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ANNUAL FINANCIAL REPORT

For the year 1st January 2017 – 31st December 2017

«SPACE HELLAS S.A. »
Company's G.E.M.I. No: 375501000
Mesogion Av. 312 Ag. Paraskevi

The annual financial report of 2017 has been prepared in accordance with art. 4, Law 3556/2007, has been approved by the Board of Directors on 23 th February 2018 and has been uploaded at the URL address http://www.space.gr,

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1 STATEMENTS OF MEMBERS OF THE BOARD (In accordance with article 4 par.2 of Law 3556/2007)

The Members of the Board of Directors

- Spyridon D. Manolopoulos, Chairman of the Board, executive member
- Mertzanis A. Ioannis, Chief Executive Officer, executive member
- Ioannis A. Doulaveris Chief Financial Officer, executive member.

acting by virtue of the aforementioned membership and especially designated, we declare and certify that, as far as we know:

1. The annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2017 to December 31, 2017, which were prepared according to International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company, as well as of the consolidated companies as a whole, according to par. 3 to 5 of article 4 of L. 3556/2007 and

2. The enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of the Company and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Agia Paraskevi, 23 February 2018

The Designated members of the Board of Directors

The Chairman of the Board	Chief Executive Officer	Executive member of the Board and Chief Financial Officer
S. Manolopouos I.D. AH 641298	I. Mertzanis I.D. AB 049781	I. Doulaveris I.D. AH 073261

2 ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2017 – 31.12.2017

This Report of the Board of Directors of SPACE HELLAS, submitted to the Shareholders, refers to the financial year from January 1, 2017 to December 31, 2017 and is compliant to the provisions of the Greek Companies' Act, Codified Law 2190/1920 (art. 136) as well as art. 4 § 7 L.3556/2007 and L 3873/2010 and related HCMC circulars.

This report is divided in subsections with the aim to present in a fair, summarized, yet substantial manner all the information in accordance with the abovementioned legal framework in order to provide substantial and well documented information regarding the activities of the company and the Group for the related period.

The sections of the report provide information regarding:

- The financial position of the Group and the Company, and additional related information for the financial year 2017
- The important issues that took place during the financial year 2016 and their impact on the financial statements.
- The perspectives and strategic aims of the Group and the Company,
- The risk and uncertainties of the Group and the Company,
- The Group's Corporate Governance practices,
- The transactions with related parties during 2017,
- The important issues that took place after the end of the financial year 2017.

The present report refers to the consolidated financial statements and whenever deemed necessary refers also to the company financial data.

The present report is included in its entirety in the Annual Financial Report of year 2017, along with the financial statements and the rest of the necessary information, the relevant declarations and the explanatory notes.

The amounts in this report are presented in Euro thousands, unless expressly stated otherwise

The Annual Report is available to in the URL address, http:/www.space.gr, together with the financial statements and the auditor's report.

2.1 FINANCIAL POSITION – PERFORMANCE – OTHER INFORMATION

2.1.1 FINANCIAL DATA

At the end of the year 2017 the Greek Economy is following a normalization path with the main objectives, the strengthening of the banking system and the improvement of the economic environment in order to attract investments. The time required to achieve these goals is an important factor of success, as further delay will negatively affect and worsen the effects of the prolonged recession. The conditions for financing the real economy, although improved, are still below the expectations.

SPACE Group, an active player of the country's economic environment, is inevitably affected by the above developments, but at the same time is shielded through the expansion of business solutions, the spread of commercial risks and its constantly improving capital structure.
The effort to expand abroad will continue through partnerships but also through tracking and exploiting of all business opportunities that fit with the Group's strategy, to undertake a reasonable risk and to achieve satisfactory profitability.

The global economy, on the other hand, is also characterized by the search of new development paradigms and consequently any business decisions should take into account in addition to the domestic and international macroeconomic and financial environment. Interest rate fluctuations, bond yields and currency rate differences are points that need to be monitored.

Management continuously assesses the likely impact of any changes in the macroeconomic and financial environment so as to ensure that all necessary actions and measures are taken to minimize any impact on the Group's activities.

The company's activities complied with the applicable legislation and its objectives as defined in its statutes.

We give you more detailed data of the financial statements compared to those of the previous year.

2.1.1.1 Year's total income

Amounts in € thousand	Group			Company		
	01.01-31.12.2017	01.01-31.12.2016	ΜΕΤΑΒΟΛΗ %	01.01-31.12.2017	01.01-31.12.2016	ΜΕΤΑΒΟΛΗ %
Revenue	59.658	48.169	23,85%	56.559	44.906	25,95%
Gross profit/loss	14.155	13.069	8,31%	12.933	11.886	8,81%
Gross profit margin	24%	27%		23%	26%	
EBITDA	4.838	4.312	12,20%	3.610	3.133	15,23%
EBITDA	3.772	3.218	17,22%	2.548	2.044	24,66%
Earnings before taxes	1.652	1.401	17,92%	1.257	1.012	24,21%
Earnings after taxes	1.114	900	23,78%	1.006	791	27,18%

The Group's turnover amounted to € 59.658 thousand compared to € 48.169 thousand of year 2016 showing an increase of 23,85%, attributed mainly to the second half year.

The Group's Gross profit amounted to € 14.155 thousand compared to € 13.069 thousand of the previews period showing an increase of 8,31%.

The Group's EBITDA amounted to € 4.838 thousand compared to € 4.312 thousand of the previews period sharing the same pattern with the Group's turnover.

The Group's EBIT amounted to € 3.722 thousand compared to € 3.218 thousand of the previews period showing an increase of equal proportion with respect to EBTDA as previously commented.

The Group's earnings before taxes amounted to € 1.652 thousand compared to € 1.401 thousand of the previews period, showing an increase of 17,92%..

The Group's earnings after taxes amounted to € 1.114 thousand compared to € 900 thousand of the previews period showing an increase of 23,78%.

Statement of comprehensive income

The other comprehensive income after taxes for the current year comprises the net amount of -24 thousand, of actuarial results (IAS 19) after taxes and the amount of -13 thousand, of currency differences from consolidation of subsidiaries.

The other comprehensive income after taxes of previews year comprises the comprises the net amount of -77 thousand, of actuarial results (IAS 19) after taxes and the amount of 3 thousand, of currency differences from consolidation of subsidiaries.

2.1.1.2 Assets

Amounts in € thousand	Group			Company		
	01.01-31.12.2017	01.01-31.12.2016	ΜΕΤΑΒΟΛΗ %	01.01-31.12.2017	01.01-31.12.2016	Change %
Total Assets	50.699	46.320	9,45%	49.958	45.450	9,92%
Total noncurrent receivables	20.309	18.673	8,76%	20.338	18.693	8,80%
Inventories	3.578	3.252	10,02%	3.578	3.252	10,02%
Trade receivables	14.295	12.455	14,77%	13.831	11.957	15,67%
Other receivables	12.517	11.940	4,83%	12.211	11.548	5,74%

The Group's Total Assets amounts to € 50.699 thousand compared to € 46.320 thousand of year 2016 attributable mainly to the increase of the turnover.

The Group's noncurrent receivables' net value, comprising the goodwill after impairments, and the revaluated buildings, amount to € 20.309 thousand compared to € 18.673 thousand of year 2016.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 3.578 thousand compared to 3.252 thousand of year 2016

The Group's Trade receivables amount to € 14.295 thousand compared to € 12.455 thousand of year 2016 showing an increase of 14,77%, and compared to the turnover's growth rate, reveals the improvement of the average collections period.

The Group's other receivables amount to € 12.517 thousand compared to € 11.940 thousand of year 2015.

2.1.1.3 Liabilites

	Group			Company		
Amounts in € thousand	01.01-31.12.2017	01.01-31.12.2016	Change %	01.01-31.12.2017	01.01-31.12.2016	Change %
Total Liabilities	50.699	46.320	9,45%	49.958	45.450	9,92%
Shareholders' Equity	14.670	13.787	6,40%	14.189	13.401	5,88%
Long term loans	9.800	7.848	24,87%	9.800	7.848	24,87%
Other long term liabilities	869	1.017	-14,55%	893	1.036	-13,80%
Short term loans	7.965	8.117	-1,87%	7.965	8.117	-1,87%
Other short term liabilities	17.395	15.551	11,86%	17.111	15.048	13,71%

The Shareholders' equity amounts to € 14.670 thousand compared to € 13.787 thousand.

The Group's long term loans amounts to € 9.800 thousand compared to € 7.848 thousand compared to year 2016. The loans concern:

- The mortgage loan ending at 2019, of initial amount € 1.125 thousand, and after interest and principal payments amounting to € 196 thousand
- The mortgage loan ending at 2019, of initial amount € 800 thousand, and after interest and principal payments amounting to € 200 thousand
- The mortgage loan ending at 2019, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 500 thousand
- The mortgage loan ending at 2019, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 400 thousand
- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.250 thousand
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 625 thousand
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 375 thousand
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 2.314 thousand
- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.940 thousand

The fair value of the short and long term borrowings approximates the book value. The rate used in the company's and the Group's borrowings is floating and renegotiable within a six-month period. The average interest rate applied is 4,54%.

The Group's other long term liabilities amount to € 869 thousand compared to € 1.017 thousand of year 2016.

The Group's short term loans amount to € 7.965 thousand compared to € 8.117 thousand of year 2016.

The Group's other short term liabilities amount to € 17.395 thousand compared to € 15.551 thousand of year 2016.

2.1.1.4 Cash Flow

Amount ins € thousand	Group		Company	
	01.01-31.12.2017	01.01-31.12.2016	01.01-31.12.2017	01.01-31.12.2016
Total cash inflow/(outflow) from operating activities	1.251	1.800	599	784
Total cash inflow/(outflow) from investing activities	-2.628	-1.316	-2.278	-176
Total cash inflow/(outflow) from financing activities	1.606	2.106	1.606	2.106

Cash flow from operating activities, is positive amounting to € 1.251 thousand. This result is reaffirms the Group's capability of generating cash from turnover.

Cash flows from investing activities, presented in a negative € -2.628 thousand as a result of the Group's continuing investing activity.

The cash flow from financing activities amounted to € 1.606 thousand reaffirming its trustworthy position acknowledged investing choices from the domestic banking system.

2.1.1.5 Performance ratios

		Group		Company	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
A.	**LIQUIDITY RATIOS**				
A1.	CURRENT RATIO	119,84%	116,82%	118,12%	115,51%
A2.	QUICK RATIO	105,73%	103,08%	103,85%	101,47%
A3.	ACID TEST RATIO	30,34%	31,54%	28,08%	30,71%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,17	0,14	0,15	0,13
B.	**CAPITAL STRUCTURE RATIOS**				
B1.	DEPT TO EQUITY	245,60%	235,97%	252,10%	138,16%
B2.	CURRENT LIABILITIES TO NET WORTH	172,87%	171,66%	176,73%	172,86%
B3.	FIXED ASSETS TO NET WORTH	132,86%	136,28%	137,54%	140,34%
B4.	OWNER'S EQUITY TO TOTAL LIABILITIES	40,72%	42,38%	39,67%	41,81%
B.5	CURRENT ASSETS TO TOTAL ASSETS RATIO	59,94%	59,69%	59,29%	58,87%
C.	**ACTIVITY RATIOS**				
C1.	INVENTORIES TURNOVER RATIO	13,32 times	10,09 times	12,77 times	9,50 times
C2.	FIXED ASSETS TURNOVER RATIO	3,06 times	2,56 times	2,90 times	2,38 times
C3.	DAYS OF SALES OUTSTANDING (D.S.O)	69,73 days	76,06 days	70,22 days	76,95 days
C4.	ASSET TURNOVER RATIO	1,18 times	1,04 times	1,13 times	0,99 times
C5.	OWNER'S EQUITY TURNOVER RATIO	4,07 times	3,49 times	3,99 times	3,35 times

D.	**PROFITABILITY RATIOS**				
D1.	GROSS PROFIT MARGIN	23,73%	27,13%	22,87%	26,47%
D2.	NET PROFIT MARGIN	2,77%	2,91%	2,22%	2,25%
D3.	RETURN OF INVESTMENT	18,53%	18,10%	16,34%	15,68%
D4.	EFFICIENCY OF TOTAL ASSETS	11,26%	10,17%	8,86%	7,55%
D5.	RETURN ON TOTAL CAPITAL EMPLOYED	7,53%	7,10%	6,84%	6,36%
D6.	FINANCIAL LEVERAGE RATIO	0,57 times	0,58 times	0,37 times	0,35 times

E.	**OPERATING EXPENSES RATIOS**				
E1.	OPERATING RATIO	92,97%	91,73%	94,49%	93,52%
E2.	INTEREST RATIO	1,76 times	1,74 times	1,58 times	1,54 times
E3.	OPERATING EXPENSES TO NET SALES	16,70%	18,86%	17,35%	19,99%
E4.	LOANS TO TOTAL ASSETS	35,04%	34,47%	35,61%	35,17%

2.1.1.6 Share Capital

The company’s shares are ordinary registerd shares and have been listed in ASE since 29.09.2000
On 13/06/2017, by decision of the Ordinary General Meeting of Shareholders, the share capital of the company was reduced by offsetting losses of previous years amounting to € 3,476 thousand.
This nominal decrease of the Share Capital took place through a decrease in the nominal value of the shares respectivley. The amount to be offset, taking into account the required adjustment for the rounding of the nominal value of the share to two decimals, according to the applicable law, amounted to € 3,422 thousand with a corresponding reduction of the nominal value of the share by fifty three cents (0.53), that is, from € 1.61 to € 1.08. The remaining amount that was not offset due to the above rounding amounts to € 54 thousand. This amount was covered by the Company's statutory reserve.

Number of shares and nominal value	31.12.2017	31.12.2016
Paid up capital	6.973.052,40	10.395.013,30
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,61 €

2.1.1.7 Own Shares

The company does not possess any own shares as at 31-12-2017.

2.1.1.8 Dividend policy

Unless the Shareholders’ Ordinary General Meeting decides otherwise, according to the current legislation, the company is legally obliged to distribute to its shareholders, at least the 35% of the earnings that are distributable according to IFRS, after the calculation of taxes and legal reserve.

The Company's Board of Directors will propose to the General Meeting, instead of the distribution of dividends from the profits, the distribution of part of the dividends received from the subsidiary SPACE HELLAS (CYPRUS) LTD, which, after being recorded in the results, appear separately in the Equity, following their exemption from income tax under Law 3943/2011, article 14 and Law 4172/2013 article 48, in combination with POL 1007/2014 and POL 1039/2013.

On 13-6-2017, the Ordinary General Meeting of shareholders decided to reduce the share capital by offsetting losses of previous years amounting to € 3,476 thousand and the distribution of part of the reserve in the amount of € 194 thousand or € 0,03 per share to the shareholders. The Board of Directors announced the Date of Beneficiaries' Determination Date: Thursday July 20, 2017, Exit Date: Wednesday, July 19, 2017, Dividend Start Date: Wednesday, July 26, 2017, and Alpha Bank Paying Bank.

The above reserve for distribution is part of the dividends received from the subsidiary SPACE HELLAS (CYPRUS) LTD

2.1.1.9 Participating interests and investments

Corporate name	Book value	Country	Ownership percentage Direct	Ownership percentage Indirect	Consolidation method
Subsidiaries					
SPACE HELLAS (CYPRUS) LTD	34	Cyprus	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	935	Romania	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	10	Serbia	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	5	Malta	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	67	Jordan	-	100%	Full Consolidation
Associates & Joint Ventures					
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	3	Greece	35%	-	Equity method
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	13	Greece	50%	-	Equity method
Other investments					
MOBICS L.T.D.	75*	Greece	18,10%	-	-
Web-IQ B.V.	1.003	Netherlands	17,21%	-	-

**Impaired value.*

2.1.1.10 Commitments -Guarantees

The contingent liabilities for letters of guarantee granted both for the Company and the Group are the Following:

Amounts in € thousand	Group 31.12.2017	Group 31.12.2016	Company 31.12.2017	Company 31.12.2016
Guarantee letters to secure good performance of contract terms	3.050	2.555	3.050	2.555
Total contingent liabilities	**3.050**	**2.555**	**3.050**	**2.555**

The table above includes guarantee letters to secure good performance issued to joint ventures amounted to € 326 thousand and €402 thousand as at 31.12.2017 and 31.12.2016 respectively.

