.

- Application Support for the EU's Publications Office: provision of end-user support for a series of applications employed to communicate messages and information from the European Commission to stakeholders around the world.
- IT Support for the European Parliament: provision of IT support to European Parliament staff using various internal applications.

3. Professional Services

Seven major framework contracts were operational during 2014, through which INTRASOFT International provided professional services to the European Commission, the European Parliament, the European Medicines Agency and other institutions of pan-European relevance:

- A framework contract with the European Medicines Agency (EMA), headquartered in London and responsible for protecting and promoting public and animal health by evaluating and supervising medicines. Services provided cover the development of EMA's mission-critical IT systems.
- Three framework contracts (namely DESISIII Lot1, Lot2 & Lot3) with DG DIGIT — on behalf of all EU DGs and agencies — to provide experts in IT development, studies, architecture and support of information systems.
- Two framework contracts (namely ITSS Lot1 and Lot2), which are among the biggest and most visible of all EU institution IT contracts. Under ITSS, INTRASOFT International provides IT experts for several DGs, where they are supporting the DGs' IT infrastructure. The services also involve highly-skilled professionals in database management, application administration and ITIL-based IT governance.
- A framework contract with DG RTD (namely H2020 Lot 3). Services provided cover the development and support of the Research mission-critical information systems.

4. Communication & Consulting Services

During the past year, in anticipation of clients' future needs, INTRASOFT International put substantial effort in developing special skills and corresponding offerings in campaigns, info-graphics and analytics, as well as strengthening its usability expertise.

During 2014, INTRASOFT International continued working on a number of 'next generation', highly innovative communications projects including:

- Our first major Framework Contract for audiovisual work for the EU Agency of Occupational Health and Safety at Work;
- Our first evaluation framework contract for online communications work — i.e., monitoring and analyzing the online communications work of The Directorate-General for the Environment (DG Environment);
- Our first 'lo-fi' audiovisual project, also for DG Environment, where we developed screencast videos by creating an animated presentation with an audio interview between a scientist and a science journalist, and then promoted it on social media;
- The first 'Community of Practice' website to be built on the EC's new Drupal platform, integrating machine translation, online community management, social media outreach, a CRM-driven multiplier program and more;
- A new usability project, resulting in the creation of INTRASOFT International's Portable Usability Lab and a usability competence center;

- A project combining an interactive, crowd sourcing-oriented website with an augmented reality-powered mobile app for the US Agency responsible for managing war cemeteries.

5. Public Sector/ Government Solutions

INTRASOFT International is providing IT solutions and services for central and regional governments that streamline internal processes and provide a wide range of G2G, G2B and G2C services in various public sector domains. Our solutions cover horizontal e-government needs (e.g. e-gateways, e-procurement, portals, etc.) as well as vertical business areas such as taxation, public financials, social security, healthcare and justice. The most noticeable developments during 2014, presented per solution category, include:

- Tax, Revenue Management & Compliance:
  - The Tax Administration System (TAS) for the State of Qatar has been successfully completed and placed into production in third quarter of 2014. It represents a unique example of a Governmental Application Integration Project, incorporating Oracle & INTRASOFT International TAX & Compliance Application products.
  - Final acceptance of Taxis Datacenter for Greek Ministry of Finance (GGPS).
- Public Financial Management:
  - Ongoing implementation of the Government Financial Information Management System (GFMIS) of Qatar. The GFMIS project has been mandated and authorized by the Government of Qatar to support the management of financial decisions through the deployment of a Governmental Integrated Financial System.
- Social Security:
  - The Social Security and Pension Administration System (SSPAS) of Kenya, a solution developed by INTRASOFT International and put into operation in 2013, has been significantly extended in functionality through an additional contract, which in turn has been successfully implemented and led the overall IT System into production.
  - A new tender was awarded by the National Social Insurance House in Moldova, covering maintenance & application enhancement activities of its already operational Social Security System.
- E-Procurement:
  - The Greek e-procurement system, a solution developed by INTRASOFT International based on Oracle application and technology products, was completed and placed into production. Over the last 18 months hundreds of tenders, with a total value to exceed the amount of 500m€ were executed by the new System.
- Healthcare:
  - INTRASOFT International is continuously enriching the IT Systems of the Greek National Organization for Health Care Provision (EOPYY), enabling internal and external users to enjoy electronic services that address medical examination clearance, referrals registration and processing, patient medical record, etc.
  - Final acceptance of INTRASOFT International's Hospital Information System installed in Aghia Sofia Children's Hospital in Greece.
- E-Justice:
  - A new project began in the field of Court Management Systems for the Greek Ministry of Justice, covering the needs for the computerization of the flow for the criminal and civil

procedures and processes, through the design and implementation of an integrated information system.

- Also contractual projects works for the Integrated System that automates the operation of the Prison Department (Greek Ministry of Justice) were started.

- Transportation:
  - A project contracted with the Athens Urban Transport Organisation S.A. (OASA S.A.), introducing INTRASOFT International to brand new contractual (SDIT), business (Transports) and technological (Telematics) frames as a Public Private Partnership Project has started with a time-line of 2 years for building the overall System and 8 years for operating it. Through the installation of intelligent computational, networked devices and displays to thousands of Public Vehicles and Bus-stops, passengers will be effectively informed about the buses' routes and timetables, while OASA internal users will be able to monitor the traffic, intercommunicate with buses' drivers and intervene to facilitate and improve Transports System operation.
- E-Government:
  - New projects began in the fields of Digitization of Social Insurance Legislation and Social Security Benefits (HDIKA), as well as in the computerization of voluntarism for the Holy Archdiocese of Athens.
  - The Greek Police digitization project successfully completed its first two phases (Analysis and H/W & System SW installation) and is on schedule regarding the digitization of criminal records and fingerprints cards, as well as the development of the document management applications.
  - Digitization and scientific documentation of the Historical Archive of the Greek Orthodox Holy Synod. 3.000.000 pages of unbounded documents from the beginning of the 19th century. Access provision to scientists and historians to the digitized material. Presentation of the digitized material to the public through a portal designed specifically for the project. Vocational and educational lessons organized through an e-learning platform that was implemented in the framework of the project.
  - Digitization and scientific documentation of the archives of the Service of Navy History. 800.000 unbounded pages. 1655 microfilm of almost 1.000.000 images. Implementation of a portal for access of the digitized material from the public. Implementation of documents management, work flow and protocol systems.
- Legal database NOMOS
  - Development of two applications to provide availability of NOMOS on tablets and mobile phones for both iOS and Android environment
  - Improvement of NOMOS search tools environment (implementation of optimized search with legal phrases).
- GIS
  - Completion of a SCADA project for real-time monitoring of water distribution network for the Municipality of Visaltia in Greece. The project involved procurement, design and installation of water monitoring equipment at 24 sites, wireless wifi network for collection and transmission of data, and centralized monitoring and control through SCADA and GIS software.

- The Greek e-urban planning (e-Poleodomies) project which has been suspended since 2009, started again in May 1014 followed a contract amendment. The implementation study, hardware and software procurement and installation as well as the first partial delivery of digitized data were successfully delivered and accepted by December 2014.

- Anti-money laundering:
  - Anti-money laundering (AML) software is a type of computer program used mainly by financial institutions to analyze customer data and detect suspicious transactions. This solution is currently under development by INTRASOFT International for the Hellenic Posts.

6. Banking Solutions

During 2014, INTRASOFT International continued its approach for the reinforcing of its Banking Business development efforts in Central-Eastern Africa and especially in Ethiopia, Kenya, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe which constitute the countries of its strategic focus.

INTRASOFT International is promoting in the market of Central-Eastern Africa a selection of owned and 3rd Party Vendors' banking Solutions consisting of:

- PROFITS® Core Banking System
- i-PROFITS® Internet and Mobile Banking System
- Cortex ATM and Card Management System of FIS Global
- IST ATM Switch and Card Management System of FIS Global (used for the implementation of National Card Switches)

In implementing its strategic approach for the penetration of the banking market in the above mentioned countries of interest, the company solidified its presence by participating in a significant number of banking commercial bids and by initiating partnerships with local well-established IT companies. With these partnerships the company enhances its responsiveness to the needs and opportunities of the local market by promoting its banking solutions in a close cooperation with its selected local partners throughout the complete sale life-cycle as well as by founding competence centers capable of providing locally projects' implementation services and after-sale support.

2014 was proved to be the year of the company's strategy affirmation since due to the successful implementation of above described activities it is already foreseen that at least three new Banking projects in Central-Eastern Africa will be awarded to INTRASOFT International within 2015.

Apart from the aforementioned business development activities, individual 2014 highlights include:

- Centenary Rural Development Bank in Uganda: The Bank awarded to INTRASOFT International the project for the implementation of PROFITS® Core Banking System. INTRASOFT International was also awarded the Supply, Installation and Maintenance of the required technological platform (Hardware, OS, utilities and tools) for the smooth operation of PROFITS®.
- Major Bank in Kenya: (due to a relevant non-disclosure agreement, the name of the Bank cannot be published yet): The implementation of PROFITS® Core Banking System at the bank in the context of a relative contract is on-going. The Bank has assigned to INTRASOFT International a project for additional services for the enhancement of PROFITS® with specific to the bank functionality
- SoftNet in Tanzania: INTRASOFT International founded a close cooperation with SoftNet, an ICT company in East Africa serving customers throughout Tanzania, for the promotion of its

banking solutions as well as for the provision of local projects' implementation services and after-sale support.

- Computer Point in Uganda and Rwanda: INTRASOFT International founded a close cooperation with Computer Point, an IT Systems Integrator in East Africa, for the promotion of its banking solutions as well as for the provision of local projects' implementation services and after-sale support in both countries.
- Geniki Bank in Greece: The Bank has assigned to INTRASOFT International a project for additional services and enhancements for PROFITS® Core Banking System, BTS-Vision Treasury System (of Redwood Corporation USA, represented and deployed by INTRASOFT International) and IcomPay Payments Hub (INTRASOFT International's owned Payment Hub).
- National Bank of Greece: New contract for the implementation of Group Reporting with Oracle Hyperion. This implementation will provide the Bank with a consolidated financial reporting MIS thus facilitating management decisions. New Contract for the upgrade of AVAYA IVR platform in the newest commercial available release enabled with Speech Recognition Feature. With this feature the end customers enjoy a similar to the live agent experience reducing cost and time (Natural Language Understanding NLU).
- Piraeus Bank in Greece: New contract for the implementation of ORACLE SIEBEL Campaign Management and SIEBEL Bank Wide Loyalty. The project concerns the implementation of a CRM Loyalty solution based on ORACLE Siebel to cover the multi-channel and multi-partner Loyalty needs of the Bank and will be integrated with the newly delivered by INTRASOFT INTERNATIONAL "Campaign Management" System.
- Fragou Law Firm in Greece: Fragou Law Firm has awarded to INTRASOFT International the project for the supply, installation and maintenance of their Contact Center solution. Fragou Law Firm is a leading Greek Law company established in 1992. During the recent years, the firm has been involved in the Greek Collection Market serving all major clients of the Banking and Enterprise sector. The project awarded concerns the installation and configuration of Aspect UIP 7.2 Contact Center, which shall cover all relevant business needs of the company.
- Liberty Bank in Georgia: The Bank has assigned to INTRASOFT International a project for additional services for the enhancement of PROFITS® with specific to the bank functionality
- Commercial International Bank (CIB) in Egypt: INTRASOFT International, in its capacity as a preferred FIS's Global implementer, provided services for the Implementation of Cortex ATM and Card management System of FIS Global.
- Reiffeisen Bank in Poland: The Bank has assigned to INTRASOFT International the implementation of additional services for Cortex ATM and Card Management System of FIS Global.

7. SAP Solutions

INTRASOFT International, Gold SAP Channel Partner, holds a strong position as a SAP solutions provider for medium to large-scale integration projects, both in the Private, as well as in the Public sector, servicing a variety of industries, such as Consumer and Trading Goods, Education, Utilities, Oil & Gas, Telecoms and Transportation. Additionally, the company specializes in the localization and rollout of Global Templates for multinational companies, as well as in the provision of preconfigured turnkey solutions for SMEs, in various markets.

Within 2014, INTRASOFT International won a number of new projects. Indicatively:

- the implementation of INTRALOT's Pilot SAP project for the provision of the necessary SAP Licenses, as well as the implementation of SAP Financial Accounting, Controlling, Sales, Purchasing, Inventory Management, Projects Financial Management & Project Portfolio Management, Asset Tracking and HR functions (Personnel Administration, Employee benefits & Leaves Management) for the Group Holding company and its Greek affiliates. In the next project Phase, this Pilot will be the basis of a Global Template, to be gradually introduced to all major INTRALOT's affiliates, through roll-out projects.
- The implementation of SAP's purchasing module integrated with the PAPYROS Document Management solution, aiming at the detailed monitoring of the Greek National Railway Organization's (OSE) bidding, evaluation and purchasing execution procedures.
- Localization and rollout services to TAKEDA GmbH, with a successful live of their Greek Affiliate on April 1st, 2015.

Most importantly in 2014, INTRASOFT International celebrated the successful go live of 2 major projects in the field of Higher Education, in the University of Patras, Greece and the Cyprus University of Technology in Lemessos, CY.

Since May 2012, INTRASOFT International has been certified by SAP as a Partner Center of Excellence (PCOE), in compliance with the support infrastructure and operations requirements of SAP's PCoE program. This is confirmation that INTRASOFT International's services and support offerings are in accordance with SAP's HIGH technical and organizational standards.

The PCOE certification, in conjunction with our professional and partnering relations with our customer base, accounts for our large number of annually renewed SLAs and Framework agreements, both for maintenance and functional enhancements, with major Greek and Multinational Companies, such as: Attica Gas Supply Company S.A., Black Sea Trade and Development Bank, GENESIS PHARMA S.A., HELLENIC PETROLEUM Group, HENKEL Hellas SA, INTERAMERICAN, ION S.A., L'Oreal Hellas S.A, National Bank of Greece, OTE Group of Companies, ROKAS Renewables (IBERDROLA Group), St. Gobain, TEIRESIAS S.A., Thessaloniki Port Authority, etc.

8. Telecom BSS Solutions

INTRASOFT International continued and broadened its activities in the Telco BSS market during 2014, including:

- Provision of Siebel CRM services to a number of Telcos in Greece
- Provision of SOA and BPM services to a number of Telcos in Greece
- A new customer experience project based on IBM's Tealeaf platform
- A new mobile customer care application based on IBM's Worklight platform

The company remains focused on strengthening its market position for its main offering (CRM, SOA/BPM and Hyperion) while actively seeking new ways to meet its customers' future needs. Key to this is our selection of the platforms used to build our solutions — we work only with established and respected vendors that provide us with cutting-edge of technology.

9. Research & Development Initiatives

INTRASOFT International has been actively contributing to the development of innovative, pre-industrial products and services through its participation in EU research programs. This

participation is INTRASOFT International's vehicle for contributing to the European Commission's strategic policy objective of enabling Europe to master and shape future developments in ICT. At the same time, the return is the opportunity to stimulate product, service and process innovation in the company's own offerings.

R&D areas targeted by INTRASOFT International include:

- technologies and applications that attempt to manage the explosive growth of digital content (both structured and unstructured), especially on the sharing and reuse of large, linked or open datasets, and the development of innovative content and data analytics services for such datasets;
- the new generation of web-based applications and services that leverage technologically aware industries and small and medium-sized enterprises (SMEs) by enhancing their business systems through the development of innovative integration and collaboration platforms that intelligently combine data from disparate information systems, sensors, agents, smart objects, etc.;
- community-focused interactive dissemination platforms that provide effective access to content and facilitate social interactions supported by, among others means, context-centric searches, extraction and mining of data from social media and networks, and real-time social recommendations.

Some of the 'Research and Innovation' Department's 2013 successes are listed below:

- INTRASOFT International leads a consortium of 10 partners (among them, Alcatel, Software AG, University of Southampton, Demokritos, SINTEF, and Deutsche Welle) in the research project REVEAL. The project takes on the challenge of discovering what is being said about a particular subject in the social media, but also determining how trustworthy that information is, and, hence, automatically judging its quality and accuracy. REVEAL has a budget of EUR 7 million, and is expected to end in 2016.

- INTRASOFT International leads the CONCEPT project, which targets the implementation of a semantically driven collaboration framework for integration into future synchronous/asynchronous collaborative product design environments. The consortium comprises nine partners, including ATOS, VTT, the Technical University of Eindhoven and Hasselt University. CONCEPT has a budget of EUR 4.5 million and is expected to end in 2016.

- INTRASOFT International is one of five partners (along with National Technical University of Athens, The University of Warwick, and École Polytechnique Fédérale de Lausanne) in the FutureEnterprise project. The initiative is intended to open up new avenues for Internet-based Enterprise innovation by supporting and coordinating the technology transfer of research achievements of the area of the Future Internet.

- INTRASOFT International leads a consortium of nine partners in the EU Community project, which goes beyond the current generation of policy modeling and argumentation tools. 'EU Community' will develop tools that help identify credible stakeholders and relevant documents, and ultimately encourage participation in policymaking. The EU Community consortium includes

EURACTIV.com, Fraunhofer IGD, University of the Aegean, and Athens Technology Centre). It has a budget of EUR 2.8 million and it is expected to end in 2016.

- INTRASOFT International leads the 32-partner consortium behind the Inspiring Science Education project. The EUR 5 million project will design, plan and implement large-scale pilots to stimulate and evaluate innovative use of existing eLearning tools and resources (e.g., interactive simulations, educational games, VR and AR applications, modeling and data analysis tools, eScience applications, as well as digital resources from research centers, science centers and museums) for scientific disciplines and technology. The goal is to enhance science learning in 5 000 primary and secondary schools in 15 European counties. The project will end in 2016.

Luxembourg, 7th August 2015

Athanasios Kotsis	*Alexandros Manos*
Chairman	CEO

D) Independent Auditors' Report

To the Shareholders of INTRASOFT INTERNATIONAL S.A.

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **INTRASOFT INTERNATIONAL Group**, which comprise the consolidated balance sheet as of 31 December 2014, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a

basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **INTRASOFT INTERNATIONAL Group** as of 31 December 2014 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of Matter

We draw your attention to note 39 "General Disclosures" to the financial statements, where reference is made to the recent developments and the economic environment prevailing in Greece as well as their possible effects on future activities, the financial performance, the cash flows and the financial position of the Group and the Company. Our conclusion is not qualified in respect of this matter.

Other Matter

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

Athens, 28 August 2015

SOL
CERTIFIED PUBLIC ACCOUNTANTS
Crowe Horwath.

Zoe D. Sofou

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 14701

Associated Certified Public Accountants s.a.

member of Crowe Horwath International

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

Institute of CPA (SOEL) Reg. No. 125

E) Annual Financial Statements

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

Contents **Page**

Balance sheet

	Note	2014	2013
ASSETS			
Non-current assets			
Property, plant and equipment	6	2.492.170,94	2.793.021,82
Goodwill	7	13.572.454,82	13.572.454,82
Other intangible assets	8	4,316.492,02	5.255.997,31
Investment property	9	206.107,42	206.107,42
Investment in associates (accounted for using the equity method)		279.228,39	0,00
Available-for-sale financial assets	12	504.022,06	2.147.869,51
Deferred income tax assets	13	824.770.26	821.770,02
Trade and other receivables	14	3.779.510,36	117.715,52
		25.974.756,26	**24.914.936,42**
Current assets			
Inventories	15	1.435.041,01	462.004,29
Trade and other receivables	14	83.727.892,26	86.225.863,05
Current income tax receivables		1.630.783,72	770.841,71
Cash and cash equivalents	16	21.276.293,08	14.520.579,09
		108.070.010,07	**101.979.288,14**
Total assets		**134.044.766,34**	**126.894.224,56**
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		553.094,26	(107.017,23)
Other reserves	18	5.424.537,61	5.855.878,41
Retained earnings		(727.200,35)	(77.010,39)
		6.803.031,53	**7.224.450,79**
Minority interest		**800.374,86**	**687.009,55**
Total equity		**7.603.406,39**	**7.911.460,34**
LIABILITIES			
Non-current liabilities			
Borrowings	19	8.800.000,00	190.000,00
Retirement benefit obligations	20	3.160.247,91	2.527.031,18
Long-term provisions for other liabilities and charges	23	708.186,14	833.768,15
Trade and other payables		16.993,88	0,00
		12.685.427,93	**3.550.799,33**
Current Liabilities			
Trade and other payables	24	67.696.754,71	57.168.981,01
Current income tax liabilities		2.116.726,77	1.826.595,81
Borrowings	19	41.423.802,68	53.935.209,64
Government grants	21	0,00	9.474,93
Short-term provisions for other liabilities and charges	23	2.518.647,86	2.491.703,50
		113.755.932,02	**115.431.964,89**
Total liabilities		**126.441.359,95**	**118.982.764,22**
Total equity and liabilities		**134.044.766,33**	**126.894.224,56**

The notes on pages 56 to 89 are an integral part of these financial statements.