2.1.1.11 Excess clause provisions and Disputed claims

There are no cases are that might have significant impact on the financial position both of the Group and the Company.

2.1.1.12 Other contigent liabilities

The company has formed a cumulative provision for the amount of € 122 thousand to cover the possibility of additional charges for the event of tax audit from the tax authorities for the unaudited years, since the company has been audited up to year 2008.

For the years 2009 and 2010, the Company has been notified by the Greek Tax Authorities for the beginning of a partial audit, while for the years 2011 to 2015 the parent has been audited by the Certified Public Accountants as provided by para. 5, art. 82, N2238 / 1994, the provisions of the Law 1159 / 26-7-2011 as well as the article 65A of N4174 / 2013 regarding the receipt of a tax certificate from the statutory Auditors and Audit Offices. From the year 2016 onwards, the tax certificate is optional. Upon completion of the tax audit, the statutory auditor or audit firm issues to the company a "Tax Compliance Report". For the parent company and its Greek subsidiaries this audit is concluded for the fiscal years 2011 to 2016 and the tax audit reports were issued without any qualification.

There is ongoing tax audit of the company for the year 2017 by the statutory auditors, from which no significant additional charges are expected to arise.

The same provisions apply to its subsidiaries in Greece. The other domestic companies of the Group (note 4.6.28) have been subject to the tax finalization process under Law 3888/2010 up to 2009.
Except the above mentioned there are no other contingent liabilities.

2.1.2 OTHER INFORMATION

2.1.2.1 Branches

The operating branches (except the company's headquarters on Mesogion Ave 312) as at 31.12.2017 are the following:

S/N	Establishment	Address
1.	Cholargos	302 Ave. Mesogion Cholargos
2.	Cholargos	6 Loch. Dedousi Str, Cholargos
3.	Thessaloniki	G.-I. Kar. & P. Kyrillou, Thessaloniki
4.	Athens	Em. Mpenaki 59, Athens
5.	Patra	Gkotsi 26-28, Patra
6.	Crete	G. Gennimata 62, Crete
7.	Ioannina	D. Hatzi 45, Ioannina
8.	Larissa	14 str Canada & N. Plasitra, Farsala

The company periodically monitors and evaluates the effectiveness of its geographic expansion through its branches.

2.1.2.2 Personnel figures

The Group's Management is supported by a team of expert and valuable staff contributing to the Group's development

The table below is showing the staff that has been employed on average during the years 2017 and 2016 as well as the remuneration received (salary and social security contributions):

Amounts in € thousand	Group					
	Persons		Total salary		Social security charges	
	2017	2016	2017	2016	2017	2016
	284	249	8.054	7.429	2.001	1.767

Amounts in € thousand	Company					
	Persons		Total salary		Social security charges	
	2017	2016	2017	2016	2017	2016
	283	248	8.048	7.423	2.000	1.766

2.2 ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority (ESMA / 2015 / 1415el) published the final guidelines on Alternative Performance Measures (APMs) applicable from 3 July 2016 to securities companies traded on organized exchanges. APMs are disclosed by publishers when publishing regulated information and are intended to enhance transparency and promote the usefulness and fair and full information of the investing public.

The Alternative Performance Measurement Score (EMMA) is an adjusted economic measurement of historical or future economic performance, financial position or cash flow, other than the economic measurement set out in the applicable financial reporting framework. That is to say, APM does not rely exclusively on the standards of financial statements, but provides substantial additional information, excluding elements that may differ from operating results or cash flows.

EMMA should always be taken into account in conjunction with the financial results prepared under IFRSs and should under no circumstances be considered as replacing them. The Group uses the Custom Indicators (EMMA) to better reflect the financial and operating performance related to the Group's activity as such in the reference year as well as the corresponding previous comparable period.

Adjusting elements

Figures influencing the adjustment of the indices used by the Group to extract the ALPs according to the first half financial statements 2017 and the corresponding financial statements of the prior period are the provisions for trade receivables impairment.

The elements affecting the adjustment of the indicators (ALPs) on 31.12.2017 and 31.12.2016 are shown in the table below:

	Group	
Amounts in € thousand	**31.12.2017**	**31.12.2016**
Comprehensive Income Statement		
Provisions for impairment	372	465
Total	**372**	**465**

Based on the above adjustments, the EMMAs used by the Group are formed as follows:

Adjusted EBITDA

The adjusted EBIT for year 2017 is 8% higher than EBITDA, while compared to 2016, results to be increased by 9,06%

Adjusted EBIT

The adjusted EBIT for year 2017 is 10% higher than EBIT, while compared to 2016, results to be increased by 12,52%.

Adjusted Cash Flows After Investments

The, Adjusted Cash Flows after investments for year 2017 are increased by 27% compared to Cash Flows after investments, while compared to the adjusted Cash Flows after investments of 2016 appear to be decreased by 205% due to the Group's increased investing activity.

Adjusted Net Borrowing

In both the years 2017 and 2016, the adjusted net borrowing is almost identical to the Net Borrowing.

Regarding the definition and basis of calculation of the ALPs, a larger analysis is contained in note 4.7 of this interim financial report.

2.3 SIGNIFICANT FACTS DURING YEAR 2017 AND THEIR IMPACT ON THE FINANCIAL STATEMENT

Significant facts that took place during the period from 1st January to 31st January 2017 are the following:

- **Shareholders' Ordinary General Meeting at 13-06-2017.**

  1. Submission and approval of the annual financial report, the annual financial statements and condensed financial information (balance sheet, income statement items, Statement of Changes in Equity Manual, Statement of Cash Flow Statement, additional data and information) of the company and the Group for the year from 1/1/2016 - 31/12/2016, the management report and the additional report of the Management Board on the financial statements and as well as the auditors' report.
  2. Approval of the distribution of results
  3. Share Capital Decrease with offsetting of previews year's losses
  4. Partial distribution of the special dividends reserve of Law 3943/2011, article 14 and law 4172 / 2013 Article 48, in conjunction with POL 1007/2014 and POL 1039/2013.
  5. Discharge of the Board and Auditors from any liability for the year ended as at 31/12/2015.

6. Approval of the remuneration and allowances of Members of the Board of Directors for the period from 1/1/2016 to 31/12/2016 and preapproval of remuneration and allowances for the period from 1/1/2017 to 31/12 / 2017.
7. Election of the statutory auditors of the Company and the Group for the year 1/1/2017 - 31/12/2017 and determination of their remuneration
8. Approval of all contracts of the company's for the period of 1/1/2016 - 31/12/2016.
9. Approval of the contracts according to art. 23a of L 2190/1920
10: Announcement of the election of the new independent non executive member of the Board of Directors, replacing the resigned independent non executive member, according to art. 18 of L 2190/1920
11. Decrease of the number of the members of the Board of Directors to 7 members in compliance with the para 1, art.10 of the Articles of Association, and election of new members of the Board of Directors. The issue has not been discussed
12. Appointment of a new independent non executive member of the Board. The issue has not been discussed.
13. New members designation in the Audit Committee.
Announcement relevant to the 28th General Assembly's Decision held on 24.06.201 with regard to the purchase of own shares, according to art. 16 of L 2190/1920
14. Permission according to article 23 par. 1 of Law 2190/1920 to members of the Board of Directors and the Company's directors.
15. Various announcements

- **Share Capital decrease** with offsetting of previews years losses and modification of art. 5 of the Articles of Association

- After the decision of the Ordinary General Meeting of shareholders on 13-6-2017, the distribution of part of the reserves (formed according to L.3943/2011, art. 14 and L. 4172/2013, art. 48 together with POL 1007/214 and POL 1039/2013), took place. The Board of Directors announced the Date of Beneficiaries' Determination Date: Thursday July 20, 2017, Exit Date: Wednesday, July 19, 2017, Dividend Start Date: Wednesday, July 26, 2017, and Alpha Bank Paying Bank.

- On August 29, 2017 a new executive member of the company's Board of Directors was elected, in place of a resigning executive member.

- On the 30th of August 2017, the company's Board of Directors came into body with the assignment of responsibilities.

2.4 FUTURE PERSPECTIVES AND STRATEGIC GOALS BOTH AT A CORPORATE AND GROUP LEVEL

Year 2017 was characterized by the gradual recovery of the Greek economy and relative stability in the economic environment. The strengthening of the global economy coupled with the positive climate that prevailed in the assessment of the Greek economy maintained a dynamic growth and optimism in key business sectors. The probability of announcing early elections in 2018 is considered to be quite important for some analysts. Such a development may affect the notice and progress of evaluation mainly of public projects and major privatization programs.
For SPACE HELLAS, accelerating the growth revenue in the second half of 2017 has led to a significant increase in overall corporate turnover, significantly outpacing forecasts. The implementation of major and significant projects as well as the strengthening of service and maintenance contracts offered to OTE, Deutsche Telekom, BT, Vodafone, Telecom Italia Sparkle, Wind, Forthnet, National Bank, Piraeus Bank, Alpha Bank, OPAP, International Airport Athens, Fraport, Digea, Zenith, Hellenic Petroleum, PPC, DEDDIE etc., create a stable revenue base that is expected to continue in 2018.

Significant complex project for private sector of year 2017:

- OTE-LENOVO: Framework agreement for the supply of IT equipment and services for three years.
- NBG: Identity Access Management in the context of security and GDPR.
- OPAP: Central IT-Infrastructure and Digital Signage projects for all agencies nationwide..
- Digea: Supply, installation, configuration of New HeadEnds.
- INTRAKAT-FRAPORT: for the 14 regional airports under privatization.
    - Framework Agreement for the procurement of an Access Control System and a Surveillance System. The project comes to cover the critical subject of safety and protection of facilities and is part of the overall infrastructure upgrade

  - Central Airport Data Network. It will be the main communication body through which data will be transferred to major airport operating systems
- Honeywell Process Solutions: Natural Gas Pipeline (TAP AG) - SCADA-Telecom Security System..

Ongoing significant complex project for public sector:

- Civil Aviation Authority: Implementation of the project "Supply of AFTN / CIDIN / AMHS Aeronautical Message Transmission System"
- Greek Atomic Energy Commission: Implementation and warranty services of the National Observatory of Electromagnetic Fields.
- Υπουργείο Εξωτερικών: Ministry of Foreign Affairs: Maintenance contract for the NVIS project concerning the automation of the issuance of a VISA license to 135 embassies and consulates of our country abroad
- Ministry of Public Order and Citizen Protection: Maintenance contract for the project "Electronic Identification and Identification Services (e-TAP)"
- Ministry of Public Order and Citizens Protection: Contract for the maintenance of the project "Electronic Crime Prevention Services for the Protection of Citizens' Security and E-Crime"
- Ministry of Public Order and Citizens Protection: Contract for the maintenance of the "Remote Access" project
- Ministry of Public Order and Citizens Protection: Framework agreement for the year 2018 for the procurement of computers, programs and other materials

<u>Advanced Public Works under evaluation and approval</u>:

- Ministry of Citizen Protection: Extension of an automated border surveillance system in the Greek-Turkish border in the border area in Evros river and interconnection of the Regional Centers for Integrated Border Management and Immigration € 12 million.
- Civil Aviation Authority: Supply of air navigation systems for the relocation of the Athens approach by KEPATH to AIA, with a budget of € 3 million.
- Civil Aviation Authority: Supply of Communication and Voice Recording System, budget of € 7.65 million.
- Ministry of Economy and Development: Framework Agreement for the Supply of Desktop Computers and Flat Panel Displays for the needs of 19 operators, with a budget of € 6.8 million
- Information Society: Project Syxixis II, candidate contractor in a joint venture for the following sub-projects:
  - Sub-Action 3: "Security, Telephony, Teleconferencing, Cabling Infrastructure" framework agreement with a total budget of € 132.6 million.
  - Sub-Action 5: "ISP & SLA Central Services" budget of € 26.6 million.
- Ministry of Foreign Affairs: "Promotion of Support Services for Consular Authorities or Consular Offices of Diplomatic Missions in the Visa Procedure", the company is the only company of the contestants to continue in Group 3 which includes Turkey, Egypt, Israel, Lebanon, Jordan , Saudi Arabia, Kuwait, Bahrain, Qatar, Iran, Algeria, Tunisia, Morocco, Oman, Yemen and expects its proclamation as a temporary contractor
- Ministry of Citizen Protection:
  - Upgrading the Database Infrastructure and Other Equipment to a budget of € 230 thousand
  - Supply of information technology. budget of € 176 thousand
  - Establishment of a Single Point of Contact (S.P.O.C.) Business Center as a budget of € 685 thousand
  - Relocation and Supply of Equipment for the National Border, Immigration and Asylum Co-ordination Center (ESSESA) with a budget of € 1,05 million
- ERT SA: Supply of equipment, installation and commissioning of terrestrial digital terrestrial broadband budget € 400,000

For the year 2018 important projects are expected from large private and public sector organizations and the company is being prepared and to claim with significant chances of success.
The company has been investing steadily in the field of systems and integrated IT and software solutions, while the contribution to corporate turnover comes from all key product lines, namely IT, telecommunications and security.
Significant commercial and development activities to promote new products and services are expected from the company in partnership with its key strategic partners such as BT, Cisco, Dell / EMC, Lenovo, Microsoft, Oracle, Olisoft, NEC, Checkpoint, Symantec, Huawei, Plantronics, Frequenti, Hikvision, Bosch, Honeywell, Avigilon, Rittal, Panduit and Fiber Fab.

Also in 2018, Space Hellas is actively involved in R & D projects funded by the European Union's Horizon 2020 program.

- Is a project co-ordinator, for City Risks (Avoiding and mitigating safety risks in urban environments) focusing on citizens 'communities' support technologies to enhance city life security and SHIELD (Securing against intruders and other threats through a NFV-enabled environment) that develops an innovative platform for network security based on Big Data and virtualization technologies.
- Participates in a key role in the implementation of the HEIMDALL (Multi-Hazard) project in the area of security and crisis management
- The implementation of the European project TressPass (robusT Risk basEd screening and alert system for PASSengers) begins. SPACE HELLAS (with a budget of € 405 thousand) will be responsible for developing and integrating Web intelligence technologies for passenger control and risk assessment at border control points based on the Web-IQ Voyager platform.

With regard to the national research programs are concerned, SPACE HELLAS participated in 11 proposals of the research framework "I Research - I create - I Innovate" with an emphasis on Internet of things and Big Data, resulting in 4 new projects expected to result in contracts and start implementation in the coming months. Specifically:

- The NEREAS project concerns the integrated supervision and optimization of energy management on commercial vessels. The object of SPACE HELLAS (participating as the main contractor with a budget of € 221 thousand) is the development of a large data and presentation platform.
- The EMISSION project concerns the development of an integrated platform for the monitoring of air pollutants using IoT networks. SPACE HELLAS (participating as the main contractor with a budget of € 229 thousand) is responsible for the development of the Central Platform of the Information System for Collection, Processing and Presentation.
- The AVINT project involves the integration of automotive vehicles into the urban transport network. The object of SPACE HELLAS (with a budget of € 192 thousand) is the Network Infrastructure and the Control Center that will support the operation of the vehicles.
- The Smart Gas Grid project concerns a fiber optic network for smart meters, security of information systems and the development of the gas distribution network with next-generation data networks. SPACE HELLAS (with a budget of € 80 thousand) is responsible for the study of the fiber optic network and the security of information systems, as well as support for the pilot infrastructure to be developed.

The Group's operations abroad are continued through its subsidiaries in Cyprus, Malta, Serbia, Romania and Jordan. For Qatar, the company has decided to postpone the plan to set up a subsidiary, but to continue activating and claiming collaborative projects.

The participation of 17.21% in the share capital of the Dutch Web-IQ company gives SPACE HELLAS a competitive advantage in the Big Data Analytics field at the international level and actively integrates it into the Real-time Web Intelligence application development area. At the same time, it enables investments in cloud services to be utilized through the company's telecommunication hub in Frankfurt. SPACE HELLAS expects significant synergies with international manufacturers such as Cisco, DELL-EMC, Microsoft and Oracle in the field of application and software development.

For complex projects abroad the following should be mentioned:

- In Cyprus,
  - Start of the 13-year service provision contract to the Department of Meteorology for the project "Provision of Meteorological Radar Services" for the Government of the Republic of Cyprus, Ministry of Agriculture, Rural Development and Environment
  - Bid assessment for the project "Governmental Integrated Network of the Ministry of Transport, Communications and Works of Cyprus (GUN)" budget of 16 million euros.
  - Evaluation of Bid for the pre-selection stage of the project "Supplying Installation and Maintenance of Electronic Surveillance Systems in National Guard CYPRUS" of a budget of 10 million Euros
  - Bid assessment for the project "Advanced Passenger Information System" project of the Cyprus Police for a budget of € 1.4 million.
  - Bid assessment for the project of the Ministry of Labor and Social Insurance of Cyprus, budget of € 330 thousand.
  - Pre-submission stage for the project "Supply, Implementation and Management of Systems and Equipment with the PPP (Public-Private Partnership) Method to Prevent and Combat Violence in Sports Facilities" at the Cyprus Sports Organization (CSO). The project is expected to be re-announced by 2018.
- In Romania:
  - Bid assessment for the project "Supply of C-Band Meteorological Radar" to Romania's Meteorological Service, budget of 1.6 million euros.

- In Jordan,
  - Start of works on installing a telecommunication hub and providing telecommunication services through its subsidiary Space Arab Levant Technologies.
  - Participation in the bid for ATM security project in the banking sector based on the GUARDIAN security platform developed by SPACE HELLAS
- In **Qatar**:
  - Bid assessment for the Qatar Foundation Stadium CCTV and Access Control project..
  - Bid assessment for the "AL Rayyan Power Station Safety System" project.
  - RFI participation and pre-selection for the next phase (RFP) of Physical Security Information Management (PSIM) for the management of all OOREDOO provider's facilities..

In summary, in 2018, the group aims to strengthen its steadily profitable course by focusing on the commercial revenue target mainly from the private sector and maintaining a healthy economic path. Despite the remarkable participation in major public projects in Greece such as Conexex II, which are under evaluation and are a potential pillar of development, the company continues to invest steadily in state-of-the-art technologies with the main goal of internationalization of the group. The positive credit rating of the Group constantly renews its confidence with both banks and key vendors in order to perform its business and investment plans.

2.5 RISK MANAGEMENT AND HEADGING POLICY

The Group and the Company in the day to day business, is exposed to a series of financial and business risks and uncertainties associated with both the general economic situation as well as the specific circumstances typical of the industry.

The Group's expertise, its highly trained and skilled staff and its state of the arte equipment, together with the development of new products will allow the Group to maintain its competitive advantage and to penetrate in new markets as well.

Furthermore, continuously adaptive to the new business environment, our structures together with the significant amount of ongoing projects allows believing that the Group will meet the critical needs of the coming year and will help minimize uncertainties.

The Group is exposed to the following:

- **Financial Risk Factors**

The Group is exposed to various financial risks, including unpredictable fluctuations in exchange rates and interest rates, market risks, credit risks and liquidity risks. The overall risk management program of the Group seeks to minimize the possible adverse effects of these fluctuations on the financial performance of the Group

Risk management policy is applied by the Group's management, through the assessment of the risks associated with the Group's activities and functions and carry out the design of the methodology by selecting the appropriate financial products in order to achieve risk reduction,

The financial instruments used by the Group consist mainly of bank deposits, transactions in foreign currency at current prices or short term currency futures, bank overdrafts, accounts receivable and payable

- **Foreign Exchange Risk**

The Group's exposure to foreign exchange risk arises from actual or anticipated cash flows in foreign currency (imports - exports). The Group's management constantly monitors the fluctuations and the tendency of foreign currencies and evaluates each case individually, taking appropriate action where necessary, through agreements against interest rate risks. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities disclosed in a currency different from the entity's functional currency. For the foreign exchange risk which arises from future commercial transactions and recognized assets and liabilities, the company uses currency futures as required

The main trading currencies of the Group are the Euro, and USD.

In table below there is sensitivity analysis of the earnings before taxes due to currency exchange rate changes:

Currency	31.12.2017		31.12.2016	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit
	8%	-550	5%	-300
	-8%	550	-5%	300

- ### Price Risk

The Group is not exposed to securities price risk. The Group is exposed in risk due to the variations of the value of the goods used for trade and of the raw-materials used. In order to face the risk of impairment of inventories, a rationalized warehouse management aims to minimize the stock according to progress of the production needs. The level of the inventories in relation to the Group's turnover is significantly low. Our aim is to minimize the warehouse retention time in order to minimize the risk of impairment of inventories.

- ### Interest Rate Risk

The fluctuations in the interest rate markets have a moderate impact on the Group's income and the Group's operating cash flows

It is the policy of the Group to continuously review interest rate trends and the tenor of financing needs. In this respect, decisions are made on a case by case basis as to the tenor and the fixed versus floating cost of a new loan. Thus, the amount of short term borrowings is variable. All short term borrowings are based on floating rates. Consequently, the impact of the interest rate (EURIBOR) fluctuations is directly related to the amount of loans.

In case the credit markets and the capital markets continue to be unstable and the availability of funds remains limited, this will increase the probability that the Group may move to higher interest rates and other costs related to the financing of debt or even to limit access of the money markets, with effects on the Group's ability to adapt to changing economic and business conditions, the ability to finance its operations and capital needs in the future in the growth rate, but also the return to shareholders.

The careful monitoring and the interest risk management decrease the risk of significant impact on profits due to short term fluctuations.

Sensitivity analysis of Group's borrowings due to interest rate changes:

Currecy	31.12.2017		31.12.2016	
euro	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
	1%	-150	1%	-140
	-1%	150	-1%	140

- ### Credit Risk

Credit risk lies in the cash, bank deposits, financial instruments as well as exposure to trade risk.

Receivables from customers are mainly from the banking sector and the public sector, but also by big organizations of the private sector. The financial situation of clients is monitored closely and redefined according to the new conditions. The Group assesses the good standing of each customer, via independent assessment body or internally, taking into account its financial position, past experience and other factors, monitoring the amount of the extent of the credit line. Customer credit limits are set based on internal or external ratings in accordance with limits set by the board. As the unfavorable economic situation of the domestic market, since the beginning of the economic crisis, creates risks for any doubtful debts, the Group's management has put mechanisms capable of such response, taking into account the structure of the client base of the Group. Regarding the exposure of the company to the risk of non-recovery of debts by the Public sector, this risk is significantly reduced as the receivable from the Public sector entities have been decreased. In addition, the current legislation, favours the offsetting of the companies between their obligations towards the Greek State with overdue receivables. For specific credit risks, provisions for losses from impairment. The backdating of collections is an issue to be managed but is not linked to the good standing of our debtors.

To minimize the credit risk on cash and cash equivalents, the Group under policies approved by the Board of Directors sets limits on the amount to be exposed. Also with regard to money market instruments, the Group only does business with recognized financial rating institutions.

Liquidity Risk

The increase in the turnover, has created, as expected, financing needs that are regularly covered both by the steady flow of collection of sales and the bank financing as well, with an emphasis on financing on a basis project, based on the excellent relationship we have with the major credit institutions of the country and abroad, and ensuring sufficient credit lines for the financing of our business plans.
Furthermore, the excellent relations with our suppliers which are based on long-term reliable and stable relationship, offer us important help in trying to manage the cash flows. Capital constraints (capital controls) do not substantially affect the aforementioned relations

The table below summarizes the maturity profile of financial liabilities for the years 2017 and 2016 respectively.

Group

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Borrowings	17.765	15.965	7.965	8.117	3.546	3.483	6.254	4.365
Trade and other payables	17.401	15.562	17.395	15.551	-	-	6	11

Company

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Borrowings	17.765	15.965	7.965	8.117	3.546	3.483	6.254	4.365
Trade and other payables	17.141	15.078	17.111	15.048	24	19	6	11

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong investment grade credit rating and healthy capital ratios in order to support its operations and maximize shareholder value.

The group's policy is to maintain leverage targets in line with an investment grade profile. The gearing ratio is calculated by dividing the net borrowing with the total capital employed.

	Group		Company	
Amounts in € thousand	**2017**	**2016**	**2017**	**2016**
Short term Borrowings	7.965	8.117	7.965	8.117
Long term Borrowings	9.800	7.848	9.800	7.848
Less: cash and cash equivalents	-7.694	-7.465	-7.042	-7.115
Net Debt	**10.071**	**8.500**	**10.723**	**8.850**
Equity	14.670	13.787	14.189	13.401
Total capital employed	**24.741**	**22.287**	**24.912**	**22.251**
Gearing ratio	**40,71%**	**38,14%**	**43,04%**	**39,77%**

The significant increase of turnover by 23,85%, recorded mainly in the last 4 months of 2017, generated increased financing needs, which led to an increase of the net debt for approximately € 1,6 millions or 18,4%. At the same time Equity is increased by € 883 thousand and thus the leverage ratio increased from 38,14% to 40,71%, which is consistent with the turnover increase. This is also a confirmation of the Group's ease of access to financial institutions for the financing of its activities.

Business Long term Risk

The macroeconomic and financial environment in Greece shows signs of stabilization, but there is still uncertainty. Capital controls initially imposed on the country on 28 June 2015 continue to exist, but have since been relaxed. Capital controls had a short-term effect on the Group's domestic operations, but this has been normalized.
In addition, global developments affecting both the United States and the United Kingdom generally affect Europe's economic environment in conjunction with geopolitical dangers. It is particularly difficult to assess the interactions of all the above and to express an estimation of their degree of influence in the Greek business environment. As a result, SPACE has chosen a reasonable risk policy that breaks down into different product strategies and geographic areas. More specifically, we are trying to broaden our know-how in areas necessary for today's development and to spread the risk geographically with our expansion to foreign markets. Helping us to

do this is the Banking system through the excellent relationships we have. In particular, the continuous communication of our business plans, combined with the Bank's banking policy, give us the ability to cope with both capital restrictions and the continuous improvement of our relationships with our key suppliers.

2.6 CORPORATE GOVERNANCE STATEMENT

1. Corporate Governance Code Apllied

The corporate governance code is drawn up in compliance with current legislation, and in particular wit Law 2190/1920, Law 3016/2002, Law 3873/2010, Law 3884/2010 and Law 4403/2016, as applicable. The text is codified and amended whenever decided by the Board of Directors. In order to provide better information to the company's shareholders, the corporate governance code includes laws and Company's Act regulations that prevail against it.
The Corporate Governance Code is prepared by the Board of Directors of the company. After approval by the Board of Directors the code is uploaded on the company's website of the company in a non-editable format. The Corporate Governance Code comes into effect from its upload to the company's website *http://www.space.gr*.

The code of corporate governance of the company includes the following chapters:
Chapter A'- Board of Directors This chapter contains the obligations and duties of Board members and the method of election and function of the Board of Directors of the Company, the Board of Directors composition and the distinction of members in non-executive and executive members, with specific references to role of the executive members, the Chairman of the Board, Vice-Presidents and CEO ,their responsibilities, the duties of non-executive members, policy of fees and obligations of Board members to uphold the company's interest.

Chapter B' – General Meeting: This chapter describes the functioning of the general meeting of the shareholders, the shareholders' rights before the general assembly, the process of identifying those entitled to attend the general meeting, the quorum, the proceedings of the general meeting, the syntax of the minutes. Reference is also made in the compliance with the principle of equality of shareholders and the ways to publish the results of the General Assembly

Chapter C' – Minority interest A reference is made to minority interest of CL 2190/1920 (Article 39 - 40 a).

Chapter D' – Internal Control System – Risk Management Controls: There is a description of the Company's Internal Audit Division with detail description of the functions and duties. It also describes the functioning of the Audit Committee and a description of how the supervision of the Internal Audit is made as well as responsibilities of the Board in relation to Internal Audit and the Audit Committee.

2. Corporate Governance Practices Applied

The Corporate Governance Code of the company contains corporate practices of transparency in relation to operating procedures with regard to the company's management, to ASE information, shareholders equal treatment and protection of the corporate interests.

In particular:

I. Board of Directors:
The Board of Directors is composed of nine members, five (5) of which are executive members, two (2) of which are independent non-executive members and two (2) are non-executive member. The number of non-executive directors should not be less than 1 / 3 of the total number of members. Among the non-executive directors must include at least two (2) independent members. The positions of the Chairman of the Board and CEO cannot be assumed by the same person

The Board of Directors has the following composition

Name	Position
Manolopoulos Spyridon	Chairman, executive member
Mertzanis Ioannis	CEO, executive member
Doulaveris Ioannis	Executive member
Mpellos Panagiotis	Executive member
Paparizou Anastasia	Executive member
Mpellos Christos	Vice President, non executive member
Lagogiannis Georgios	Non executive member
Patsouras Athanasios	Independent - non executive member
Hatzistamatiou Theodoros	Independent - non executive member

The responsibilities of the executive members are decided by the Board of Directors, as well as the delegation of responsibilities to third - non-staff members, in particular executive officers. For the current year, responsibilities were delegated to the company's Chairman-executive member and to the Executive Director of the company, and to other executive board members as well except for the executive member Paparizou Anastasia. To better coordinate the management of corporate affairs, the Board may appoint a committee of senior executives. Regarding the right to bind the company through the signature, this is delegated for a certain monetary limit. Beyond this limit the decision of the Board is required.

The Board of Directors, in accordance with Law 3016/2002, takes decisions for matters relating to any fees paid to company executives, internal auditors as well as for the overall remuneration policy of the company. According to the articles of Association, to the members of the Board may be paid a compensation of an amount determined by a special decision of the ordinary general meeting of shareholders. Wages and other compensation of non-executive directors are determined in accordance with the Law 2190/1920. The process of setting fees is characterized by objectivity, transparency and professionalism and is free from conflicts of interest.

Each board member is required to strictly comply with the confidentiality requirements in relation to information accessed during of the company which became known to it in its capacity as a consultant. The board members and any third party entrusted with this responsibility are forbidden to pursue their own interests contrary to the interests of the company. The board members and any third person entrusted with responsibilities must promptly disclose to the other board members of the same interests that might arise in transactions of the Company which fall to their duties and any other conflict own interests with those of the company or affiliates for the purposes of paragraph 5 of Article 42 e of Law 2190/1920, which arise in the course of their duties.

Consultants being involved in any way in the company's management as well as executive directors are prohibited to act, without permission of the General Assembly, for own interests or on behalf of others for matters that fall into the corporate aims or to participate as personally liable partners in companies that pursue such aims.