Statement of comprehensive income

	Note	2014	2013
Continuing operations:			
Sales		143.971.678,30	135.874.352,14
Cost of sales	25	(119.886.821,90)	(113.461.092,90)
Gross profit		**24.084.856.40**	**22.413.259,24**
Selling and marketing costs	25	(9.531.982,98)	(9.737.982,11)
Administrative expenses	25	(10.375.219,18)	(10.606.314,09)
Other income	27	490.498,85	542.132,34
Other gains / (losses) - net	28	(12.655,49)	(174.390,19)
Operating profit		**4.655.497,59**	**2.436.705,19**
Finance income	29	828.588,64	135.773,71
Finance cost	29	(4.527.775,70)	(14.107.673,42)
Finance costs - net		**(3.699.187,06)**	**(13.971.899,71)**
Share of profit / (loss) of associates (after tax and minority interest)		7.768,39	0,00
Profit before income tax		**964.078,92**	**(11.535.194,52)**
Income tax expense	30	(1.416.203,60)	(1.042.924,74)
Profit after tax for the period from continuing operations		**(452.124,68)**	**(12.578.119,26)**
Discontinued operations:			
Profit / (loss) after tax for the period from discontinued operations		**0,00**	**(490.904,92)**
Profit / (loss) after tax for the year (from continuing and discontinued operations)		**(452.124,68)**	**(13.069.024,18)**
Profit / (loss) after tax attributable to:			
Equity holders of the Company		(607.236,38)	(13.210.752,73)
Minority interest		155.111,70	141.728,55
		(452.124,68)	**(13.069.024,18)**
Other comprehensive income:			
Available-for-sale financial assets - Fair value gain / (loss)	12	0.00	(910.448,65)
Transfer of available-for-sale to the income statement		0.00	9.487.037,85
Currency translation differences		774.387,18	(130.023,02)
Actuarial gains / (losses)		(474.740,80)	52.719,06
Other		0.00	(499.980,54)
Other comprehensive income, net of tax:		**299.646,38**	**7.999.304,70**
Total comprehensive income for the period		**(152.478,30)**	**(5.069.719,48)**
Other comprehensive income attributable to:			
Owners of the parent		185.370,69	8.024.031,96
Minority interest		114.275,69	(24.727,26)
		299.646,38	**7.999.304,70**
Total comprehensive income attributable to:			
Owners of the parent		(421.865,69)	(5.186.720,77)
Minority interest		269.387,39	117.001,29
		(152.478,30)	**(5.069.719,48)**
Earning/(loss) per share attributable to owners of the parent for the year (in € per share)			
Basic	31	**(9,78)**	**(212,72)**

The notes on pages 56 to 89 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 2013		**1.552.600,00**	**5.466.354,86**	**(8.672.440,28)**	**14.079.053,71**	**581.556,47**	**13.007.124,76**
Available-for-sale financial assets – Fair value gain / (loss)	12	0,00	0,00	(910.448,65)	0,00	0,00	**(910.448,65)**
Transfer of available-for-sale to the income statement		0,00	0,00	9.487.037,85	0,00	0,00	**9.487.037,85**
Currency translation differences		0,00	0,00	(105.295,76)	0,00	(24.727,26)	**(130.023,02)**
Actuarial gains / (losses)		0,00	52.719,06	0,00	0,00	0,00	**52.719,06**
Tax effect related to the transfer of available-for-sale to the income statement		0,00	0,00	(499.980,54)	0,00	0,00	**(499.980,54)**
Other tax effect in fair value reserve		0,00	0,00	598.851,39	(598.851,39)	0,00	**0,00**
Other comprehensive income		**0,00**	**52.719,06**	**8.570.164,29**	**(598.851,39)**	**(24.727,26)**	**7.999.304,70**
Net profit / (Loss)		0,00	0,00	0,00	(13.062.982,35)	141.728,55	**(12.921.253,80)**
Total recognized income / (expense) for the year		**0,00**	**52.719,06**	**8.570.164,29**	**(13.661.833,74)**	**117.001,29**	**(4.921.949,10)**
Transfer from other reserves to retained earnings		*0,00*	332.063,25	0,00	(332.063,25)	0,00	**0,00**
Other movements in other reserves	**18**	0,00	4.741,24	(4.741,24)	0,00	0,00	**0,00**
Dividends		0,00	0,00	0,00	0,00	(50.069,25)	**(50.069,25)**
Change in minority due to business combination		0,00	0,00	0,00	0,00	50.069,25	**50.069,25**
Other		0,00	0,00	0,00	(162.167,11)	(11.548,21)	**(173.715,32)**
		0,00	**336.804,49**	**(4.741,24)**	**(494.230,26)**	**(11.548,21)**	**(173.715,32)**
Balance at 31 December 2013		**1.552.600,00**	**5.855.878,41**	**(107.017,23)**	**(77.010,39)**	**687.009,55**	**7.911.460,34**

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

The notes on pages 56 to 89 are an integral part of these financial statements.

Cash flow statement

	Note	2014	2013
Profit after tax for the period from continuing operations		**(452.124,68)**	**(12.578.119,26)**
Profit after tax for the period from discontinued operations		**0,00**	**(490.904,92)**
Adjustments for:			
Tax	30	1.416.203,60	1.042.924,74
Depreciation of property, plant & equipment	6	690.095,31	796.720,03
Amortisation of intangible assets	8	1.456.091,87	2.323.902,07
Impairment charges on assets		0,00	718.469,88
(Profit) / loss on disposal of property, plant & equipment		(7.478,69)	(4.562,44)
Impairment charges on available-for-sale financial assets		0,00	9.567.037,85
(Profit) / loss on disposal of subsidiaries		(659.710,40)	292.445,55
Interest income	29	(168.878,24)	(135.773,71)
Interest expense	29	4.527.775,70	4.620.635,57
Amortisation of government grants		(23.611,78)	0,00
Exchange gains / (losses)		(112.026,75)	33.018,43
Share of result of associates		(7.768,39)	0,00
Other (specify)		0,00	86.557,06
		7.265.469,30	**6.272.350,84**
(Increase) / decrease in inventories	15	(973.036,72)	(73.943,21)
(Increase) / decrease in trade and other receivables		1.279.290,95	(2.572.552,47)
Increase / (decrease) in payables		10.195.146,28	6.107.854,57
Increase / (decrease) in provisions		(98.637,65)	(40.028,78)
Increase / (decrease) in pension & other benefits		633.216,73	(63.380,63)
Changes in working capital		**10.561.238,80**	**3.357.949,47**
Net cash generated from / (used in) operating activities		**17.826.708,10**	**9.630.300,32**
Cash flows from operating activities			
Interest paid		(4.225.746,31)	(4.221.553,55)
Income tax paid		(1.989.014,90)	(54.819,12)
Net cash from operating activities		**11.611.946,89**	**5.353.927,65**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(429.768.15)	(919.098,11)
Purchase of intangible assets	8	(516.586,58)	(67.366,20)
Proceeds from sale of property, plant & equipment	6	40.523,72	547.724,88
Proceeds from disposal of available-for-sale financial assets	8	2.300.158,39	13.920,65
Proceeds from disposal of subsidiaries			(134.788,18)
Acquisition of associates and joint ventures		(271.460,00)	
Interest received		168.878,24	134.965,58
Loans granted		(2.443.115,00)	
Net cash used in investing activities		**(1.151.369,37)**	**(424.641,37)**
Cash flows from financing activities			
Dividends paid to minority interests		0,00	(50.069,25)
Repayments of borrowings		(3.901.406,96)	(7.545.558,33)
Government grants received		0,00	9.474,93
Finance lease payments		(7.347,55)	(86.079,79)
Net cash used in financing activities		**(3.908.754,51)**	**(7.672.232,44)**
Net (decrease) / increase in cash & cash equivalents		**6.551.823,00**	**(2.742.946,17)**
Cash and cash equivalents at beginning of the period		14.520.579,09	17.263.525,26
Effects of exchange rate changes on cash and cash equivalents		203.890.99	
Cash and cash equivalents at end of the period	16	**21.276.293,08**	**14.520.579,09**

The notes on pages 56 to 89 are an integral part of these financial statements.

F) 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.

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 7th of August 2015 and are subject to approval by the Annual/ Extraordinary 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 2014, in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union (EU).

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

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

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

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

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

IAS 1 (Amendment) "Presentation of Financial Statements"

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendment has been adopted by the Group and the presentation of the statement of other comprehensive income has been modified.

IAS 19 (Amendment) "Employee Benefits"

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. The effect from the adoption of the amended IAS 19 and the relevant adjustments are presented in note 40.

IFRS 13 "Fair Value Measurement"

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has no material impact on the Group's financial statements.

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

The IASB has published this amendment to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This amendment has no material impact on the Group's financial statements.

IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets"

This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. The Group has early adopted the amendment in the current year, although it is not a mandatory requirement until 1st January 2014.

Amendments to standards that form part of the IASB's 2011 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB's annual improvements project. Unless otherwise stated, these amendments have no material impact on the Group.

IAS 1 "Presentation of financial statements"

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

IAS 16 "Property, plant and equipment"

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

IAS 32 "Financial instruments: Presentation"

The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

IAS 34 "Interim financial reporting"

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments".

Standards and Interpretations effective for periods beginning on or after 1 January 2014

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

IFRS 9 "Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39" ((effective for annual periods beginning on or after 1 January 2015)

The IASB has published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity's debt attributable to changes in an entity's own credit risk to be recognised in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2015)

The amendment requires additional disclosures on transition from IAS 39 to IFRS 9. The amendment has not yet been endorsed by the EU and is not expected to have a material impact on the Group's financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment is not expected to have a material impact on the Group's financial statements.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2014)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 "Joint Arrangements"

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "*Consolidated and Separate Financial Statements"*. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "*Investments in Associates"* and IAS 31 "*Interests in Joint Ventures"* regarding separate financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 *"Investments in Associates and Joint Ventures"* replaces IAS 28 *"Investments in Associates"*. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance" (effective for annual periods beginning on or after 1 January 2014)

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities" (effective for annual periods beginning on or after 1 January 2014)

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make. These amendments have no effect on the Group.

IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2014)

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. This interpretation has not yet been endorsed by the EU. This interpretation is not expected to have a significant impact on the Group's financial statements since the Group is not currently subject to significant levies.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 January 2014)

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met. This amendment has no impact on the Group.

IAS 19R (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 July 2014)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU. This amendment is not expected to have a material impact on the Group financial statements.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

IFRS 2 "Share-based payment"

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

IFRS 3 "Business combinations"

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

IFRS 8 "Operating segments"

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

IFRS 13 "Fair value measurement"

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

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

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

IAS 24 "Related party disclosures"

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

Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. Unless otherwise stated, these amendments are not expected to have a material impact on the Group. The improvements have not yet been endorsed by the EU.

IFRS 3 "Business combinations"

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

IFRS 13 "Fair value measurement"

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

IAS 40 "Investment property"

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

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 acquiree 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 acquiree is remeasured to fair value at the acquisition date.

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

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

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides

evidence of an impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions and non-controlling interests

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

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

(b) Joint ventures

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

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

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

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

(c) Associates

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

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

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

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

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

2.3. Segmental reporting

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

2.4. Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

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

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

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

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

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

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

2.5. Investment property

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

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

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

2.6. Property, plant and equipment

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

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

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

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

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

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

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

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

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

2.7. Leases

(a) Finance leases

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

(b) Operating leases

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

2.8. Goodwill

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

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

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

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

2.9. Intangible assets

The caption 'intangible assets' includes:

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

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

2.10. Impairment of non-financial assets

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

2.11. Financial assets

Classification

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

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

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

(b) Loans and receivables

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

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

(c) Held-to-maturity investments

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

(d) Available-for-sale financial assets

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

Recognition and measurement

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

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

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

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

2.12. Offsetting financial instruments

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

2.13. Impairment of financial assets

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

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

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

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

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

2.14. Inventories

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

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

2.15. Trade receivables

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

2.16. Factoring

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

2.17. Cash and cash equivalents

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

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

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

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

For the sale to be highly probable:

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

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

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

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

2.19. Share capital

Ordinary shares are classified as equity.

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

to the issue of new shares for the acquisition of other entities are shown in reduction to the product of issue.

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

2.20. Borrowings

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

2.21. Borrowing costs

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

2.22. Current and deferred income tax

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

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

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

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

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

and there is sufficient taxable profit available against which the temporary difference can be utilised.

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

2.23. Trade payables

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

2.24. Employee benefits

(a) Pension obligations

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

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

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

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

(b) Termination benefits

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

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

2.25. Government grants

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

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

2.26. Provisions

Provisions are recognized when:

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

(a) Warranties

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

(b) Compensated absences

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

(c) Loss-making contracts

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

2.27. Revenue recognition

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

(a) Sales of goods

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

(b) Sales of services

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

(c) Construction contracts

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

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

(d) Interest

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

(e) Dividends

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

2.28. Dividend distribution

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

2.29. Earnings per share

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

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

2.30. Roundings

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

3. Financial risk management

3.1. Financial risk factors

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

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

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

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

(a) Market risk

Foreign exchange risk

The Group provides services and sells goods with contractual amounts denominated to a large extent in euro. Therefore, it is not exposed to large movements in foreign currency exchange rates against its reporting currency, the euro. The Group did not use derivative financial instruments in the years ended 31 December 2014 and 2013 in order to reduce its exposure to foreign currency exchange risk.

Increase in EURO/USD rate by	Effect on net results 2014	Effect on net results 2013
3%	(208.617)	(219.265)
6%	(417.234)	(438.529)
9%	(625.851)	(657.794)
12%	(834.468)	(877.058)

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 2014 and 2013. The analysis takes into consideration borrowings and cash and cash equivalents of the Company as at 31st December 2014 and 2013 respectively.

Financial instruments in Euro

Increase in interest rates (base units) by	Effect on net results 2014	Effect on net results 2013
25	(72.369)	(99.012)
50	(144.738)	(198.023)
75	(217.106)	(297.035)
100	(289.475)	(396.046)

(b) Credit risk

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

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

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

(c) Liquidity risk

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

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

On 31 December 2014 current and non-current borrowings of the Group amounted to 82,5% (2013: 99,6%) and 17,5% (2013: 0,4%) of total borrowings respectively. Current borrowings have been granted since 2006 for working capital purposes and are rolled over on quarter basis with no major changes. The Group focuses on gradual redemption of the debt and in this respect all facilities related to the current borrowings are not considered to be subject to withdrawal from financial institutions in the foreseeable future. It should be pointed out that the Group takes further action to replace short-term borrowings with medium-term due to their greater flexibility, unlike its prior policy to enter into bond loans.

3.2. Capital risk management

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

	01/01-31/12/2014	01/01-31/12/2013
Total borrowings (note 23)	50.223.802,68	54.125.209,64
Less: Cash & cash equivalents (note 20)	(21.276.293,08)	(14.520.579,09)
Net borrowings	**28.947.509,60**	**39.604.630,55**
Equity	7.603.406,39	7.911.460,35
Total Capital Employed	**36.550.915,99**	**47.516.090,90**
Gearing ratio	**79,20%**	**83,35%**

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 2014 the Group had:

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

On 31 December 2013 the Group had:

- Available-for-sale financial assets out of which EUR 1.640.447,99 are classified in Level 1 and EUR 507.421,52 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 2014 and 2013 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 2014, 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 2014 and 2013 respectively are as follows:

	1/1-31/12/2014	1/1-31/12/2013
	Integrated information Technology solutions for government and banking sector	**Integrated information Technology solutions for government and banking sector**
Total gross segment sales	143.971.678,30	135.874.352,14
Total sales	**143.971.678,30**	**135.874.352,14**
Operating profit / Segment result	4.655.497,59	2.436.705,19
EBITDA	6.801.684,78	5.557.327,29
Finance income	828.588,64	135.773,71
Finance cost	(4.527.775,70)	(14.107.673,42)
Finance costs net (note 31)	(3.699.187,06)	(13.971.899,71)
Profit before income tax	**964.078,92**	**(11.535.194,52)**

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

	1/1-31/12/2014	1/1-31/12/2013
	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)	690.095,31	796.720,03
Impairment of property, plant and equipment and intangible assets	0,00	718.469,88
Amortisation of intangible assets (Note 8)	1.456.091,87	2.323.902,07
Impairment of trade receivables (Note 16)	80.753,75	477.704,77

The segment assets and liabilities at 31 December 2014 and 31 December 2013 as well as the capital expenditure for each year are as follows:

	1/1-31/12/2014	1/1-31/12/2013
	Integrated information Technology solutions for government and banking sector	**Integrated information Technology solutions for government and banking sector**
Assets	134.044.766,34	126.894.224,56
Associates	0,00	0,00
Total assets	134.044.766,34	126.894.224,56
Liabilities	126.441.359,95	118.982.764,23
Capital expenditure (notes 6, 8 & 9)	724.165,33	1.023.292,95

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 Greece.

Information per geographical area:

	Sales		Total assets		Capital expenditure	
	1/1-31/12/2014	**1/1-31/12/2013**	**1/1-31/12/2014**	**1/1-31/12/2013**	**1/1-31/12/2014**	**1/1-31/12/2013**
Greece	33.605.767,91	22.857.281,81	58.941.618,09	58.328.201,38	314.779,82	248.923,76
EU countries	97.025.210,19	94,065,828,20	60.899.018,81	48.387.996,06	302.087,97	176.204,08
Other countries	13.340.700,20	18.951.242,12	14.204.129,44	20.178.027,13	107.297,54	598.165,11
Total	**143.971.678,30**	**135.874.352,13**	**134.044.766,33**	**126.894.224,57**	**724.165,33**	**1.023.292,95**

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:

	2014	**2013**
Sales of goods	9.891.518,90	9.177.907,45
Sales of merchandise	2.532.299,87	1.230.661,74
Sales of services	131.547.859,53	125.465.782,94
Total	**143.971.678,30**	**135.874.352,14**

6. Property, plant and equipment

	Land	Buildings	Plant & Machinery	Tel. equipment	Motor vehicles	Furniture & fixtures	Total
ACQUISITION COST							
Balance at 1 January 2013	**2.556,46**	**2.546.036,17**	**3.801.635,77**	**685.411,17**	**256.821,79**	**5.091.511,60**	**12.383.972,96**
Exchange differences	0,00	0,00	0,00	(23.522,74)	(3.092,05)	(11.105,08)	(37.719,87)
Additions	0,00	265.830,62	331.898,48	155.182,16	57.861,02	118.233,10	929.005,38
Disposals	0,00	(52.413,00)	(473.411,63)	(85.321,85)	(58.031,46)	(1.076.303,81)	(1.745.481,74)
Disposals of subsidiaries	0,00	(335.968,03)	(17,61)	0,00	0,00	(975.444,86)	(1.311.430,50)
Reclassifications	0,00	7.377,30	102.007,60	(3.549,08)	0,00	(114.377,98)	(8.542,16)
Balance at 31 December 2013	**2.556,46**	**2.430.863,06**	**3.762.112,61**	**728.199,67**	**253.559,30**	**3.032.512,96**	**10.209.804,06**
ACCUMULATED DEPRECIATION							
Balance at 1 January 2013	**0,00**	**760.575,43**	**3.612.007,69**	**457.492,48**	**153.235,27**	**3.958.939,76**	**8.942.250,63**
Exchange differences	0,00	0,00	0,01	(18.012,57)	(2.453,53)	(7.346,53)	(27.812,61)
Depreciation charge	0,00	197.458,60	340.441,92	96.715,74	27.888,25	134.215,52	796.720,03
Disposals	0,00	(52.413,00)	(458.349,29)	(84.733,85)	(43.712,55)	(558.548,17)	(1.197.756,86)
Disposals of subsidiaries	0,00	(160.409,25)	0,00	0,00	0,00	(936.209,69)	(1.096.618,94)
Reclassifications	0,00	5.532,98	97.598,37	2.682,66	0,00	(105.814,01)	0,00
Balance at 31 December 2013	**0,00**	**750.744,76**	**3.591.698,70**	**454.144,46**	**134.957,44**	**2.485.236,89**	**7.416.782,24**
NET BOOK VALUE at 31 December 2013	**2.556,46**	**1.680.118,30**	**170.413,91**	**274.055,22**	**118.601,86**	**547.276,08**	**2.793.021,82**

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

The above table includes assets held under finance lease as follows:

Amounts in Euro	31/12/2014	31/12/2013
Finance lease liabilities - minimum lease payments		
Not later than 1 year	0,00	5.853,78
Later than 1 year and not later than 5 years	0,00	0,00
Total	**0,00**	**0,00**
Less: Future finance charges on finance leases	0,00	(89,77)
Present Value of Finance Lease Liabilities	**0,00**	**5.764,01**

7. Goodwill

Amounts in Euro	
Balance at 1 January 2013	**13.570.761,89**
Exchange differences	1.692,93
Balance at 31 December 2013	**13.572.454,82**
Balance at 1 January 2014	**13.572.454,82**
Exchange differences	0
Balance at 31 December 2014	**13.572.454,82**
Net book amount at 31 December 2014	**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 2014, the Group performed the relevant impairment tests, at Group level, on cash generating units (CGUs) to which goodwill has been allocated.

The recoverable amount of goodwill from the above companies has been determined based on value-in-use calculations. The value-in-use reflects the present value of future expected cash flows

of the CGU discounted at a rate that reflects the time value of money and the risks associated with the CGU. Cash flow projections reflect the business plans covering the five-year period 2015-2019 which were approved by the Group's Board of Directors. These business plans are based on financial results of 2014 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 2015 - 2019 are as follows:

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

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

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

8. Intangible assets

		Development costs	Trademarks & licenses	Software	Internally-generated software	Customer relationship	Other
ACQUISITION COST							
Balance at 1 January 2013	**335.457,94**	**679.778,66**	**35.370.587,31**	**2.659.106,63**	**1.936.406,57**	**480.999,99**	**41.462.337,10**
Exchange differences	(8.961,30)	506,53	2.058,00	(61.390,05)	0,00	0,00	(67.786,83)
Additions	2.177,46	603,32	91.506,79	0,00	0,00	0,00	94.287,57
Disposals	0,00	(17.391,06)	(137.709,29)	0,00	0,00	0,00	(155.100,35)
Disposals of subsidiaries	0,00	0,00	(127.221,02)	0,00	0,00	0,00	(127.221,02)
Reclassifications	(186.320,98)	0,00	(25.970.548,04)	26.385.791,59	(228.922,57)	0,00	0,00
Balance at 31 December 2013	**142.353,12**	**663.497,45**	**9.228.673,75**	**28.983.508,16**	**1.707.484,00**	**480.999,99**	**41.206.516,48**
ACCUMULATED DEPRECIATION							
Balance at 1 January 2013	**0,00**	**17.917,36**	**31.134.498,57**	**572.837,45**	**1.487.631,63**	**0,00**	**33.212.885,01**
Exchange differences	0,00	0,00	0,00	(40.865,46)	0,00	0,00	(40.865,46)
Depreciation charge	0,00	115,81	250.140,37	1.732.149,10	341.496,79	0,00	2.323.902,07
Impairment	0,00	0,00	0,00	718.469,88	0,00	0,00	718.469,88
Disposals	0,00	(17.391,06)	(123.788,64)	0,00	0,00	0,00	(141.179,70)
Disposals of subsidiaries	0,00	0,00	(122.692,65)	0,00	0,00	0,00	(122.692,65)
Reclassifications	0,00	0,00	(22.086.999,08)	22.209.140,31	(122.141,23)	0,00	0,00
Balance at 31 December 2013	**0,00**	**642,11**	**9.051.158,57**	**25.191.731,29**	**1.706.987,19**	**0,00**	**35.950.519,16**
NET BOOK VALUE at 31 December 2013	**142.353,12**	**662.855,34**	**177.515,18**	**3.791.776,88**	**496,81**	**480.999,99**	**5.255.997,31**

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

9. Investment property

Amounts in Euro	31/12/2014	31/12/2013
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 related parties. Rental income from investment properties for 2014 amounted to €40.474,32 (2013: €38.110,14). The operating expenses related to the land amounted to €1.456,20 (2013: €1.723,13)

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

Entity Name	Country of incorporation	31/12/2013 Net Book Value	31/12/2013 Net Equity	31/12/2013 Profit / (Loss)	31/12/2013 Interest held (%)
Intrasoft International SA	Belgium	4.059.738,00	3.487.809,50	405.379,40	99,99%
Intrasoft SA	Greece	90.000,00	24.079,60	(4.030,51)	99,00%
Intrasoft International Bulgaria Ltd	Bulgaria	46.016,98	48.227,80	1.683,68	100,00%
Intrasoft Information Technology UK Ltd	United Kingdom	0,00	(7.222,69)	(5.745,12)	100,00%
Intrasoft Middle East FZC	United Arab Emirates	200.277,01	221.789,23	(23.443,66)	80,00%
Global Net Solutions SA	Bulgaria	200.000,00	1.226.694,80	425.612,31	100,00%
Intracom Jordan	Jordan	314.117,86	3.213.258,49	732.086,39	80,00%
Intrasoft International Scandinavia AS	Denmark	2.783.000,00	2.435.905,70	(367.954,10)	100,00%
Intrasoft International USA, Inc.	USA	817,59	817,59	0,00	100,00%
Intracom Exports	Cyprus	573.370,53	466.835,47	(19.180,34)	100,00%
Total		**8.267.337,97**	**11.118.195,49**	**1.144.408,05**	

The movement on Investments account is as follows:

Amounts in Euro	31/12/2014	31/12/2013
Balance at the beginning of period	**8.266.737,97**	**8.066.461,96**
Acquisition of subsidiaries	0,00	200.277,01
Additions	200.000,00	329.001,00
Impairment (Note 32)	0,00	0,00
Disposals / write offs	(314.117,86)	(329.002,00)
Balance at the end of period	**8.152.620,11**	**8.266.737,97**

In 2013, the company proceeded to a disposal of EUR 329.002,00 of its subsidiary Databank S.A.

During the year 2013, the Company established Intrasoft Middle F.Z.C. in United Arabic Emirate.

In 2014, the company proceeded to a disposal of EUR 314.117,86,00 of its subsidiary Intarsoft Jordan S.A.

11. Investments in associates

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

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

12. Available-for-sale financial assets

Amounts in Euro	2014	2013
Balance at the beginning of period	**2.147.869,51**	**3.138.318,16**
Impairment	(3.399,46)	(80.000,00)
Fair value adjustments (note 22)	0,00	(910.448,65)
Write-offs	(484.312,79)	0,00
Disposals/	(1.156.135,20)	0,00
Balance at the end of period	**504.022,06**	**2.147.869,51**
Non-current portion	504.022,06	2.147.869,51
	504.022,06	**2.147.869,51**
Listed securities		
- Equity securities		
1.210.782 shares of Hellas On Line	0,00	484.312,79
2.890.338 shares of Hellas On Line (merger impact)	0,00	1.156.135,20
	0,00	**1.640.447,99**
Unlisted securities		
- Equity 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
Technological Park Thessalias SA	0,00	3.399,46
	504.022,06	**507.421,52**
	504.022,06	**2.147.869,51**
Available-for-sale FA are denominated in the following currencies:		
Euro	504.022,06	2.147.869,51
	504.022,06	**2.147.869,51**

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.

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	31/12/2014 Cost Book Value	31/12/2014 Impaired amount	31/12/2014 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
Total		**584.243,26**	**80.221,20**	**504.022,06**

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	31/12/2014	31/12/2013
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	(1.040.268,77)	(1.037.741,73)
Deferred tax assets to be recovered within 12 months	(12.259,27)	(11.192,49)
	(1.052.528,039)	**(1.048.934,22)**
Deferred tax liabilities:		
Deferred tax liabilities to be settled after more than 12 months	227.757,78	227.164,20
Deferred tax liabilities to be settled within 12 months	0,00	0,00
	227.757,78	**227.164,20**
	(824.770,26)	**(821.770,02)**

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

Amounts in Euro	31/12/2014	31/12/2013
Balance at beginning of period:	**(821.770,02)**	**(1.045.911,48)**
Exchange differences	(0,01)	6.084,58
Tax charged to equity	0,00	37.951,92
Income statement charge (Note 34)	(3.000,25)	180.104,96
Balance at the end of period	**(824.770,26)**	**(821.770,02)**

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

	Provisions – Impairment losses	Tax losses	Other	Total
Deferred tax asset				
Balance at 1 January 2013	**(1.114.393,89)**	**385.675,90**	**(769.449,52)**	**(1.498.167,51)**
Charged / (credited) to the income statement	336.763,68	0,00	84.956,02	421.719,70
Charged to equity	0,00	0,00	19.429,01	19.429,01
Acquisition of subsidiaries	0,00	0,00	0,00	0,00
Disposal of subsidiaries	0,00	0,00	0,00	0,00
Reclassifications	436.716,46	(385.675,90)	(51.040,56)	0,00
Exchange differences	8.084,58	0,00	0,00	8.084,58
Balance at 31 December 2013	**(332.829,17)**	**0,00**	**(716.105,05)**	**(1.048.934,22)**
Charged / (credited) to the income statement	(2.931,88)	0,00	(661,95)	(3.593,83)
Charged to equity	0,00	0,00	0,00	0,00
Exchange differences	0,00	0,00	0,00	0,00
Balance at 31 December 2014	**(335.761,05)**	**0,00**	**(716.767,00)**	**(1.052.528,04)**

Provisions/Impairment losses amounts € 332.829,17 derived from other provisions

Other assets amounts € 716.105,05 derived from impairment of Intrasoft International participation in Intrasoft International Scandinavia (710.669,15 €) & other provisions (5.435,90€).

The Group has not recognized deferred tax asset on the losses of the previous and the current year. These losses amount to € 11.580.830,91.