II. General Meeting

The call of the General Meeting is posted on the company's website together with the total number of shares and voting rights at the time of the call and the documents to be submitted to the General Meeting, a draft decision on every matter on the agenda proposed or in case no decision has been proposed for approval by the Board, a comment on all aspects of the agenda and any draft decisions proposed by shareholders upon receipt by the company as well as the forms to be used for the exercise of voting rights and, where applicable, for the exercise voting rights by correspondence, unless these forms are sent directly to each shareholder.
If for technical reasons this information is not available, the company provides information through the website on how to supply the relevant forms in hardcopy form and send mail without charge to each interested shareholder.
The call of the General Assembly, in order to enhance transparency in informing shareholders, is published in Communication System "Hermes" which is considered reliable and has a wide range. Particular attention is paid to issues of conflict of interest of the shareholders' representatives who wish to participate in the meeting. The shareholder's representative must notify the company before the commencement of the general meeting, any specific event, which may be useful to shareholders for the assessment of the risk the representative is in conflict of interests with the shareholders. For the purposes of this paragraph a conflict of interests may be appear, in particular where the agent:

a) is a shareholder who has controlling rights on the company or other legal person or entity controlled by a shareholder, who has control of the company,

b) is a member of the board or the management of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company

c) is officer or public auditor of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company,

d) is husband/wife or first degree relative to one of the individuals abovementioned in paragraphs a) to c)

The appointment and dismissal of the shareholder representative takes place in writing and communicated in the same form to the company at least 3 (three) days before the designated date of the meeting.
Besides the Chairman of the Board, at a general meeting present, the CEO, the General Manager of the company, Chief Commercial Officer, Chief Financial Officer or legal advice where appropriate, the Internal Auditor and regular statutory auditor of the Company and, if necessary, provide feedback and information on issues of responsibility raised for discussion and answer questions from shareholders on these issues.
The Chairman of the General Assembly, according to the circumstances, provides the necessary time to the shareholders in order to ask questions. The discussions and decisions taken by the General Assembly are recorded and summarized in a special book. The Secretary keeps the minutes of the General Assembly making sure to list all of the points of view or questions that the shareholders might make and responses to these questions.
The Chairman of the Meeting, at the request of a shareholder, is required to file in the book of minutes an accurate summary of his opinion. This book contains also a list, in accordance with paragraph 2 of Article 27 of Law 2190/1920, of the shareholders that were present or represented at the general assembly. Each share

confers the right to vote. All shareholders' rights arising from the share is mandatory according to the proportion of capital represented by shares
The company ensures equal treatment for all shareholders of the same position. During the meeting all shareholders' request for speech is accepted, and the points of view as well as the questions submitted and responses received are all recorded.
The company publishes on its website under the responsibility of the Board of Directors, the voting results within five (5) days from the date of the meeting, identifying for each decision at least the number of shares for which votes were valid, the proportion of share capital represented by these votes, the total number of valid votes as well as the number of votes for and against each resolution and the number of abstentions.

Minority interests are listed in CL 2190/1920 Article 39 – 40a

III. Internal Control System – Risk Management Controls
In compliance with the law, a full time employee is responsible for the internal Audit Department. This person is independent, not subordinate to any other unit of the company, and assists the Board of directors in the exercise of its duties in order to safeguard the interests of the company and its shareholders.
The Internal Audit Department is supervised by the Audit Committee consisting of two (2) non-executive directors (of which one is independent non executive member) and one independent non-executive Board member. All members of the Audit Committee are appointed by the General Meeting of shareholders. The supervision of the internal audit is undertaken by non-executive directors to ensure legal, efficient and unbiased internal and external controls on the company, as well as communication between the audit members and the Board.
The Board reviews the effectiveness of internal control within the corporate strategy with regard to the management the main risks the company is facing, in particular, in financial matters. This review covers the essential audits, including financial and operational audits, compliance testing and monitoring of risk management systems. The Board through the Audit Committee has direct and regular contact with the public auditors in order to receive from the latter regular updates in relation to the proper functioning of the internal control system.

IV. Audit Committee:
The Audit Committee consists of at least three (3) members and is either an independent committee, ie a separate committee not related to anybody of the company, or a committee of the Board of Directors, which is a committee made up exclusively of members of the Board of Directors. The Audit Committee is made up of non-executive members of the Board of Directors and members elected by the general shareholders' meeting of the company. Therefore, as members of the Audit Committee elected by the general meeting of shareholders may be the independent members of the Board of Directors and / or non-members of the Board of Directors who meet the provisions on independence of Law 3016/2002.

The members of the Audit Committee as a whole must have proven sufficient knowledge in the field in which the company operates and at least one member has proven sufficient knowledge in accounting and auditing (international standards) so that the Audit Committee is able to fulfill its responsibilities and the obligations laid down in paragraph 3 of Article 44 of Law 4449/2017. The evaluation of the candidate members of the Audit Committee is carried out by the Board of Directors.

The term of the members of the Audit Committee is the same as that of the Board of Directors.

The Audit Committee appoints one of its members as Chairman, while the Secretariat functions as the Secretary of the Board of Directors respectively. The Secretary takes care of the minutes of the meetings of the Commission, taking care to record all the views of its members.

The purpose of the Audit Committee is to monitor the audit of the Company's financial statements and the financial reporting process, the external audit system, the effectiveness of the internal control and risk management procedures and the internal control unit, the implementation of the selection procedure auditors or audit firms appointed to audit the company's financial statements (statutory and substitute auditors 2190/1920), the review and monitoring of the independence of the Company's auditors or audit firms.

The Audit Committee has an Operating Regulation in accordance with the provisions of Law 4449/2017.

3. Shareholders' General Meeting

TGeneral Meeting description of functions:
The General Meeting is the supreme body of the company, is entitled to decide for each case of a company in accordance with the statutes and its decisions are binding on the all the shareholders including those who are absent and those who disagree. The General Meeting of shareholders is required to meet at the company's headquarters or another municipality within the region or in the region or another neighboring municipality at least once each fiscal year and within six (6) months from the end of this year.

The call of the General Meeting, which includes at least the building with exact address, the date and time of meeting, agenda items clearly reported, the shareholders entitled to participate and precise instructions on how the Shareholders will be able to participate in the meeting and to exercise their rights, should be posted in a conspicuous position the company's premises and published in accordance with the provisions of Article 26 paragraph 2 of Law 2190/1920. Apart from the above invitation should include:

a) Information regarding:

aa) The rights of shareholders of paragraph 2, a 2, 4 and 5 of Article 39 of Law. 2190/1920, indicating the period within which may be exercised any right within the time limits set out in paragraphs of Article 39 of Law 2190/1920, as above, or alternatively, the deadline by which these rights can be exercised provided that detailed information about these rights and conditions for their exercise will be available with express reference to the call to the address (domain name) of the company's website.

bb) The procedure for proxy voting and, in particular the forms used for the proxy vote, and the methods provided in the statute, article 28 paragraph 3 of a CL 2190/1920, to receive electronic notifications of for the appointment and removal of the agents.

b) Specifies the record date as provided for in Article 28 a, paragraph 4 of Law 2190/1920, pointing out that only persons who are shareholders at that date are entitled to participate and vote at general meetings

c) Discloses the place where is available the full text of documents and draft decisions according to cases c and d of paragraph 3 of Article 27 of Law 2190/1920, and the way to access them.

d) Indicates the company's URL, where is available the information of paragraph 3 of Article 27 of Law 2190/1920

The invitation is also uploaded at the company's website along with the total number of shares and voting rights at the time of the call and the documents to be submitted to the General Meeting, a draft decision on any matter of the agenda as proposed or, if no resolution is proposed for approval, comment of the Board on each item on the agenda and any draft resolutions proposed by shareholders upon receipt by the company and the forms to be used for the proxy voting right and, where applicable, the right to vote by mail, unless these forms are sent directly to each shareholder. If for technical reasons this information is not available, the company provides information through the website on how to supply the relevant forms in hardcopy form and send mail without charge to each interested shareholder.

The call of the General Assembly, in order to enhance transparency in informing shareholders, is published in Communication System "Hermes" which is considered reliable and has a wide range.

The company may publish in the publication media listed by the Law 2190/1920 a summary of the call which includes at least the building with exact address, day and hour of the meeting, the shareholders entitled to attend as well as express reference to the website address where the full text of the call and other information regarding the meeting will be available. Call for a general meeting is not required in the event that the shareholders present or represented are representing the entire share capital and none of them objects to carrying out of the meeting and to the decision making.

Minority rights before the Call for the General Meeting:

Ten days before the regular general meeting each shareholder can get the company's annual financial statements and the reports of the Board of Directors and the independent auditors' report.

Twenty-four hours before each general meeting must be posted at a conspicuous place in the premises of the company a list of shareholders entitled to vote at the general meeting indicating, if any, their representatives, the number of shareholders and votes of each and the address of shareholders and representatives. From the day of publication of the call for the General Meeting until the day of the meeting, at least the following information should be uploaded to the website:

a) The call for the General Meeting

b) The total number of shares and voting rights at the date of the call, including separate totals for each class of shares if the company's capital is divided into several classes of shares

c) The documents to be submitted to the General Assembly

d) A draft decision on any matter on the agenda as proposed or, if no decision has been proposed for approval by the Board, the comment of the Board on each item on the agenda and any draft resolutions proposed by shareholders right after their receipt by the company.

e) The forms that should be used for the exercise of proxy voting rights and, where applicable, the right to vote by mail, unless these forms are sent directly to each shareholder.

General Meeting participation rights:

Each shareholder is entitled to attend and vote at a General Meeting. The exercise of these rights does not require the shareholders' share blocking nor similar procedure, that would limit the ability to sell and transfer the shares during the interval between the record date, as defined in paragraph 4 of Article 28a of Law 2190/1920, and the date of relevant general meeting. A shareholder participates in the general meeting and votes either in person or through agents. An agent that is acting for more shareholders may vote differently for each shareholder. Legal entities participate in the General Assembly by stating as their representatives up to three (3) individuals. A shareholder may appoint a representative for a single meeting or for as many meetings will take place within a certain time. The representative will vote in accordance with the instructions of the shareholder, if any, and is required to preserve the voting instructions for at least one (1) year from the submission of the General Meeting

minutes to the competent authority or, in case the decision is subject to publicity, from the date of registration at the Companies Registry. Failure of the representative with the instructions received do not affect the validity of decisions of the General Assembly, even when the representative's vote was decisive for the decision making.
The shareholder's representative must notify the company before the commencement of the general meeting, any specific event, which may be useful to shareholders for the assessment of the risk the representative is in conflict of interests with the shareholders. For the purposes of this paragraph a conflict of interests may be appear, in particular where the agent:

a) is a shareholder who has controlling rights on the company or other legal person or entity controlled by a shareholder who has control of the company,
b) is a member of the board or the management of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company
c) is officer or public auditor of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company,
d) is husband/wife or first degree relative to one of the persons abovementioned in paragraphs a) to c)

The appointment and dismissal of the shareholder representative takes place in writing and communicated in the same form to the company at least 3 (three) days before the designated date of the meeting.
However, if the shareholder holds shares in a company, which appear in more than one securities account, this restriction does not prevent a shareholder to appoint different representatives for the shares held in each securities account in respect of a general meeting.

Entitled to participate to the general meeting is a shareholder which appears in the records of the organization, which has the administration of the company's securities. The presentation of relevant written certificate of such organization would make proof of membership. As a shareholder should exist at the beginning of the fifth day before the day of the general meeting (record date) and a written statement or electronic certification of the shareholding should reach the company by the third day before the general meeting. In the repetitive General Meeting shareholders may participate under the same standard conditions as above. Shareholding must exist at the beginning of the fourth day preceding the meeting day of the repeated general meeting (date of recording repetitive General Meetings), and a written statement or electronic certification of the shareholding should reach the company no later by the third day before the general meeting. The Board has prepare in the list of persons entitled to vote at a general meeting in accordance with Article 27 paragraph 2 of Law 2190/1920, all shareholders who have complied with the provisions of Article 28 a of Law 2190/1920. The company considers eligible to participate and vote at the general meetings the person who results to be shareholder at the relevant record date. A shareholder that does not comply with these regulations would participate in the General Assembly only after permission.

Quorum:
The General Assembly is in quorum and convenes validly on the issues on the agenda, when are present shareholders or agents representing one fifth (1 / 5) at least the paid up share capital. If such a quorum fails to achieve, the General Assembly shall meet again within twenty (20) days from the date of the cancelled meeting, while the call should take place at least ten (10) days before. This new meeting will form a quorum and will validly deliberate on the issues of the original agenda regardless of the percentage of issued share capital will be represented in it. In case the quorum is not achieved, new call is not required if the initial call provided also the location and timing, by law, for the repeated general meeting, provided there is at least ten (10) full days between the cancelled meeting and repetitive.
Exceptionally, the General Assembly is in quorum and convenes validly on the issues agenda when are present shareholders or agents representing two-thirds (2 / 3) of the issued share capital, for decisions on: **a)** extending the duration or termination of the company **b)** the change of nationality of the company, **c)** the change of corporate purpose, **d)** increase the share capital, when not required by the Association according to the article 13 paragraph 1 and 2 of Law 2190/1920 or when required by laws or rules or though capitalization of reserves, **e)** reduction of share capital, in all cases except in those contained in paragraph 6 of article 16 of Law 2190/1920, **f)** changing the order of appropriation of the profits, **g)** the enhancement of the obligations of shareholders **h)** merger, split, conversion, revival of the company, **i)** the provision or renewal of authority to the Board to increase share capital pursuant to Article 13 paragraph 1 of Law 2190/1920, **j)** in any other case where the law or the Company provides for the receipt of a decision by the General Assembly requires a quorum of this paragraph.
If the aforementioned quorum is not achieved in the first session, the General Assembly convenes for a repeat hearing within twenty (20) days of the cancelled meeting and the call is required at least ten (10) full days before. The meeting is valid for items on the original agenda, when the quorum is the half (1 / 2) the paid up share capital at least.
When even this quorum is not achieved, or in case of a decision with regard to increase of capital, the General Meeting at its last repetitive meeting achieves the required quorum is when the shareholders that are present or represented are representing one fifth (1 / 5) paid up capital at least. In case the quorum is not achieved, new call is not required if the initial call provided also the location and timing, by law, for the repeated general meeting, provided there is at least ten (10) full days between the cancelled meeting and repetitive.

General Meeting hearing procedure:
Temporary president of the General Assembly is the Chairman of the Board or in case of impediment is his deputy or a person appointed by the Board or the General Meeting. The temporary president appoints a temporary Secretary from the present shareholders. Until the approval of the list of shareholders entitled to vote, the General Meeting proceeds to elect the President and a Secretary who is also responsible for the voting process. The final President of the General Meeting of shareholders and the Secretary are elected by secret ballot, unless the General Assembly decides or the law provides otherwise. Besides the President of the Board, at a general meeting present, the CEO, the General Manager of the company, Chief Commercial Officer, Chief Financial Officer or legal advice where appropriate, the Internal Auditor and regular statutory auditor of the Company and, if necessary, provide feedback and information on issues of responsibility raised for discussion and answer questions from shareholders on these issues. The President of the General Assembly, according to the circumstances, provides the necessary time to the shareholders in order to ask questions.
The decisions of the General Assembly are limited to agenda items, unless the present or represented shareholders representing the entire share capital and no shareholder objects to discuss and decide on other issues. The agenda is set by the Board and includes proposals to the General Assembly as well as suggestions of accountants or shareholders representing one twentieth (1 / 20) of the paid up share capital.

General Meeting's minutes:
The discussions and decisions taken by the General Assembly are recorded in summarized in a special book.
The Secretary keeps the minutes of the General Assembly making sure to list all of the points of view or questions that the shareholders might make and responses to these questions.
At the request of the chairman of the shareholder meeting is required to record the minutes accurate summary of the opinion. In the same book and list of registered shareholders present or represented at the general assembly to be drawn up in accordance with paragraph 2 of Article 27 of Law 2190/1920.

Each share confers the right to vote. All shareholders' rights arising from the share is mandatory according to the proportion of capital represented by shares
The company ensures equal treatment for all shareholders of the same position. During the meeting all shareholders' request for speech is accepted, and the points of view as well as the questions submitted and responses received are all recorded.

Publication of the General Meeting's voting results:
The company publishes on its website under the responsibility of the Board of Directors, the voting results within five (5) days from the date of the meeting, identifying for each decision at least the number of shares for which votes were valid, the proportion of share capital represented by these votes, the total number of valid votes as well as the number of votes for and against each resolution and the number of abstentions.