	Accelerated tax depreciation	Accrued income	Other	Total
Deferred tax liability				
Balance at 1 January 2013	**294.497,10**	**140.535,87**	**17.223,07**	**452.256,03**
Charged / (credited) to the income statement	(92.949,58)	(140.535,87)	(8.129,29)	(241.614,74)
Charged to equity	0,00	0,00	18.522,91	18.522,91
Acquisition of subsidiaries	0,00	0,00	0,00	0,00
Disposal of subsidiaries	0,00	0,00	0,00	0,00
Exchange differences	(2.000,00)	0,00	0,00	(2.000,00)
Balance at 31 December 2013	**199.547,52**	**0,00**	**27.616,69**	**227.164,20**
Charged / (credited) to the income statement	593,58	0,00	0,00	593,58
Charged to equity	0,00	0,00	0,00	0,00
Exchange differences	0,00	0,00	0,00	0,00
Balance at 31 December 2014	**200.141,10**	**0,00**	**27.616,69**	**227.757,78**

14. Trade and other receivables

Amounts in Euro	31/12/2014	31/12/2013
Trade receivables	43.436.638,96	40.223.613,60
Less: provision for impairment of receivables	(8.605.704,76)	(8.770.937,54)
Trade receivables - net	**34.830.934,20**	**31.452.676,06**
Receivables from related parties (note 39)	5.976.771,30	12.007.677,66
Loans to related parties	2.522.516,24	0,00
Advances to suppliers	596.145,39	365.583,80
Prepaid expenses	1.227.796,96	1.309.382,30
Accrued income	41.591.102,78	39.805.103,21
Other receivables	762.135,76	1.403.155,54
Total	**87.507.402,62**	**86.343.578,57**
Non-current portion	3.779.510,36	117.715,52
Current portion	83.727.892,26	86.225.863,05
Total	**87.507.402,62**	**86.343.578,57**

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

Amounts in Euro	31/12/2014	31/12/2013
Total	**34.830.934,20**	**31.452.676,06**
Not past due and not impaired at the balance sheet date	19.803.736,66	13.587.752,62
Not impaired at the balance sheet date but past due in the following periods:		
< 90 days	3.645.954,31	3.917.901,69
90-180 days	2.734.428,52	1.965.532,07
180-270 days	7.412.582,15	11.649.391,80
270-365 days	374.772,33	0,00
1-2 years	663.764,31	331.797,77
> 2 years	195.695,92	300,11
	15.027.197,54	**17.866.520,01**
	34.830.934,20	**31.452.676,06**

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 2013	**9.177.070,73**	**773.871,30**	**9.950.942,03**
Additional provision for the period	768.856,66	0,00	**768.856,66**
Unused amounts reversed	(1.166.015,56)	0,00	**(1.166.015,56)**
Exchange differences	(3.663,31)	0,00	**(3.663,31)**
Discounting	(5.310,98)	(773.871,30)	**(779.182,28)**
Balance at 31 December 2013	**8.770.937,54**	**0,00**	**8.770.937,54**
Balance at 1 January 2014	**8.770.937,54**	**0,00**	**8.770.937,54**
Additional provision for the period	80.771.70	0,00	**80.771,70**
Unused amounts reversed	(244.389,96)	0,00	**(244.389,96)**
Exchange differences	192,00	0,00	**192,00**
Discounting	(1.807,23)	0,00	**(1.807,23)**
Balance at 31 December 2013	**8.605.704,53**	**0,00**	**8.605.704,53**

Trade and other receivables are analyzed in the following currencies:

	31/12/2014	31/12/2013
Euro (EUR)	71.909.210,69	74.932.831,27
US Dollar (USD)	13.180.254,03	10.088.559,99
Bulgarian Leva (BGN)	690.215,45	711.393,57
Jordan Dinar (JOD)	1.243.055,09	314.110,08
Danish Corona (DKK)	88.709,37	141.692,01
Other	395.957,99	154.991,65
	87.507.402,62	**86.343.578,57**

15. Inventories

	31/12/2014	31/12/2013
Raw materials	577,76	546,06
Merchandise	1.488.873,82	544.500,66
Other	246.444,39	217.812,53
Total	**1.735.895,97**	**762.859,25**
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**
	1.435.041,01	**462.004,29**

The movement of the provision is as follows:

	31/12/2014	31/12/2013
Analysis of provision		
Opening balance	**300.854,96**	**301.646,91**
Additional provision for the period	0,00	0,00
Provision used	(0,00)	(791,95)
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:

	2014	2013
Cash in bank and in hand	20.425.546,25	13.425.108,87
Short-term bank deposits	850.746,83	1.095.470,22
Total	**21.276.293,08**	**14.520.579,09**

The effective interest rate on short-term bank deposits for the Company was 1,00% (2013: 1,00%).

Cash and cash equivalents are analysed in the following currencies:

	2014	2013
Euro (EUR)	17.782.190,03	11.786.113,33
US Dollar (USD)	2.125.959,17	1.449.334,80
Other	1.368.143,87	1.285.130,96
Total	**21.276.293,08.**	**14.520.579,09**

17. Share capital

	Number of shares	Ordinary shares	Share premium	Total
Balance at 31 December 2013	**62.104**	**62.104**	**0,00**	**1.552.600,00**
Balance at 31 December 2014	**62.104**	**62.104**	**0,00**	**1.552.600,00**

On 31 December 2014 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 2013	**373.069,09**	**241.210,57**	**10.034.352,48**	**26.401,37**	**(944.505,60)**	**(4.264.173,05)**	**5.466.354,86**
Transfer from retained earnings	73.463,25	0,00	438.600,00	0,00	0,00	0,00	**512.063,25**
Transfer to retained earnings	0,00	0,00	(180.000,00)	0,00	0,00	0,00	**(180.000,00)**
Revaluation	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Exchange differences	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
Reclassification	97.643,00	(241.210,57)	131.020,16	0,00	0,00	12.547,76	**0,00**
Actuarial gain / losses	0,00	0,00	0,00	0,00	52.719,06	0,00	**52.719,06**
Other	0,00	0,00	0,00	0,00	0,00	4.741,24	**4.741,24**
Balance at 31 December 2013	**544.175,34**	**0,00**	**10.423.972,64**	**26.401,37**	**(891.786,54)**	**(4.246.883,99)**	**5.855.878,41**

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

(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 2013	**(8.760.572,31)**	**88.132,03**	**(8.672.440,28)**
Revaluation:	(910.448,65)		**(910.448,65)**
Gross (note 13)	0,00	0,00	**0,00**
Less : tax (note 14)	0,00	0,00	**0,00**
Transfer to Income Statement	9.487.037,85		**9.487.037,85**
Currency translation differences	0,00	(105.295,76)	**(105.295,76)**
Other (specify)	183.983,11	(89.853,50)	**94.129,61**
Balance at 31 December 2013	**0,00**	**(107.017,23)**	**(107.017,23)**

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

This reserve in 2013 includes the revaluation of Available For Sale Assets along with Currency Translation differences from the translation of foreign subsidiaries financial statements. The

company has impaired its participation in Hellas On Line at 0,40 EUR, in accordance with the price in Athens Stock Exchange as of 31/12/2013.The impairment affected Fair Value Reserve by transferring an amount of 9.487.037,85 EUR in the income statement.

19. Borrowings

Amounts in Euro	31/12/2014	31/12/2013
Non-current borrowings		
Bank borrowings	8.800.000,00	190.000,00
Obligations under finance leases	0,00	0,00
Total non-current borrowings	**8.800.000,00**	**190.000,00**
Current borrowings		
Bank overdrafts	0,00	0,00
Bank borrowings	41.423.802,68	53.929.445,63
Obligations under finance leases	0,00	5.764,01
Total current borrowings	**41.423.802,68**	**53.935.209,64**
Total borrowings	**50.223.802,68**	**54.125.209,64**

The effective interest rate which approximates the nominal interest rate applicable to the above borrowings varies from 5,00% to 7,90% depending on the specific terms and conditions of the relevant loan agreements. Average effective rate was 6,61%.

The Company has approved credit lines for working capital financing purposes and issuances of letters of guarantees in excess of Euro 81 million.

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

The loans of the Group are analysed in the following currencies:

	2014	2013
Euro (EUR)	49.000.008,76	51.579.702,27
US Dollar (USD)	1.223.793,92	2.545.507,37
Total	**50.223.802,68**	**54.125.209,64**

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

Amounts in Euro	31/12/2014	31/12/2013
Not later than 1 year	41.423.802,68	53.935.209,64
Between 1 and 2 years	8.800.000,00	190.000,00
	50.223.802,68	**54.125.209,64**

Finance leases

Amounts in Euro	31/12/2014	31/12/2013
Finance lease liabilities - minimum lease payments		
Not later than 1 year	0,00	5.853,78
Later than 1 year and not later than 5 years	0,00	0,00
Total	**0,00**	**5.853,78**
Less: Future finance charges on finance leases	0,00	(89,77)
Present Value of Finance Lease Liabilities	**0,00**	**5.764,01**
The present value of finance lease liabilities may be analyzed as follows:		
Current: Not later than one year	0,00	5.764,01
Later than 1 year and not later than 5 years	0,00	0,00
Total	**0,00**	**5.764,01**

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 2014 and 2013 are as follows:

	2014	2013
Balance sheet obligations for:		
Pension benefits	3.160.247,91	2.527.031,18
Total	**3.160.247,91**	**2.527.031,18**
Income statement charge for (Note30):		
Pension benefits	158.475,93	(58.407,13)
Total	**158.475,93**	**(58.407,13)**
Actuarial (gains)/losses (OCI)		
Pension benefits	(474.740,80)	52.719,06
Total	**(474.740,80)**	**52.719,06**
The amounts recognized in the Balance Sheet are as follows:		
	2014	**2013**
Present value of funded obligations	3.160.247,91	2.512.385,00
	3.160.247,91	**2.512.385,00**
Present value of unfunded obligations	0,00	14.646,18
	0,00	**14.646,18**
Liability in the Balance Sheet	**3.160.247,91**	**2.527.031,18**
The amounts recognized in the income statement are as follows:		
	2014	**2013**
Current service cost	158.417,84	222.608,26
Interest cost	58,09	73.412,56
Net actuarial (gains) / losses recognized in the period	0,00	(354.427,95)
Past service cost	0,00	0,00
Total included in employee benefit expense (Note 30)	**158.475,93**	**(58.407,13)**
Total Charge allocated as follows:		
	2014	**2013**
Cost of sales	158.341,46	(60.937,03)
Selling and marketing costs	(1.252,24)	997,71
Administrative expenses	1.386,71	1.532,19
Total	**158.475,93**	**(58.407,13)**
Movement in the liability recognized in the balance sheet		
	2014	**2013**
Balance at the beginning of period	**2.527.031,18**	**2.682.515,61**
Total expense included in employee benefit expense	158.475,93	(58.407,13)
Disposal of subsidiaries	0,00	(25.835,00)
Actuarial (gain)/loss from change in financial assumptions	474.740,80	(38.645,12)
Experience (gains)/losses	0,00	(32.596,85)
Balance at the end of period	**3.160.247,91**	**2.527.031,18**

The Principle Actuarial Assumptions Used for Accounting Purposes are:

	2014	2013
Discount Rate	2,20%	3,00%
Future Salary Increases	2,50%	3,00%
Future pension increases	2,00%	4,00%

Sensitivity analysis

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

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

	Projected Benefit Obligation	%
Discount rate plus 50BP	**2.736.111**	**-9%**
Discount rate minus 50BP	**3.284.879**	**10%**
Salary rate plus 50BP	**3.282.506**	**10%**
Salary rate minus 50BP	**2.735.629**	**-9%**

21. Grants

Amounts in Euro	31/12/2014	31/12/2013
Balance at the beginning of period	**9.474,93**	**0,00**
Additions	0,00	9.474,93
Transfer to the profit or loss (amortisation)	(9.474,93)	0,00
Balance at the end of period	**0,00**	**9.474,93**

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

22. Derivative financial instruments

Not applicable

23. Provisions

Long-term provisions are analyzed as follows:

	Tax liabilities	Other	Total
Balance at 1 January 2013	**504.037,67**	**8.377,96**	**512.415,63**
Utilized during the year	0,00	(196.778,08)	**(196.778,08)**
Additional provision for the period	0,00	518.130,60	**518.130,60**
Balance at 31 December 2013	**504.037,67**	**329.740,38**	**833.768,15**
Utilized during the year	0,00	(125.582,01)	**(125.582,01)**
Additional provision for the period	0,00	0,00	**0,00**
Balance at 31 December 2014	**504.037,67**	**204.158,37**	**708.186,14**

Short-term Provisions are analyzed as follows:

	Legal claims	Staff related	Project losses	Tax liabilities	Other	Total
Balance at 1 January 2013	**278.067,71**	**2.028.319,33**	**445.364,88**	**0,00**	**101.332,88**	**2.853.084,80**
Additional provision for the period	0,00	1.917.914,70	518.205,90	0,00	78.752,57	**2.514.873,17**
Unused amounts reversed	0,00	(31.335,35)	0,00	0,00	0,00	**(31.335,35)**
Exchange differences	0,00	0,00	0,00	0,00	0,00	**0,00**
Utilized during the year	(278.067,71)	(1.760.472,54)	(749.771,40)	0,00	(56.607,47)	**(2.844.919,12)**
Balance at 31 December 2013	**0,00**	**2.154.426,14**	**213.799,38**	**0,00**	**123.477,98**	**2.491.703,50**
Additional provision for the period	0,00	1.186.066,13	470.329,95	0,00	24.241,49	**1.680.637,57**
Unused amounts reversed	0,00	(134.284,65)	0,00	0,00	(26494,86)	**(160.779,51)**
Exchange differences	0,00	0,00	0,00	0,00	0,00	**0,00**
Utilized during the year	0,00	(909.915,93)	(582.997,77)	0,00	0,00	**(1.492.913,7)**
Balance at 31 December 2014	**0,00**	**2.296.291,69**	**101.131,56**	**0,00**	**121.224,61**	**2.518.647,86**

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

24. Trade and other payables

Amounts in Euro	31/12/2014	31/12/2013
Trade payables	17.660.028,85	9.504.131,27
Amounts due to related parties (Note 39)	11.821.904,08	12.920.228,98
Accrued Expenses	12.108.759,35	5.933.740,01
Social security and other taxes	2.949.914,38	3.836.209,68
Advances from customers	16.526.949,44	17.462.909,86
Deferred revenue	5.544.052,34	4.011.002,32
Other payables	1.102.140,15	3.500.758,89
Total	**67.713.748,59**	**57.168.981,01**
Non-current portion	16.993,88	0,00
Current portion	**67.696.754,71**	**57.168.981,01**
Total	**67.713.748,59**	**57.168.981,01**

Trade and other payables are denominated in the following currencies:

	31/12/2014	31/12/2013
Euro (EUR)	57.454.895,43	51.170.827,82
US Dollar (USD)	7.128.518,90	1.683.568,24
Bulgarian Leva (BGN)	966.531,73	890.262,88
Romanian (RON)	0,00	0,00
Jordan Dinar (JOD)	1.844.225,29	3.176.743,25
Other	0,00	25.026,62
Danish Corona (DKK)	319.577,25	222.552,2
Total	**67.713.748,59**	**57.168.981,01**

25. Expenses by nature

Amounts in Euro	Note	1/1-31/12/2014	1/1-31/12/2013
Employee benefit expense	30	60.315.425,76	59.747.425,53
Costs of inventories recognized as expense		10.876.769,96	10.300.360,39
Depreciation of property, plant and equipment:			
- Owned Assets	6	690.095,31	796.720,03
- Leased Assets	6	0,00	0,00
Amortisation of intangible assets	8	1.456.091,87	2.323.902,07
Impairment of property, plant and equipment	6	0,00	0,00
Impairment of intangible assets	8	0,00	718.469,88
Additional provision of inventories	17	(3.066,78)	(157,61)
Impairment charge for bad and doubtful debts	16	80.753,75	477.704,77
Subcontractors		56.112.031,30	49.624.162,04
Exchange differences		0,00	3.826,03
Repair and maintenance expenditure on property, plant and equipment		8.687,42	16.062,99
Operating lease rentals:			
- Property		1.785.256,17	1.708.269,59
- Machinery		1.990.734,05	2.046.578,92
- Office equipment		44.122,84	18.544,97
Transportation / Travel expenses		3.737.702,85	3.589.249,77
Telecommunication cost		746.945,36	867.230,48
Third party fees		1.234.921,94	578.656,11
Advertising		142.708,05	468.671,55
Other administrative expenses		164.497,35	330.000,00
Building expenses		1.487.742,42	1.473.332,83
Other		(1.077.395,56)	(1.283.621,23)
Total		**139.794.024,06**	**133.805.389,10**

Allocation of total expenses by function	1/1-31/12/2014	1/1-31/12/2013
Cost of sales	119.886.821,90	113.461.092,90
Selling & marketing costs	9.531.982,98	9.737.982,11
Administrative expenses	10.375.219,18	10.606.314,09
Total	**139.794.024,06**	**133.805.389,10**

Allocation of depreciation of property, plant & equipment by function	1/1-31/12/2014	1/1-31/12/2013
Cost of sales	453.702,74	558.246,19
Selling & marketing costs	73.439,33	59.467,95
Administrative expenses	162.953,24	179.005,89
Total	**690.095,31**	**796.720,03**

Allocation of amortization of intangible assets by function	1/1-31/12/2014	1/1-31/12/2013
Cost of sales	1.188.647,51	2.023.578,98
Selling & marketing costs	39.114,69	74.979,13
Administrative expenses	228.329,67	225.343,96
Total	**1.456.091,87**	**2.323.902,06**

Allocation of employee benefit expenses by function	1/1-31/12/2014	1/1-31/12/2013
Cost of sales	49.144.867,71	49.550.056,00
Selling & marketing costs	6.050.080,81	6.078.256,19
Administrative expenses	5.120.477,24	4.119.113,34
Total	**60.315.425,76**	**59.747.425,53**

Allocation of exchange differences by function	1/1-31/12/2014	1/1-31/12/2013
Cost of sales	0,00	0,00
Selling & marketing costs	0,00	0,00
Administrative expenses	0,00	3.826,03
Total	**0,00**	**3.826,03**

26. Employee benefits

	1/1-31/12/2014	1/1-31/12/2013
Number of employees	**1.353**	**1.314**
Amounts in Euro	1/1-31/12/2014	1/1-31/12/2013
Wages and salaries	48.641.662,83	47.994.561,63
Social security costs	10.015.195,84	10.297.515,24
Other employer contributions and expenses	126.396,74	66.511,34
Share options granted to directors and employees	57.701,29	
Pension costs - defined contribution plans	136.249,64	117.521,60
Pension costs - defined benefit plans	158.475,93	(58.407,13)
Other post employment benefits	1.179.743,49	1.329.722,85
Total	**60.315.425,76**	**59.747.425,53**

27. Other operating income

Amounts in Euro	1/1-31/12/2014	1/1-31/12/2013
Amortization of grants received (note 23)	23.611,,78	0,00
Other income from grants	36.663,44	0,00
Rental income	44.258,38	37.909,69
Insurance reimbursement	1.839,55	1.840,16
Other	382.880,09	501.906,42
Other	1.245,61	476,07
Total	**490.498,85**	**542.132,34**

28. Other gains / (losses) – net

Amounts in Euro	1/1-31/12/2014	1/1-31/12/2013
Impairment charge on available for sale investments (note 8)	0,00	(80.000,00)
Impairment charge of subsidiaries (Note 6)	(2.305,73)	0,00
Net foreign exchange gains / (losses)	112.026,75	(12.395,57)
Profit / (loss) on disposal of property, plant and equipment	7.478,69	4.562,44
Other	(129.855,21)	(86.557,06)
Total	**(12.655,49)**	**(174.390,19)**

29. Finance expenses / (income) – net

Amounts in Euro	1/1-31/12/2014	1/1-31/12/2013
Finance expenses		
Bank borrowings	(3.939.440,07)	(3.969.032,73)
Finance leases	0,00	(99.178,22)
Letters of guarantee fees	(573.434,26)	(479.633,50)
Interest on prepayments of projects	(63.905,09)	(72.780,07)
Net foreign exchange gains / (losses)	49.003,72	(11,05)
Impairment charge of asset held for sale	0,00	(9.487.037,85)
Total Finance expenses	**(4.527.775,70)**	**(14.107.673,42)**
Finance income		
Interest income on short-term bank deposits	22.433,74	29.979,21
Interest income on loans to related parties	80.286,60	0,00
Other	725.868,30	105.794,50
Total Finance income	**828.588,64**	**135.773,71**
Total Finance result	**(3.699.187,06)**	**(13.971.899,71)**

30. Income tax

Amounts in Euro	1/1-31/12/2014	1/1-31/12/2013
Current tax	(1.419.203,85)	(862.819,78)
Deferred tax (note 14)	3.000,25	(180.104,96)
Total	**(1.416.203,60)**	**(1.042.924,74)**

On 11 January 2013 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 26% for fiscal year 2013 onwards.