4. Composition and Regulation of the Board of Directors and Other Corporate Bodies

Board of Direcotrs - Obbligations and duties – Mode of operation:
Foremost obligation and duty of the Board of Directors of the Company is the continuing pursuit of the preservation and expansion of long-term economic value of the company and the pursuit of corporate interest. More specifically, the Board sets the strategy and the development policy and preserves the property of the company, exercises control over all activities of the company and oversee its management. The Board of Directors decides on matters relating to any fees paid to managers, internal auditors of the company and its general policy of pay. The responsibilities of the Board are determined by the Company, and existing legislation. According to the articles of association and the Law 2190/1920 after the election by the General Meeting, the Board is established as a body and proceeds to the election of the President, Vice President and Managing Director. At the same meeting decides the delegation to members or third parties.

- The Board shall meet at the headquarters of the company, whenever the law, the Statute or the company's needs require. The Board may meet valid and elsewhere, outside the headquarters of the company, domestically or abroad, if all its members are present or represented and no one objects to holding the meeting and to take decisions. Two (2) of the members, with a request to the President or his deputy, may request the convening of the Board, which will convene within seven (7) days of the request. In the above request, the members are required to mention the issues on the agenda to be addressed by the Board, otherwise invalid. In case of refusal of the President or his deputy to convene the Board within the above deadline, members are allowed to ask for a meeting of the Board within five (5) days after the end of seven days, notifying the relevant Call the other Board members.
- The Board is convened by the President or his deputy with a call or facsimile or email communicated to members at least two (2) business days before the meeting. The invitation should indicate clearly the issues of the agenda, otherwise the decision making is allowed only if all Board members are present and none of these objects.
- Each member who is not present in the meeting can validly be represented only by another member appointed by the absent member by written letter, telex or facsimile addressed the Board. Each member can validly represent only one absent member.

- The Board achieves the reqired quorum and convenes validly when the present or represented memberes are half plus one, but never the number of these members may be less than three. Resulting fraction is disregarded.
During the meetings of the Board the secretary is a member or the counsel of the company, if requested. The Secretary keeps the minutes of the meetings of the Board of care to record all members' views expressed. Unless otherwise provided by law, the decisions of the Board are valid when taken by the absolute majority of present and represented members. Each member has one vote and when represents an absent member, has two (2) votes. In the event of a tie, the President of the Board gives the casting vote. The minutes of the Board signed by the President or Vice President or CEO (if he does not have the position of the President) and Board member designated by the Board of Directors. Copies of the minutes are officially issued by such persons without requiring further validation.

Members of the Board of Directors:
According to the association, the company is managed by the Board consisting of three (3) to nine (9) members. The members of the Board, which can be shareholders of the company or other persons (not shareholders) are elected by the General Meeting of shareholders of the company for five years, automatically extended until the first Annual General Meeting following the expiry of their term, but which may not exceed six years. For the election to the board of the company take into consideration the experience in managing corporate affairs of the candidates, the level of professional training, experience and previous experience especially in managerial positions, knowledge of rules and market conditions.
If for any reason a vacancy of member or members arises, the remaining members can continue to manage and represent the company, without replacing the missing members, provided that the number is more than half of the members, as had before the occurrence of the vacancy. In each case the members may not be less than three (3). To Board of Directors may elect such members to replace members who resigned, die or lost their status in any other way. This election by the Board shall be taken by the remaining members, if at least three (3), valid for the remainder of the member being replaced. The decision of the election shall be published according in article 7b of CL 2190/1920 and announced by the Board at the next General Meeting, which can replace the elected members, even if not included on the agenda.
The members have to participated in all meetings of the Board. The continuing absence of a member from the meetings for one (1) year without sufficient cause or without permission of the Board, is equivalent to resignation from the Board, but applies only when the Board decides so and the relevant decision is recorded in the minutes. The Board of Directors, which runs the company is composed of nine members of which five (5) are executive members, two (2) are independent non-executive members and two (2) is non-executive member. The number of non-executive directors should not be less than 1 / 3 of the total number of members. Among the non-executive members must include at least two (2) independent members.

Executive members of the Board of Directors*:*
The Executive Directors of the Company exercise their powers according to the association and the applicable legislation and in particular to the provisions of Law 2190/1920 and provide services to the company, exercising management functions and representation. Powers are granted to the executive directors by decision of the Board. Specifically, with the Board's decision for delegation the executive members have management responsibilities, representing the company, among others, to the public administration, public entities or private sector entities, banks, representing the company to the courts and Independent Authorities and have authorized signature rights up to the financial limit set by the Board in its decision. Beyond this limit, the Board shall decide at a special. By decision of the Board the executive members may authorize third - non-members - persons to carry out specific -isolated acts. The Board of Directors may decide to delegate to third - non-members - persons exercising the powers of the executive members, especially to executives of the company.

Chairman of the Board of Directors*:*
The Chairman of the Board works with the CEO and other members of the Board for the development and achievement of the company's goals in accordance with the provisions of the association and applicable law. In this context, the Chairman of the Board of Directors:
1. Convenes the meetings of the Board members and determine the issues on the agenda.
2. Presides at the meetings of the Board.
3. Works closely with the CEO to ensure the implementation of decisions of the Board.
4. Convenes special meetings of the Board if required.
5. When a committee where necessary, sets chairmen of committees, in cooperation with the Chief Executive proposes the committee members.
6. Collaborates with the CEO on the preparation of the agenda of meetings of the Board.
7. Collaborates with the CEO to provide guidance and direction of the new Board members.
8. Represents the company before any authority in accordance with the Board of Directors decision of the delegation.

The Chairman of the Board reports to the Board of Directors.

Chief Executive Officer*:*

The CEO is an executive board member and cooperates with the Chairman and the Board members for the development and implementation of company goals. In this context, the CEO:
1. Participates in determining the strategy of the company, along with the Chairman and other executive members of the Board.
2. Participates in setting goals and how to implement them.
3. He is responsible, along with the Chairman and other board members, for determining the remuneration policy of the company.
4. Promotes the image and vision of the company.
5. Participates in the approval process of investments.
6. Promotes and form collaboration agreements with foreign firms (representation, marketing, supply products, etc.).
7. Works with banks and decide on matters of finance and lending.
8. Co-decides in recruitment.
9. Co-decides and approve the general operating expenses of the company..
10. Co-decides in the formulation of pricing and discount policy.
11. Take decisions and set priorities particularly on investment, financing, pricing and products.
12. Directs the activities of the staff, particularly in the marketing department.
13. Participates in regular meetings with:
- The Chairman, the Board, banks, subsidiaries,

<u>Vice President of the Board of Directos</u>:
According to the association, the Board by decides and elects one or more Vice Presidents. The company has one excecuitve Vice Presidents and one non executive Vice President. The executive Vice President of the Board acts within the powers confered by virtue of the Boards' decisions. The non executive Vice President participates in all meetings and is responsible for the promotion of corporate issues in accordance with the provisions of Law 3016/2002 and the Association.

<u>Indipendent non executive members of the Board of Directors</u>*:*
The independent non-executive directors during their term of office should not hold shares of more than 0.5% of the share capital of the company and not being dependent to the company or to persons connected with the company according the meaning of article 4 § 1 of Law 3016/2002. Dependency relationship exists when the independent non-executive board member:
A) Maintain business or other business relationship with the company or affiliated companies by to the meaning of article 42e paragraph 5 of Law 2190/1920, which, by its nature, is substantially affecting the company's business with particular regard to major supplier of goods or services or a major customer of the company.
B) He is Chairman of the Board, CEO or executive of the company or of an affiliated company by the meaning of article 42 paragraph 5 of Law 2190/1920, whenever applicable, or is related through employment or paid office with the company or its affiliates.
C) Has a second degree affinity or is husband/wife of an executive board member or manager or shareholder that possesses the majority of the shares of the company or of its affiliates, by the meaning of article 42e paragraph 5 of Law 2190/1920, whenever applicable.
D) is appointed pursuant to Article 18 paragraph 3 of Law 2190/1920.
Independent members can submit, separately or together, various reports different from those of the Board, to the ordinary or extraordinary general meeting of the company, if they deem it necessary. Company within twenty (20) days of the formation of the Board of Directors as a body submits to the Securities and Exchange Commission the minutes of the General Meeting where the independent members are elected, in order to verify the compliance with the provisions of Law 3016/2002. Similarly are presented the minutes of the Board, where is determined the status of each member of the Board as an executive, non-executive, and temporary independent member to replace another member who resigned or been removed and for some reason was deposed.

<u>Remunaration policy</u>:
The Board of Directors, in accordance with Law 3016/2010, decides for matters relating to any kind of fees paid to company executives, internal auditors and the overall remuneration policy as well. According to the articles of association, the members of the Board may receive compensation of an amount determined by special decision of the ordinary general meeting of shareholders. The process of setting fees is characterized by objectivity, transparency and professionalism and is free from conflicts of interest.

<u>Obligations of members of the Board of Directors for the protection of corporate interest:</u>
Each board member is required to strictly comply with the confidentiality requirements in relation to information accessed during of the company which became known to it in its capacity as a consultant. The board members and any third party entrusted with this responsibility are forbidden to pursue their own interests contrary to the interests of the company. The board members and any third person entrusted with responsibilities must promptly disclose to the other board members of the same interests that might arise in transactions of the Company which fall to their duties and any other conflict own interests with those of the company or affiliates for the purposes of paragraph 5 of Article 42e of Law 2190/1920, which arise in the course of their duties. Consultants being involved

in any way in the company's management as well as executive directors are prohibited to act, without permission of the General Assembly, for own interests or on behalf of others for matters that fall into the corporate aims or to participate as personally liable partners in companies that pursue such aims.

The members of the Board of Directors have a collective duty to ensure that: (a) the annual financial statements, the management report and the corporate governance statement; and (b) the consolidated financial statements, the consolidated management reports and, the consolidated corporate governance statement has been prepared and published in accordance with the requirements of Law 4308/2014 (A '251) and Law 4336/2015 (A' 94) and Law 4403/2016 and, as the case may be, with the international accounting standards in accordance with Regulation (EC) no. 1606/2002.

5. Main Features of the Company's Internal Control Systems and Risk Management, with focus on the processes for the preparation of the financial statements:

Internal Control System:
The internal control system is organizationally structured in the Internal Audit Division, the Audit Committee and the Board of Directors, with distinct functions.

The supervisory body members have a collective duty to ensure that: (a) the annual financial statements, the management report and the corporate governance statement; and (b) the consolidated financial statements, the consolidated management reports and, the consolidated corporate governance statement has been prepared and published in accordance with the requirements of Law 4308/2014 (A '251) and Law 4336/2015 (A' 94) and Law 4403/2016 and, as the case may be, with the international accounting standards in accordance with Regulation (EC) no. 1606/2002.

The main characteristics of the Internal Control System, with regard to risk management, are: **a)** identification and assessment of risks associated with the reliability of financial statements, **b)** management planning and monitoring of financial ratios **c)** preventing and uncover fraud, **d)** roles and responsibilities of directors, **e)** year ending procedures' manual, including consolidation and **f)** assurance of computer systems for the information provided.
In particular, there are established and applied processes to identify and assess risks with regard to the reliability of financial statements. Their completeness and adequacy are continuously evaluated. There are established and applied processes performed by the Accounts and Finance Department, relating to the collection, agreement and monitoring of financial aggregates for the preparation of financial statements. The company's accounting system provides timely and accurate recording of each transaction. The processing and preservation of accounting data takes place in a way that ensures the production and publication of reliable financial statements in accordance with the provisions of applicable law. Also, ensures the safe keeping of records which will enable effective controls at a later time. Finally, the Board, the management, relevant officers and directors of the company obtain promptly all information required to effectively exercise their duties. The Company in establishing its procedures takes seriously into account the possibility of identifying fraud and for this reason the safeguards and controls operate across a wide range of operations. The Company has adopted procedures, operational, computerized or not and internal controls relating to the preparation of financial statements (quarterly and annual financial statements). These procedures also relate to the safeguards and controls that have been developed for risk-assessment. The responsibilities and roles of managers are clearly demarcated by the administration. A clear picture can be obtained from the company's organization chart from with the resulting responsibilities, rights and duties. The manual for year ending procedures and consolidation is recorded and in full compliance with current legislative framework.
The company uses information systems that meet the working environment, are updated according to the information need and legislative changes as well, ensuring the security of information from external accesses. There is a specialized IT services, the Department of Information Technology, functionally and administratively independent from end users, in which there is a clear separation of duties. The quantitative and qualitative adequacy of IT services is obtained though the application of specific procedures giving access to authorized persons only. The physical plant where information is managed, accessed and stored is safeguarded with respective procedures..

Internal Audit Division:
The Internal Audit Division is included in the Company's organizational chart where its responsibilities are defined in the Internal Regulations and the board of Directors decisions.

The Internal Audit Department monitors the implementation and continued compliance with the Rules and Operations of the Company, reports to the board any conflicts of private interests of Board members or directors with the interests of the company and examines and evaluates the adequacy and effectiveness of the structure of internal control systems and the quality performance of other systems with regard to the achievement of the company's goals through regular inspections. The Internal Audit Division is designated by the Board of Directors, is composed of independent individuals, which are not subordinated to any other unit of the company. Informs, in written and documented form at least once every quarter the Board on the review conducted. Finally, provides, upon approval by the Board any information requested in writing to public authorities and cooperate with them. The work is carried on with respect to the current legislation.

Audit Committee:
Along with the responsibilities of the members of the administrative or management body or other members elected by the general meeting of the company's shareholders, the Audit Committee has, among others, the following responsibilities, as detailed in its Operating Regulations: (a) the monitoring of the external audit (b) the financial reporting process; (c) internal control; (d) the audit of the financial statements; and (e) the relatios with the company's statutory auditors.

Specifically in relation to the responsibility of Internal Audit, the Audit Committee monitors the effectiveness of the company's internal control, quality assurance and risk management systems and, where applicable, its internal control departments, as regards the financial information of the company, without violating its independence. In this context, it monitors, examines and evaluates the adequacy and effectiveness of all company policies, processes and safeguards regarding both the internal control system and risk assessment and management in relation to financial reporting. Regarding the internal audit function, the Audit Committee monitors and insures the proper functioning of the internal control unit according to the professional standards as well as the current legal and regulatory framework and evaluates its work, adequacy and effectiveness, without affecting its independence. The Audit Committee also reviews the disclosures about internal control and the Company's main risks and uncertainties in relation to financial reporting. In this context, the Audit Committee informs the Board of Directors of its findings and makes suggestions for improvement, if appropriate.

Board of Directors:
The Board reviews the effectiveness of internal control system within the corporate strategy. This review covers the essential controls, including financial and operational controls, compliance testing and monitoring of risk management systems.

6. Article 10 of Directive 2004/25 / EC of the European Parliament:
There are no significant direct or indirect holdings (including indirect holdings through pyramid structures or mutual participation) within the meaning of Article 85 of Directive 2001/34 / EC.

There are no shareholders of the company with special control rights.

The voting rights, the rules for appointing and replacing the members of the Board of Directors as well as the amendment of the Articles of Association and the powers of the members of the Board of Directors are provided in accordance with the provisions of Law 2190/1920 and the Articles of Association of the Company

2.7 CERTIFICATIONS

The long presence in the ICT, software and security sector along with the strategic partnerships of SPACE HELLAS with the major worldwide manufactures, provide the company the ability to design and implement wide scale projects. The company, preserves its leadership in the market by investing continuously in human resource and infrastructures. Within this context, the company has obtained significant awards and accreditations from internationally recognized organizations.

Aiming to customer satisfaction, Space Hellas has a consistent policy towards quality targeting mainly to

- Assure the delivery of high quality products and services fulfilling the technical requirements and in alignment with the market needs.
- The continuous improvement of our products and services in all their aspects as well as the improvement of all the company’s business processes

In effectively achieving these goals, the Company’s Quality Management System applied since 1996 (the first space in Greece certified with ISO 9001), has significantly contributed, using effective design and quality monitoring methods, in all product supply stages and service. The company’s Quality Management System is certified to ISO 9001: 2015, for all activities of the company's offices in Athens and Thessaloniki.