Tax returns are filed annually. With respect to the financial years up to and including 2010, the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the tax payer and a final assessment is issued. From the financial year 2011 and onwards, the tax returns are subject to the Audit Tax Certificate process.

Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated.

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:

	2014	2013
Luxembourg	29,22%	29,22%
Greece	26%	26%
Romania	16%	16%
Belgium	33,99%	33,99%
Bulgaria	10%	10%
Denmark	25%	25%
Cyprus	12,5%	12,5%
United Arab Emirates	0,00%	0,00%
Jordan	14%	14%

Unaudited tax years

The parent company has not been tax audited for the financial year 2011 - 2014.

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 504.037,67 for the Group.

	Country of in cooperation	Unaudited Tax Years
Intarsoft International S.A. Luxembourg	Luxembourg	2012 - 2014
Intrasoft International Greek branch	Greece	2010 - 2014
Intrasoft International Romanian branch	Romania	n/a
Intrasoft International Scandinavia	Denmark	2007 - 2013
Intrasoft International Belgium	Belgium	-
Intrasoft Jordan	Jordan	2011 - 2013
Global Net Solution	Bulgaria	2009 - 2013
Intrasoft International Ltd	Bulgaria	2011 - 2013
Intracom Cyprus	Cyprus	2010 - 2013
Intracom Exports	Cyprus	2006 - 2013
Intrasoft Information Technology Ltd	UK	2011 - 2013
Intrasoft SA	Greece	2010 - 2013
Intrasoft International Jordanian branch	Jordan	2011 - 2013

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	1/1-31/12/2014	1/1-31/12/2013
Profit before tax	**964.078,92**	**(11.535.194,52)**
Tax calculated at Greek tax rate applicable on profits	(250.660,52)	2.999.150,58
Income not subject to tax	29.877,62	(43.856,26)
Expenses not deductible for tax purposes	(689.891,24)	(2.101.416,55)
Effect from different tax rates	224.771,66	139.032,28
Utilization of previously unrecognized tax losses	0,00	(177.257,00)
Tax losses of the period	(522.601,95)	(1.843.245,96)
Other taxes	(207.699,17)	21.713,99
Tax Charge	**(1.416.203,60)**	**(1.042.924,74)**

31. 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	1/1-31/12/2014	1/1-31/12/2013
Profit / (loss) attributable to equity holders of the company	(607.236,38)	(13.210.752,73)
Weighted average number of ordinary shares in issue	62.104	62.104
Basic earnings / (losses) per share	(9,78)	(212,72)

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	1/1-31/12/2014	1/1-31/12/2013
Profit / (loss) attributable to equity holders of the company	(607.236,38)	(13.210.752,73)
Weighted average number of ordinary shares in issue	62.104	62.104
Basic earnings / (losses) per share	(9,78)	(212,72)

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.

32. Cash generated from operations

Amounts in Euro	Note	1/1(31/12/2014	1/1(31/12/2013
Profit after tax for the period from continuing operations		**(452.124,68)**	**(12.578.119,26)**
Profit after tax for the period from discontinued operations		**0,00**	**(490.904,92)**
Adjustments for :			
Tax	32	1.416.203,60	1.042.924,74
Depreciation of property, plant & equipment	2	690.095,31	796.720,03
Amortisation of intangible assets	4	1.456.091,87	2.323.902,07
Impairment charges on assets	2, 4, 5	0,00	718.469,88
(Profit) / Loss on disposal of property, plant & equipment	30	(7.478,69)	(4.562,44)
Fair value (gains) / losses on derivatives	30, 31	0,00	9.487.037,85
(Profit) / Loss on disposal of available-for-sale financial assets	30	(659.710,40)	80.000,00
(Profit) / loss on disposal of subsidiaries	30	0,00	292.445,55
Interest income	31	(168.878,24)	(135.773,71)
Interest expense	31	4.527.775,70	4.620.635,57
Exchange gains / losses		(112.026,75)	33.018,43
Government grants		(23.611,78)	0,00
Other (specify)			86.557,06
Share of result of associates		(7.768,39)	0,00
		6.790.728,50	**6.272.350,84**
Changes in working capital			
(Increase) / decrease in inventories		(973.036,72)	(73.943,21)
(Increase) / decrease in trade and other receivables		1.279.290,95	(2.572.552,47)
Increase / (decrease) in payables		10.195.146,28	6.107.854,57
Increase / (decrease) in provisions		(98.637,65)	(40.028,78)
Increase / (decrease) in pension & other benefits		633.216,73	(63.380,63)
		11.035.979,60	**3.357.949,47**
Net cash generated from / (used in) operating activities		**17.826.708,10**	**9.630.300,32**

33. Commitments

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

Operational Lease Commitments (amounts in Euro)	1/1(31/12/2014	1/1(31/12/2013
Not later than 1 year	3.121.017,90	2.965.129,21
Later than 1 year and not later than 5 years	7.769.095,44	7.610.131,02
Later than 5 years	4.549.340,46	3.751.970,89
TOTAL	**15.439.453,80**	**14.327.231,12**

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).

34. 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	2014	2013
Guarantees for advance payments	10.973.072,13	8.930.847,93
Guarantees for good performance	15.360.414,80	15.708.164,76
Guarantees for participation in contests	4.090.566,94	6.034.145,38
Guarantees to banks on behalf of subsidiaries	0,00	10.000,00
Counter-guarantees	442.370,85	331.300,27
Other	157.927,00	220.116,22
Total	**31.024.351,71**	**31.234.574,56**

Outstanding legal cases

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

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

35. Related party transactions

The following transactions are carried out with related parties:

Entity	Receivable	Sale of services
Intracom Holdings SA entities		
Intracom S.A. Telecom Solutions		631.207,74
Intracom Holdings S.A.	2.302.912,22	5.296,00
Intracom Holdings LTD (cyprus)	40.416,43	
Intracom Technologies LTD	33.000	
Intrakat S.A.	1.098.319,61	94.052,80
Hellas Online S.A.		782.939,62
Intradevelopment S.A.	97.436,44	
Intracom Defence S.A.	97.170	105.787,5
Intracom Contrust-Bucharest	34.586,80	
INTRACOM OPERATION	27.361,54	

Advance Transport Telematics AE	2.522.516,24	1.539.206,29
Fracasso Hellas	7.231,21	7.273,76
In Maint S.A.	1.252,92	612,00
	6.262.203,41	**3.166.375,71**
Related parties		
Intralot S.A.	1.765.119,38	1.503.472,91
Intralot Interactive	227.304,00	184.800,00
Stadio Karaiskaki	73.413,27	
AIT	39407,25	131.150,00
Stigmiaio Laxeio	131.840,23	
	2.237.084,13	**1.819.422,91**
Total	**8.499.287,54**	**4.985.798,62**

Entity	Payable	Purchase of services	*Purchase of goods*	Rent charge
Intracom Holdings SA entities				
Intracom S.A. Telecom Solutions		558.490,74		
Intracom Holdings S.A.	9.350.808,22	1.413.942,97		684.000,00
Intacom Defense Electronics	1.230,00			
Intrakat S.A.		173.944,42		
Hellas Online S.A.		76.243,00		
In Maint S.A.	83.258,40	445.058,00	6.375,00	
Intracom Holding Inter.-Leukosia				
Intracom LTD Skopje	2.540,47	12.688,16		
Intracom Holdings LTD (cyprus)	14.935,75	,		
Intracom Telecom Holding Leukosia				
Advance Transport Telematics AE	2.362.467,71			
	11.815.240,55	**2.680.367,29**	**6.375,00**	**684.000,00**
Related parties				
Stadio Karaiskaki		20.000,00		
Intralot S.A.	6.663,53	51.828,64		
Tech.Park Crete				
Intratour		21.600,00		
	6.663,53	**93.428,64**	**-**	**-**
Total	**11.821.904,08**	**2.773.795,93**	**6.375,00**	**684.000,00**

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

Key Management compensations

During the fiscal year 2014, a total of EUR 988.841,16 was paid by the Group respectively as Directors' remunerations, key Management and other related party compensations (2013: EUR 811.499,50). As at 31 December 2014, the Group has outstanding receivables from Directors amounting to EUR 28.991,32 (2013: EUR 3.491,32).

36. Adjustments

Benefit obligations

Due to the amendment of IAS 19, the Group adjusted other reserve and equity. Moreover, Retained earnings attributable to the Group's equity holders increased by €944.505,60 at 1/1/2012, whereas Other reserve decreased by €944.505,60 at 1/1/2012 respectively due to the adoption of amended IAS 19.

37. Post balance sheet events

No significant events occurred after the balance sheet date.

38. Subsidiaries

The companies included in the consolidated financial statements and the related direct percentage interestsheldare as follows on 31.12.2014.

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
Global Net Solutions SA	Bulgaria	100,00%			Full
Intrasoft Jordan L.L.C.	Jordan	80,00%			Full
Intrasoft International Scandinavia AS	Denmark	100,00%			Full
Intrasoft International USA, Inc.	USA	100,00%	13.06.2012		Full
Intracom Exports L.T.D.	Cyprus	100,00%			Full

Intracom Cyprus L.T.D.	Cyprus	0,00%	100,00%	Full

39. General Disclosures

The extended outstanding negotiations between Greek Government and Institutions (creditors) in conjunction with the other actions of the Greek Government such as suspend payment of installments to the IMF, failure in negotiations with the Institutions of the Eurogroup on 18/06/2015, and rumors about the development of the situation in Greece have created an environment of insecurity and strong illiquidity. This situation is exacerbated by the fact of leakage of cash reserves from Greek banks due to capital controls and possible bail in.

Despite the above mentioned economic crisis that persists in Greece and reversal of the trend of growth in reduction, the activity of the Greek branch continues seamlessly as this appears at ongoing financial information for H12015 which seems as the best performance in half the last 5 years.

We expect that the disruption of cash flow from operating activities due to Economic crisis in Greece will be temporarily and not substantially and permanently. The significant proportion flows from abroad, as well as organic growth and improved profitability are those components that will help the Group and the Company to outrun the macroeconomic risks. In any case, the Group reviews regularly the economic environment and adjust promptly strategic actions for protection against risks.

To be noted that the parent company Intracom Holdings continues to support its subsidiaries presenting excess cash liquidity.