Furthermore, Space Hellas is certified according to ISO 27001: 2013 for its Information Security Management System designed and maintained since 2009 at organization level and for all its activities, the branches in Greece, its subsidiary in Cyprus and sub-subsidiaries of in Malta, Serbia and Romania. The achievement of this important accomplishment constitutes for Space Hellas a distinction compared to its competitors. The Information Security

Department of the company, offers a wide range of products and services in the Compliance and Certification service area which comprise the ISO / IEC 27001: 2013, the ADAE, the Business Continuity Management, the PCI DSS Standard, the Instructions of the Bank of Greece and SOX.

As part of the Group's commitment to implementing an environmentally responsible function, we develop and implement an Environmental Management System according to international standard ISO14001: 2004 which has been certified in 2015 by independent internationally recognized certification bodies, in Athens and Thessaloniki.

Space Hellas is considered a top strategic priority of the Health and Safety of workers

Space Hellas considers the Health and Safety of workers in the performance of their duties to be a top strategic priority. Therefore, monitors the legislation and ensures adherence in full. Moreover, developed and maintained Management System Safety and Health at Work, which was certified to OHSAS 18001: 2007 in 2016, in Athens and Thessaloniki.

2.8 CORPORATE SOCIAL RESPONSABILITY

The Group operates in a constantly changing global environment and faces daily challenges concerning both the profitability and the existence as an integral part of the social and economic mainstream. Sensitive and in the spirit of Corporate Social Responsibility operates responsibly towards people, society and the environment, undertaking voluntary commitments which go beyond common regulatory and contractual requirements are met anyway.

Closely connected with the philosophy of the Group is active care for humans both business and social level. Future-oriented, embraces diversity and supports in every way a sense of fairness. At each step of the way of recognizing the contribution of all employees with continuous and determined commitment, provide a safe work environment where solidarity and respect prevails. The high level of technological infrastructure that offers its partners, contributes to utilize every employee the full potential and talents, while providing the Group's important work. Education, as an integral part of the Group's philosophy, an ongoing priority.

As part of the social environment, the Group recognizes the vital role in society and contributes to the overall perspective of development. Responding sensitively to the needs, through aid charities and voluntary organizations, promotes culture and the value of man. Social responsibility is part of the corporate culture of the Group and help tackle social problems. Our people will contribute to any voluntary action, responding in cases requiring immediate assistance and solidarity.

Always a pioneer and with great sensitivity, the Group combines its development with environmental protection, paying daily efforts to reduce the environmental impact of its activities. Aligning financial sustainability and optimum efficiency of infrastructure, the social and moral responsibilities arising from the need to reduce energy and environmental footprint on the natural environment, the Group applies the principles of Green IT, both in the information systems and in its technological infrastructure as well.

The Group has adhered to the Approved Collective Alternative Management System Waste Electrical and Electronic Equipment. The Group is involved in Packaging Collective Alternative Management System, organized by the Greek Recovery Recycling Corporation (EUPM) concerning the alternative management of packaging waste. Applies paper recycling programs, portable batteries (batteries), ink cartridges and toner. Finally, the supply of electronic products only from manufacturers certified by Community RoHS compliant (Registration of Hazardous Substances), so the packaging is free of dangerous substances and heavy metals.

2.9 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The transactions below relate to transactions with related parties as defined in IAS 24, cumulatively from the beginning of the financial year to the end of the period, as well as the balances of the receivables and liabilities of the company and the group at the end of the current fiscal year, have arisen from the specific transactions of the related parties. The sales to and purchases from related parties, during 2016, are made at normal market prices. There are no transactions of unusual nature or content with significant impact on the Group or the subsidiaries or related parties. All of the transactions with related parties are free of any special condition or clause.
The tables below summarize the transactions and the account balances with related parties carried out during year 2017 and 2016 respectively

Amounts in € thousand	Revenue from dividends		Sales		Income from investment property		Total income-Parent company		Total income-Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
SPACE HELLAS (CYPRUS) LTD	824	778	120	120	-	-	**944**	**898**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	2	2	-	-	**2**	**2**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	3	3	-	-	**3**	**3**	**-**	**-**
Subsidiaries	**824**	**778**	**125**	**125**	**0**	**0**	**949**	**903**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. – SPACE HELLAS S.A	-	-	-	249	-	-	**0**	**249**	**0**	**249**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	2	2	**2**	**2**	**2**	**2**
Joint Ventures	**0**	**0**	**0**	**249**	**2**	**2**	**2**	**251**	**2**	**251**
MOBICS L.T.D.	-	-	-	1	-	-	**0**	**1**	**0**	**1**
SPACE CONSULTING S.A.	-	-	-	-	1	1	**1**	**1**	**1**	**1**
Web-IQ B.V.	-	-	-	-	-	-	**-**	**-**	**-**	**-**
Associates	**0**	**0**	**0**	**1**	**1**	**1**	**1**	**2**	**1**	**2**
	824	**778**	**125**	**375**	**3**	**3**	**952**	**1.156**	**3**	**253**

Amounts in € thousand	Total expenses Group and Company	
	2017	2016
SPACE HELLAS (CYPRUS) LTD	-	-
SPACE HELLAS (MALTA) LTD	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-
Subsidiaries	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. – SPACE HELLAS	4	-
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1	2
Joint Ventures	**5**	**2**
MOBICS L.T.D.	-	-
SPACE CONSULTING S.A.	5	-
Web-IQ B.V.	-	-
Associates	**5**	**0**
	10	**2**

Amounts in € thousand	Total Receivables - Company		Total Receivables Group		Total Liabilities Group and Company	
	2017	2016	2017	2016	2017	2016
SPACE HELLAS (CYPRUS) LTD	474	120	-	-	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	-	-	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	**-**	**-**
Subsidiaries	**474**	**120**	**0**	**0**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. – SPACE HELLAS	32	186	32	186	13	9
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	1.481	1.479
Joint Ventures	**32**	**186**	**32**	**186**	**1.494**	**1.488**
MOBICS L.T.D.	-	-	-	-	3	3
SPACE CONSULTING S.A.	10	9	10	9	2	-
Web-IQ B.V.	300	-	300	-	-	-
Associates	**310**	**9**	**310**	**9**	**5**	**3**
	816	**315**	**342**	**195**	**1.499**	**1.491**

Both the services from and towards the related parties as well as the sales and purchase of goods are concluded with the same trade terms and conditions as for the non related parties. The Company transactions and outstanding balances with subsidiaries have been eliminated from the consolidated financial statements.

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	2017	2016	2017	2016
Salaries and other employee benefits	1.238	1.384	1.238	1.384
Receivables from executives and members of the Board	1	2	1	2
Payables to executives and member of the Board	26	17	26	17

There are no loans granted towards members of the board or other executives or their families.

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	2017	2016	2017	2016
Guarantees to third parties on behalf of subsidiaries and joint ventures	1.837	1.929	1.837	1.929
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	1.837	1.926	1.837	1.926

The company has granted guarantees to banks in favor of the Joint Venture DORY, amounting to € 1,796 thousand and of the subsidiary SPACE HELLAS (CYPRUS) LTD for the amount of € 41 thousand for the issuance of letters of guarantee.

2.10 SIGNIFICANT POST-BALANCE SHEET EVENTS

There are no post balance sheet events, concerning the company or the Group, that according to IFRS need to be mentioned.

2.11 EXPLANATORY REPORT OF THE BOARD OF DIRECTORS TOWARDS THE SHAREHOLDERS' ORDINARY GENERAL MEETING OF "SPACE HELLAS S.A.", PURSUANT TO ARTICLE 4, PARAGRAPHS 7 AND 8, LAW 3556/2007

The explanatory report of the Board of Directors contains the detailed information required by virtue of the art.4 para. 7, Law 3556/2007 and it is integral part of the Annual Report of the Board of Directors.

i. *Structure of the Company's share capital.*

The Share capital amounts to 6.973.052,40 € and is divided to 6.456.530 ordinary nominal voting shares of nominal value 1,08 € each and listed in the Athens Stock Exchange in the sector "Telecommunications equipment" under the "Medium and Small Capitalization" category.

ii. *Limitations on transfer of Company shares.*

The Company shares may be transferred as provided by the law and the Articles of Association provide no restrictions as regards the transfer of shares.

iii. *Significant direct or indirect holdings in the sense of articles 9 to 11, L.3556/2007.*

At 31.12.2014 the following shareholders held more than 5% of the total voting rights of the Company:

Name and Surname	Percentage
Dimitrios Manolopoulos	30,341%
Mpellos Panagiotis	16,931%
ALPHA BANK S.A.	14,950%

No other entity possesses a percentage greater than 5% of the total company's voting rights.

iv. *Shares conferring special control rights.*

None of the Company shares carry any special rights of control.

v. *Limitations on voting rights.*

The articles of Association make no provision for any limitations on voting rights.

vi. *Agreements among Company shareholders.*

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing the possibility of such agreements.

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vii. *Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association.*

The articles of Association regarding the appointment or replacement of Board of Directors members as well as the alteration of its provisions are in accordance to the provisions of Law 2190/1920.

viii. *Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the Company, pursuant to article 16 of Codified Law 2190/1920.*

According to the company's statute and the art. 13, par.1 of L 2190/1920, the Board of Directors has the right to increase the share capital. This right can be excercised in the strict time limit of the first five years from the establishment of the company. Therefore, this right is not anymore exercisable.

ix. *Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer*

There is no such an agreement.

x. *Significant agreements with members of the Board of Directors or employees of the Company.*

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to a public offer.

Agia Paraskevi, 23 February 2018

The Chairman of Board

S. MANOLOPOULOS

3 INDEPENDENT AUDITOR'S REPORT

PKF Euroauditing S.A.
Certified Public Accountants

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To the Shareholders of **SPACE HELLAS S.A.**

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the accompanying separate and consolidated financial statements of "SPACE HELLAS S.A." (Company), which comprise the separate and consolidated statement of financial position as of 31 December 2017, the separate and consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.
In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2017, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.
We remained independent of the Company and its consolidated subsidiaries throughout our audit in accordance with the Code of Ethics for Professional Auditors of the International Ethics Standards Board for Accountants, as incorporated in the Greek Legislation and the ethical requirements related to the audit of corporate and consolidated financial statements in Greece and we have fulfilled our ethical obligations in accordance with the requirements of applicable law and abovementioned Code of Ethics.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and related risks of material misstatement were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition
In accordance with the accounting policy described in note 4.5.3.12 "Recognition of income and expenses" of the annual financial report, income is recognized when the relevant risks and rewards associated with the goods sold are transferred to the acquirer. Group revenues come from sales of technology equipment and services. Recognition of revenue involves the risk of inappropriate use of accrual accounting principle for the relevant year.

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The Group has ongoing installation and maintenance service contracts for a large number of customers.
We have examined the wide internal controls of the company and the specific safeguards for monitoring revenue generation, ordering, contract execution, pricing and subsequent collection.

We have conducted revenue analytical procedures and substantive audit procedures on a sample of transactions in order to obtain a reasonable basis for recognizing and accounting for revenue.

2. Recoverability of deferred tax assets
Note 4.6.2.4 of the accompanying financial statements refers to the deferred tax liability. This item also includes deffered tax receivables amounting to 761 thousand from tax losses from previous years and other deferred tax receivables of 758 thousand for which the Company estimates that a tax benefit will arise in the future.

For these amounts, we verified the correct recognition of the receivables from tax losses and we examined the ability of bad debt provisions to return tax benefits in the future.

3 Impairment of non-current assets
Notes to notes 4.6.10 and 4.6.12 of the accompanying financial statements refer to non-current assets and, in particular, recognized goodwill of € 847 thousand and value of investments in the share capital of subsidiaries, affiliates and other companies of € 2.145 thousand. According to the applicable accounting framework, it is necessary to assess at each financial statement date whether there is evidence of impairment of those assets and if needed appropriate impairment has been made.
For these amounts, we evaluated the management's estimates of whether there are indications of impairment of these assets, we examined the reasonability of the assumptions and the methodologies used to calculate the cash flows, discount rates and residual value.

Other information
Management is responsible for the other information. Other information, is included in the Board of Directors Report, for which reference is made in section "Report on Other Legal and Regulatory Requirements", in the Statements of the Members of the Board of Directors, but does not include the Consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard beyond what is mentioned in the Report on the Management of the Board of Directors in the "Report on Other Legal and Regulatory Requirements" below, if such matters are mentioned.

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

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In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.
The Audit Committee (article 44 of Law 4449/2017) is responsible for overseeing the financial reporting process of the Company and the Group..

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

As part of an audit in accordance with ISAs, as embodied in the Greek Legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

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

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters**.**

Report on Other Legal and Regulatory Requirements
1. Board of Directors' Report
Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 43bb of Codified Law 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A, and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying consolidated financial statements for the year ended 31 December 2017.

c) Based on the knowledge and understanding concerning the Company and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. Additional Report to the Audit Committee
Our opinion on the consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Group, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services
We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.
Non-audit services provided by us to the Group during the year ended December 31, 2017, are disclosed in note 4.6.3 of the separate and consolidated financial statements.

4. Appointment of the Auditor
We were appointed for the first time as Auditors of the Company and the Group by decision of the Annual General Meeting of Shareholders on 28/06/2005. Since then, our appointment has been continuously renewed for a total period of 12 years, based on the annual decisions of the regular General Meetings.

Athens, 26 February 2018

PKF EUROAUDITING S.A.
Certified Public Accountants

124 Kifissias Avenue, 115 26 Athens
S.O.E.L. Reg. No. 132

DIMOS N. PITELIS
Certified Public Accountant
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4 ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2017 TO 31st DECEMBER 2017

4.1 TOTAL COMPREHENSIVE INCOME STATEMENT

4.1.1 INCOME STATEMENT

Amounts in € thousand	NOTES	Group 01.01-31.12.2017	Group 01.01-31.12.2016	Company 01.01-31.12.2017	Company 01.01-31.12.2016
Revenue	4.6.1	59.658	48.169	56.559	44.906
Cost of sales		-45.503	-35.100	-43.626	-33.020
Gross profit		**14.155**	**13.069**	**12.933**	**11.886**
Other income	4.6.2	1.274	1.228	1.103	1.097
Administrative expenses	4.6.3	-5.531	-5.286	-5.398	-5.186
Research and development cost	4.6.3	-585	-415	-585	-415
Selling and marketing expenses	4.6.3	-4.693	-4.381	-4.669	-4.357
Other expenses	4.6.4	-848	-997	-836	-981
Earnings before taxes, investing and financial results		**3.772**	**3.218**	**2.548**	**2.044**
Interest & other similar income		51	145	51	145
Interest and other financial expenses		-2.166	-1.885	-2.160	-1.878
Profit/(loss) from revaluation of investments	4.6.5	-5	-77	818	701
Profit/(loss) before taxes		**1.652**	**1.401**	**1.257**	**1.012**
Less: Taxes	4.6.6	-538	-501	-251	-221
Profit after taxes (A)		**1.114**	**900**	**1.006**	**791**
- Company Shareholders		1.114	900	1.006	791
- Minority Interests in subsidiaries		0	0	-	-
Earnings per share - basic (in €)		0,1725	0,1394	0,1558	0,1225

SUMMARY OF INCOME STATEMENT

	Group 01.01-31.12.2017	Group 01.01-31.12.2016	Company 01.01-31.12.2017	Company 01.01-31.12.2016
Profit before interest, taxes, depreciation and amortization (EBITDA)	**4.838**	**4.312**	**3.610**	**3.133**
Less depreciation	1.066	1.094	1.062	1.089
Profit before interest and taxes, (EBIT)	**3.772**	**3.218**	**2.548**	**2.044**
Profit before taxes	**1.652**	**1.401**	**1.257**	**1.012**
Profit after taxes	**1.114**	**900**	**1.006**	**791**

4.1.2 OTHER COMPREHENSIVE INCOME STATEMENT

Amounts in € thousand	NOTES	Group		Company	
		01.01-31.12.2017	01.01-31.12.2016	01.01-31.12.2017	01.01-31.12.2016
Profit after taxes (A)		**1.114**	**900**	**1.006**	**791**
- Company Shareholders		1.114	900	1.006	791
- Minority Interests in subsidiaries		0	0	-	-
Other comprehensive income after taxes					
Items that might be recycled subsequently					
Currency exchange differences from consolidation of subsidiaries		-13	3	0	0
Total Items that might be recycled subsequently		**-13**	**3**	**0**	**0**
Items that will not be recycled subsequently					
Unrecouped income tax		0	0	0	-316
Actuarial losses due to accounting policy change (IAS19)		-34	-109	-34	-109
Actuarial loss taxes		10	32	10	32
Total Items that will not be recycled subsequently		**-24**	**-77**	**-24**	**-393**
Other comprehensive income after taxes (B)		**-37**	**-74**	**-24**	**-393**
Total comprehensive income after taxes (A) + (B)		**1.077**	**826**	**982**	**398**
- Company Shareholders		1.077	826	982	398
- Minority Interests in subsidiaries		0	0	-	-

SUMMARY OF OTHER COMPREHENSIVE INCOME STATEMENT

	Group 01.01-31.12.2017	Group 01.01-31.12.2016	Company 01.01-31.12.2017	Company 01.01-31.12.2016
Profit after taxes	**1.114**	**900**	**1.006**	**791**
Other comprehensive income after taxes	**-37**	**-74**	**-24**	**-393**
Total comprehensive income after taxes	**1.077**	**826**	**982**	**398**

Note

Current year

- *The amount of €-37 thousand charged, net of taxes, directly to the equity, comprises the net amount of € -24 thousand of actuarial results and € -13 thousand, currency exchange differences.*

Previews year

- *The amount of €-74 thousand charged, net of taxes, directly to the equity, comprises the net amount of € -77 thousand of actuarial results and € 3 thousand, currency exchange differences, and the net amount of the revaluation of buildings*
- *The amount of -316 concerns non refundable dividend tax form foreign subsidiary*

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4.2 FINANCIAL POSITION STATEMENT

Amounts in € thousand	ΣΗΜΕΙΩΣΕΙΣ	Group		Company	
		31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
ASSETS					
Non-current assets					
Property, plant & equipment	4.6.7	16.319	15.876	16.292	15.847
Investment properties	4.6.9	0	0	0	0
Goodwill	4.6.10	847	847	847	847
Intangible assets	4.6.8	1.751	1.614	1.749	1.610
Investments in subsidiaries	4.6.12	0	0	34	34
Investments in associates	4.6.12	1.070	72	1.094	91
Other long term receivables	4.6.13	322	25	322	25
Deffered tax assets	4.6.23	0	239	0	239
Total Non-current assets		**20.309**	**18.673**	**20.338**	**18.693**
Current assets					
Inventories	4.6.14	3.578	3.252	3.578	3.252
Trade debtors	4.6.15	14.295	12.455	13.831	11.957
Other debtors	4.6.16	4.350	3.821	4.711	3.816
Financial assets		13	13	13	13
Advanced payments	4.6.17	460	641	445	604
Cash and cash equivalents	4.6.18	7.694	7.465	7.042	7.115
Total Current assets		**30.390**	**27.647**	**29.620**	**26.757**
TOTAL ASSETS		**50.699**	**46.320**	**49.958**	**45.450**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital	4.6.19	6.973	10.395	6.973	10.395
Share premium	4.6.19	53	53	53	53
Fair value reserves		2.421	2.421	2.421	2.421
Other Reserves*		915	982	978	1.032
Retained earnings*		4.306	-66	3.764	-500
Equity attributable to equity holders of the parent		**14.668**	**13.785**	**14.189**	**13.401**
Minority interests		**2**	**2**	**-**	**-**
Total equity		**14.670**	**13.787**	**14.189**	**13.401**
Non-current liabilities					
Other non-current liabilities	4.6.21	6	11	30	30
Long term loans	4.6.20	9.800	7.848	9.800	7.848
Provisions	4.6.25	122	122	122	122
Retirement benefit obligations	4.6.23	739	884	739	884
Deferred income tax liability	4.6.24	2	0	2	0
Total Non-current liabilities		**10.669**	**8.865**	**10.693**	**8.884**
Current liabilities					
Trade and other payables	4.6.25	15.717	14.735	15.459	14.356
Income tax payable		1.678	816	1.652	692
Short-term borrowings		7.965	8.117	7.965	8.117
Total Current liabilities		**25.360**	**23.668**	**25.076**	**23.165**
Total Equity and Liabilities		**50.699**	**46.320**	**49.958**	**45.450**

- *The amounts of 2016 have been reclassified (note 4.8.) the reclassification had no effect on the income statement or he equity.*

4.3 STATEMENT OF CHANGES IN EQUITY

4.3.1 STATEMENT OF CHANGES IN COMPANY'S EQUITY

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves*	Retained earnings*	Total
Balance at 1 January 2016 as previously reported	**10.395**	**53**	**2.421**	**0**	**3.546**	**-3.412**	**13.003**
Profit for the year	0	0	0	0	0	791	**791**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Other reserves	0	0	0	0	778	-778	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Unrecouped income tax	0	0	0	0	-316	0	**-316**
Actuarial loss	0	0	0	0	0	-109	**-109**
Actuarial loss tax	0	0	0	0	0	32	**32**
Balance at 31 December 2016 (IFRS)	**10.395**	**53**	**2.421**	**0**	**4.008**	**-3.476**	**13.401**
Reclassification	**0**	**0**	**0**	**0**	**-2.976**	**2.976**	**0**
Balance at 31 December 2016 (IFRS)	**10.395**	**53**	**2.421**	**0**	**1.032**	**-500**	**13.401**
Balance at 1 January 2016 as previously reported	**10.395**	**53**	**2.421**	**0**	**1.032**	**-500**	**13.401**
Profit for the year	0	0	0	0	0	1.006	**1.006**
Share Capital increase/ (decrease)	-3.422	0	0	0	-54	3.476	**0**
Dividends distributed (profits)	0	0	0	0	0	-194	**-194**
Other reserves	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Unrecouped income tax	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-34	**-34**
Actuarial loss tax	0	0	0	0	0	10	**10**
Balance at 31 December 2017 (IFRS)	**6.973**	**53**	**2.421**	**0**	**978**	**3.764**	**14.189**

Notes:

Current year

- *The amounts as at 01.01.2017 are reclassified (see note 4.8). The reclassification did not have any impact on the Company's Equity and Results. On 13/06/2017, by decision of the Ordinary General Meeting of Shareholders, the share capital of the company was reduced by offsetting losses of previous years amounting to € 3,476 thousand. The remaining amount that was not offset due to rounding amounts to € 54 thousand. This amount was covered by the Company's statutory reserve..*
- *The amount of € -24 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the year..*

Previews year

- *The amount of €-77 thousand charged, net of taxes, directly to the equity, concerns actuarial results for the year*
- *The amount of € 778 thousand disclosed in the Other Reserves concerns dividends received from the subsidiary SPACE HELLAS CYPRUS Ltd, that after their inclusion to the years' results, the dividends formed a special reserve due to their exemption from taxes according to art. 14, L 3843, art 48, L 4172/2013 and the POL 1039/2013 as well.*
- *The amount of € -316 thousand, charged in directly in equity, concerns the unrecouped income tax related to the received dividends for the subsidiary SPACE HELLAS CYPRUS Ltd,*

4.3.2 STATEMENT OF CHANGES IN GROUP'S EQUITY:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Accumulated profit / (loss)	Total	Non controlling interests	Total net Equity
Balance at 1 January 2016 as previously reported									
Profit for the year	0	0	0	0	0	900	**900**	0	**900**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**	0	**0**
Net income recognized directly in equity	0	0	0	0	3	0	**3**	0	**3**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-109	**-109**	0	**-109**
Actuarial loss tax	0	0	0	0	0	32	**32**	0	**32**
Balance at 31 December 2016 (IFRS)	**0**	**0**	**0**	**0**	**3**	**823**	**826**	**0**	**826**
Balance at 1 January 2017 as previously reported	**10.395**	**53**	**2.421**	**0**	**982**	**-66**	**13.785**	**2**	**13.787**
Profit for the year	0	0	0	0	0	1.114	**1.114**	0	**1.114**
Share Capital increase/ (decrease)	-3.422	0	0	0	-54	3.476	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	-194	**-194**	0	**-194**
Net income recognized directly in equity	0	0	0	0	-13	0	**-13**	0	**-13**
Revaluation of buildings	0	0	0	0	0	0	**0**	0	**0**
Deferred tax of revaluation of buildings	0	0	0	0	0	0	**0**	0	**0**
Effect on deferred tax from changes	0	0	0	0	0	0	**0**	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-34	**-34**	0	**-34**
Actuarial loss tax	0	0	0	0	0	10	**10**	0	**10**
Balance at 31 December 2017 (IFRS)	**6.973**	**53**	**2.421**	**0**	**915**	**4.306**	**14.668**	**2**	**14.670**

Note:

Current year

- *The amount of €--13 thousand charged, net of taxes, directly to the equity, concerns currency exchange differences*
- *The amount of €-24 thousand charged, net of taxes, directly to the equity, concerns actuarial results for the year*
- *On 13/06/2017, by decision of the Ordinary General Meeting of Shareholders, the share capital of the company was reduced by offsetting losses of previous years amounting to € 3,476 thousand. The remaining amount that was not offset due to rounding amounts to € 54 thousand. This amount was covered by the Company's statutory reserve.*

Previews year

- *The amount of €-3 thousand charged, net of taxes, directly to the equity, concerns currency exchange differences*
- *The amount of €-77 thousand charged, net of taxes, directly to the equity, concerns actuarial results for the year*

4.4 CASH FLOW STATEMENT

Amounts in € thousand	Group		Company	
	01.01-31.12.2017	01.01-31.12.2016	01.01-31.12.2017	01.01-31.12.2016
Cash flows from operating activities				
Profit/(Loss) Before Taxes	1.652	1.401	1.257	1.012
Adjustments for:				
Depreciation & amortization	1.066	1.094	1.062	1.089
Impairment of assets	0	0	0	0
Provisions	510	591	510	591
Foreign exchange differences	-157	-66	-152	-68
Net (profit)/Loss from investing activities	-23	252	-839	-527
Interest and other financial expenses	2.166	1.885	2.160	1.878
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-327	451	-327	451
Decrease/(increase) in Receivables	-2.731	-1.492	-3.386	-1.527
(Decrease)/increase in Payables (excluding banks)	391	-246	1.107	-312
Less:				
Interest and other financial expenses paid	-1.760	-1.639	-1.753	-1.632
Taxes paid	464	-431	960	-171
Total cash inflow/(outflow) from operating activities (a)	**1.251**	**1.800**	**599**	**784**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.003	0	-1.003	0
Purchase of tangible and intangible assets	-1.702	-1.503	-1.702	-1.503
Proceeds from sale of tangible and intangible assets	26	42	26	42
Interest received	51	145	51	145
Dividends received	0	0	350	1.140
Total cash inflow/(outflow) from investing activities (b)	**-2.628**	**-1.316**	**-2.278**	**-176**
Cash flow from Financing Activities				
Proceeds of share capital of subsidiary	4.194	3.907	4.194	3.907
Proceeds from Borrowings	-2.394	-1.801	-2.394	-1.801
Payments of Borrowings	-194	0	-194	0
Total cash inflow/(outflow) from financing activities (c)	**1.606**	**2.106**	**1.606**	**2.106**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**229**	**2.590**	**-73**	**2.714**
Cash and cash equivalents at beginning of period	**7.465**	**4.875**	**7.115**	**4.401**
Cash and cash equivalents at end of period	**7.694**	**7.465**	**7.042**	**7.115**

4.5 NOTES ON SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

4.5.1 INFORMATION ON SPACE HELLAS S.A

4.5.1.1 General Information

The company operating under the corporate name "SPACE HELLAS S.A", by virtue of the revised Deed of Association (revision date 08.07.2007) and approved by the Ministry of Development (decision K2-10518), was founded in 1985, (Deed of Association, upon power of attorney n.86369/15.07.1985, approved by the Prefecture of Attiki, EM 4728/1.8.85, and published in the Official Gazzete of Greece, ΦΕΚ 2929/8.8.85 ΤΑΕ & ΕΠΕ).The company's duration has been set to 100 years, its legal address is Mesogion Ave 312, Agia Paraskevi, Attica, Greece. On 30.06.2008, the descision of the General Meeting, approved by the Ministerial Decision K2 9624/1-9-2008 (registerd in the Societers Anonymes Register at 01.09.2008) and published in the Official Gazette of Greece (ΦΕΚ 10148/3.9.2008 ΤΑΕ & ΕΠΕ), has extended the company's up to year 2049.
The company's S.A. Register Number (ΑΡ.Μ.Α.Ε.) is 13966/06/Β/86/95 and the Tax Register Number (ΑΦΜ) is 094149709. The company's shares are ordinary registerd shares and have been listed in ASE since 29.09.2000. Its headquarters are in the municipality of Agia Paraskevi, Attica, 312 Messogion Ave.The URL address is http://www.space.gr.

4.5.1.2 Operating Activities

Space Hellas is active in the Telecommunications and Information Technology market, offering a broad spectrum of high technology applications. Covering the needs of each individual customer is our top priority; Space Hellas cooperates with the largest manufacturers on a worldwide scale, offering solutions that meet even the most sophisticated demands. Space Hellas products are addressed to enterprises, telecoms organizations and highly complex, state-of-the-art technology projects.

The company is active in the following market segments
- Network infrastructure and data networking.
- Telecomunication services at national and international level
- IT Applications and Services
- Enterprise telephony.
- Information and network security systems
- Electromechanical and network infrastructure -computer rooms
- Structured cabling
- Security and surveillance systems
- Telecom network infrastructures
- System Integration
- Mobile telephony selling network
- Research and Development projects at national and international level

4.5.1.3 Board of Directors

By virtue of the company's decision, at 30.8.2017 (published on 6-9-2017 in the Business Registry portal), the Board of Directors is composed of the following members:

- Spyridon D. Manolopoulos, Chairman of the Board, executive member
- Ioannis A. Mertzanis Chief Executive Officer, executive member
- Christos P. Mpellos, Vice-president of the Board, and non executive member
- Ioannis A. Doulaveris, executive member
- Panagiotis C. Mpellos, executive member
- Paparizou K. Anastasia, executive member
- Georgios P. Lagogiannis, executive member.
- Patssouras N. Athanasios indipendent non-executive member.
- Xatzistamatiou N..Theodoros, indipendent non-executive member.

The incumbency of the Board od Directors will end at 30.06.2020

4.5.1.4 Group Structure

SPACE HELLAS S.A. is the parent company of the Group. The consolidated financial statements (Group) include the financial statements of the parent Company, its subsidiaries, affiliates and joint ventures. A table showing the Group's investments and the method of consolidation as at 31.12.2017 is presented below:

Θυγατρικές Εταιρίες				
SPACE HELLAS (CYPRUS) LTD	Cyprus	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	Romania	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	Malta	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	Jordan	-	100%	Full Consolidation
Συγγενείς εταιρίες & κοινοπραξίες				
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	Greece	35%	-	Equity method
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	Greece	50%	-	Equity method
Λοιπές Εταιρίες				
MOBICS L.T.D.	Greece	18,10%	-	-
Web-IQ B.V.	Netherlands	17,21%	-	-

4.5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.5.2.1 Basis of Preparation

The accompanying financial statements of the period from 1st January to 31st December 2017 are prepared in full compliance with the IFRS, issued by the International Accounting Standards Board (IASB), and their interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB and adopted by the European Union. All relevant standards or interpetations effective for the current period are taken into account.

The financial statements as at 31st December 2017, have been prepared taking into account the going concern principle as well as the historical cost convention, as modified by the revaluation of certain equity investments, investment property, and derivative instruments at fair value.

The preparation of financial statements, in conformity with IFRS, requires the use of critical accounting estimates that affect the disclosed assets and liabilities and revenue and expenses as well. Although these estimates are based on the best knowledge of the management with respect to the circumstances and the current conditions, actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on accumulated experience and other factors, including expectations of future events that are considered reasonable under certain circumstances. The Group's management believes that there are no assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. Important assumptions made are mentioned in the notes, whenever deemed necessary.

The figures in this report are shown in thousands of Euro, except when otherwise indicated. Any differences presented between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding. Where necessary, comparative figures have been classified to conform to changes in presentation of the elements of this year.

4.5.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

New Standrards and interpretations effective for the current year:

There are no new standards, interpretations, revisions or amendments to existing Standards issued by the International Accounting Standards Board (IASB) have been adopted by the European Union and their application is mandatory from 01.01.2017 or later

New standards and interpretations not yet adopted:

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018). IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. Management has made a preliminary assessment of the impact on potential areas that may be affected by the application of this standard. The group considers that the application of the new rules will not affect the group's financial statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019). IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the Standard is to ensure that lessees and lessors provide useful information that reasonably discloses the substance of transactions in leases. IFRS 16 introduces a single model for the accounting treatment on the part of the lessee requiring the lessee to recognize assets and liabilities for all lease agreements with a maturity of more than 12 months unless the underlying asset is of non-significant value . Regarding accounting treatment by the lessor, IFRS 16 substantially integrates the requirements of IAS 17. Therefore, the lessor continues to categorize leases in operating and finance leases and to follow different accounting treatment for each type of contract. The Group is in the process of assessing the impact of IFRS 16 on its financial statements and is expected to recognize an amount of new assets and liabilities due to the contracts that it has signed for operating leases of real estate and vehicles.

IAS 17 "Insurance contracts" (applies to annual accounting periods beginning on or after 1 January 2021) IFRS 17 was issued in May 2017 and replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement and presentation of insurance policies within the scope of the Standard and the related disclosures. The purpose of the standard is to ensure that an entity provides relevant information that presents a reasonable view of these contracts. The new standard addresses the comparability problems created by IFRS 4 as it requires that all policies be accounted for in a consistent manner. Insurance liabilities will be measured at current values and not at historical cost. The standard has not yet been adopted by the European Union

IFRS 9 "Financial Instruments" and subsequent amendments in IFRS 9 and IFRS 7 (applied for annual periods beginning on or after 1st January 2018) IFRS 9 replaces the requirement of IAS 39 and deals with the classification and measurement of financial assets and financial liabilities, and it also includes a model of anticipated credit losses that replaces the model of the realized credit losses currently in effect. The IFRS 9 Hedging Accounting establishes an approach for hedging accounting based on principles and deals with inconsistencies and weaknesses of the current model of IAS 39.
The Group will apply the new standard on 1 January 2018 and will not readjust comparative information. For trade receivables, the Group will apply the simplified method to calculate the expected credit losses over the life of its trade receivables. In the course of the year 2017, the Group has carried out an assessment of the effect of the standard and concluded that the effect from its application will mainly relate to impairment of trade receivables. This assessment is based on recent information and is subject to changes that may arise from additional support material available to the Group when and will apply the Standard in 2018. The Group expects an increase in the loss from provisions for doubtful clients and a corresponding negative impact on equity

IAS 12 (Amendments) "Recognition of deferred tax assets for unrealized losses" (effective for annual accounting periods beginning on or after 1st January 2017). The amendments clarify the accounting treatment with regard to the recognition of deferred tax assets for unrealized losses which have resulted from loans measured at fair value. The amendments have not been adopted yet by the European Union

IAS 7 (Amendments) "Disclosures" (applied for accounting periods beginning on or after 1st January 2017). The amendments introduce mandatory disclosures which provide the ability to users of the financial statements to evaluate the changes of liabilities that derive from financing activities. The amendments have not been adopted yet by the European Union.

IFRS 2 (Amendments) " Classification and measurement of transactions relating to share-based benefits" (applies to annual accounting periods beginning on or after 1 January 2018) The amendment provides clarifications about the measurement basis for share-based payment and cash settled transactions and the accounting treatment for changes in terms that alter a cash-settled benefit to a service-type payment transaction. In addition, they introduce an exception to the principles of IFRS 2 under which a benefit should be treated as if it were to be settled entirely in equity instruments in cases where the employer is required to withhold an amount to cover the tax liabilities of employees result from share-based benefits and attribute it to the tax authorities. The amendments have not yet been adopted by the European Union.

IFRS 4 (Amendments) "Application of IAS 9 Financial Means to IAS 4 Insurance Contracts" (applies to annual accounting periods beginning on or after 1 January 2018) The amendments introduce two approaches. The amended standard will (a) provide the option for all entities issuing policies to recognize any other deviations resulting from the application of IFRS 9 before the adoption of the new standard for insurance contracts , and (b) grants entities whose activities mainly concern the insurance industry the option to temporarily waive the application of IFRS 9 by 2021. Entities that postpone the application of IFRS 9 will continue to apply the existing IAS 39 Standard for Financial Means. The amendments have not yet been adopted by the European Union

IAS 40 (Amendments) "Transfers of investing property" (applies to annual accounting periods beginning on or after 1 January 2018) The amendments clarify that in order to be able to move to or from investing property a change in use should be made. In order to consider that there has been a change in the use of a property, it should be assessed whether the property meets the definition and the change in use can be substantiated. The amendments have not yet been adopted by the European Union

IFRIC 22 "Transactions in foreign currency and advance payments" (applies to annual accounting periods beginning on or after 1 January 2018) The interpretation provides guidance on how the date of the transaction is determined when the standard for foreign currency transactions is applied, IAS 21. This Interpretation applies when an entity either pays or receives an advance in consideration for contracts denominated in a foreign currency. The Interpretation has not yet been adopted by the European Union.

IFRIC 23 "Uncertainty regarding the treatment of income tax issues" (applies to annual accounting periods beginning on or after 1 January 2019) The Interpretation provides explanations regarding the recognition and measurement of current and deferred income taxes when there is uncertainty about the tax treatment of certain items. IAS 23 applies to all aspects of income tax accounting when there is such uncertainty, including taxable profit / loss, the tax base of assets and liabilities, tax profits and tax losses and tax rates. The Interpretation has not yet been adopted by the European Union.

Annual Improvements in IAS 2014 (Cycle 2014 – 2016) The amendments listed below describe the key changes in two IASs. The amendments have not yet been adopted by the European Union.

- IFRS 12 "Disclosure of Participation in Other Financial Entities" The amendment clarifies that the obligation to provide IFRS 12 disclosures applies to participations in entities that have been categorized as held for sale, except for the obligation to provide condensed financial information. The amendment is effective for annual periods beginning on or after 1 January 2017.
- IAS 28 "Participations in affiliates and joint ventures" The amendments clarify that when investment fund managers, mutual funds and similar entities apply the option to measure participations in associates or joint ventures at fair value through profit or loss, this option should be made separately for any relative or joint venture at the time of initial recognition. The amendment is effective for annual periods beginning on or after 1 January 2018.

No other Standard or interpretation is expected to have any impact on the Group's financial statements

4.5.3.1 Accounting Methods

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

4.5.3.2 Property, Plant And Equipment

Fixed assets are reported in the financial statements at the fair value or at the acquisition cost or deemed cost as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets

Buildings are measured at fair value as at 31.12.2015, less accumulated depreciation and less any accumulated impairment loss. Land held for the production or management is presented at its fair value. As the useful period of life cannot be determined, the relevant carrying amounts are not subject to depreciation.

The fair value is assessed based on valuations by external independent values every three or four years, unless factors of the market indicate impairment risk of the value, so as to assure that the carrying value does not differ significantly from the fair value.

Other assets are measured at cost less accumulated depreciation and any accumulated impairment losses

Intangible assets include goodwill, concessions and industrial property rights, as well as computer software both acquired and internally generated as well. The cost of internally generated software comprises the cost of materials and the cost of personnel as well as other costs incurred in order to prepare the asset for the intended use. The criteria used in order to recognise the costs incurred as intangible assets are:

- Intention of the Group to proceed in the creation of the asset
- Technical possibility of completion of the asset to make it ready for use or sale.
- Adequate technical, financial and other resources for the completion of the asset.
- Group's ability to use or sale the asset.
- Capability of the maternally generated asset to create future economic benefits for the Group

- Reliable measurement of the expenditure attributable to the asset during its development.

Depreciation on other assets (except land which is not depreciated) is calculated using the straight-line method over its estimated useful lives
Concessions and industrial property rights are no subject to depreciation because of the difficulty to estimate with accuracy their commercial value.
The useful lives of the assets are as follows:

Buildings and buildings installations	50
Buildings and buildings installations in third parties	12
Plant and machinery	16
Plant and machinery Leased	10
Furniture	16
Fittings	10
Office equipment	10
Telecommunication equipment	10
Other equipment	10
Electronics equipment	5
Cars	5
Trucks	10
Other means of transportation	5
Intangible assets (software acquired/internally generated)	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4.5.3.3 Investment property

Investment properties are held to earn rental income and profit from increased capital value at disposal. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied properties from investment properties.
Investment properties are treated as long-term assets and carried at fair value which represents the open market value, and is tested at the end of the year. Changes in fair values are recorded in net income and are included in other operating income

4.5.3.4 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results.
Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash generating unit-CGU) is greater than its recoverable amount.
Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

4.5.3.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition.
Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets and disclosed at the acquisition cost. This cost equals the consolidation cost that exceeds the company's share to the assets

and liabilities of the acquired entity. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. The Group performs its annual impairment test of goodwill as at 31 December. When needed, impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount (typically the value in use) of the cash-generating units is less than their carrying amount an impairment loss is recognized.

4.5.3.6 Consolidation

- Subsidiaries

Subsidiaries are entities (including special purpose entities) in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies.
Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Note 1.6(a) outlines the accounting policy on goodwill. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests.
The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.
Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless cost cannot be recovered. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group

- 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 recognized 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 recognized in the income statement and its share of post acquisition movements in other reserves is recognized in other reserves. The cumulative post-acquisition movements in balance sheet assets and liabilities are adjusted against the carrying amount of the investment.

- Joint Ventures

Joint ventures are consolidated using the full consolidated method. Under this method the investment is initially recognized at cost and is subsequently valued for the cumulative post-acquisition movements in balance sheet assets and liabilities and adjusted against the carrying amount of the investment. The share of the post-acquisition profits or losses of the joint ventures is recognized in the income statement

- Other investments

Other investments concern non listed companies with ownership percentage less than 20% and with absence of control on the voting rights. In accordance with IAS 32 and 39 these investments are disclosed in acquisition cost less provisions for impairments.

4.5.3.7 Inventories

Inventories are disclosed in the lower value between acquisition cost and net realizable value, that is, the selling price less its cost of sale. The cost of sale is calculated using the weighted average method, including expenses related to the acquisition of inventories, such as transport cost, freights etc.

Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

4.5.3.8 Trade Receivables - Impairment

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.
Group's Management periodically reassesses the adequacy of the provision for doubtful receivables in relation to its credit policy and taking into account the Group's Legal department data that arise from the processing of historical data and recent developments in the legal cases and claims. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all of the amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in other expenses in the income statement.
All trade receivables are considered collectable.

4.5.3.9 Cash and Cash equivalents

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

4.5.3.10 Statuory Reserves

Legal Reserve: the company is obliged according to the applicable commercial law 2190/1920 art. 44 and 45 to form as legal reserve of 5% of their annual net profits up to 1/3 of the paid up share capital.. This reserve cannot be distributed during the operational life of the company, but can be used to cover loses.
Based on existing Greek tax law, tax exempt reserves under special laws are exempt from income tax, provided that they are not distributed to shareholders. The Group does not intend to distribute these reserves and has thus not provided for the tax liability that would arise in the event that these reserves were to be distributed. Any distribution from these reserves can only occur following the approval of shareholders in a general meeting and after the applicable taxation is paid by the Company
Tax exempted reserves: These reserves are formed when there are:
Tax exempted Earnings, in accordance with the applicable tax framework in Greece. In case of distribution of these gains these will be taxable at the corporate tax rate in force at the time of distribution to shareholders or converted to equity after the Annual General Meeting of shareholders taking into account the restrictions that may apply every time

Partially taxed earnings which are taxed at a lower tax rate than the then current rate in Greece. In case of distribution of the gains will be taxable at the corporate tax rate in force at the time of distribution to shareholders or converted to equity after the Annual General Meeting of shareholders taking into account the constraints that may apply each time.

4.5.3.11 Share Capital

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange since 29-9-2000. All shares are ordinary and nominal. The Share capital, after the decrease that took place by the decision of the Ordinary General Meeting of Shareholders on 13/06/2017, amounts to € 6.973.052,40 and is divided to 6.456.530 ordinary nominal voting shares of nominal value 1,08 € each and its fully paid up

4.5.3.12 Revenue and Expense Recognition

Revenue: Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts, and after eliminating sales within the Group. Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer (usually upon delivery and customer acceptance) and the realization of the related receivable is reasonably assured. Revenue arising from services is recognized on an accrual basis in accordance with the substance of the relevant agreements
Interest income is recognized on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
Interest income: This income is recognized proportionally according to maturity and using the effective rate.
Dividends: Dividends are recognized according to the maturity for collection rights.

Expenses are recognized in the income statement on an accrual basis. Payments realized for Operating leases are transferred in the income statement as expenses, during the time of use of the leased element. The expenses from interest are recognized on an accrued basis.

4.5.3.13 Grants

Grants are recognized at their fair value when it is probable that the amount of the subsidy will be received and the company has complied or will comply with the terms of the Grant.
State subsidies regarding expenses, are deferred and recognized in the Profit and Loss Statement so as to correspond to the expenses they are designated to indemnify.

4.5.3.14 Financial instruments – Fair Value

The financial assets measured at fair value as of the balance sheet date are classified under the following levels, in accordance with the method used for determining their fair value:
Level 1: for assets traded in an active market and whose fair value is determined by the market prices (unadjusted) of similar assets.
Level 2: for assets whose fair value is determined by factors related to market data, either directly (prices) or indirectly (prices derivatives).
Level 3: for assets whose fair value is not determined by observations from the market, but is mainly based on internal estimates

Techniques used to measure the financial assets include:

- market prices or quotes for similar items.
- Fair value of commodities hedging transactions which is determined as the present value of future cash flows (based on available performance trends).

During the year, there were no transfers between levels 1 and 2, nor transfers within or outside level 3, for the measurement of the fair value. The amounts disclosed in the Financial Position Statement with regard to cash, trade receivables, short-term liabilities and short term banking borrowings, approach their corresponding fair values due to their short-term maturity.

The valuation method was determined taking into account all factors to determine accurately the fair value and these items are measured at Level 3 of the hierarchy for determining fair value. There were no changes in valuation techniques used by the Group during the period.

4.5.3.15 Provisions

Provisions, according to IAS 37, are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.
The Group recognizes a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.
Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognized in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance.
Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

4.5.3.16 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, in line with IAS 23. In subsequent periods, borrowings are stated at amortized cost using the effective yield method

4.5.3.17 Employee Benefits

Short-term benefits: Short-term benefits to the employees (apart from the benefits for the termination of the labour relationship) in cash and in goods are recorded for as an expense when they become payable. Any outstanding amount is recorded as a liability, while in the case where the amount already paid exceeds the amount of the benefits; the company records the excess amount as its asset (prepaid expense) only to the extent that the prepayment will lead to the reduction of future payments or to a return.

Benefits after exiting from the service: The benefits comprise defined benefit plans as well as defined contribution plans.

Defined contribution plan: A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Defined benefit plan: The liability in respect of defined benefit pension or retirement plans, including certain unfunded termination indemnity benefit plans, is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated at periodic intervals by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities which have terms to maturity approximating the terms of the related liability

4.5.3.18 Leases

Leases where all 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.
Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or 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 liabilities. 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. Property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset or the lease term.

4.5.3.19 Income Tax And Deferred Tax

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to Equity.

Current income tax is calculated using the financial statements of every company included in the consolidated financial statements, along with the applicable tax law in the respective countries. The charge from income tax consists in the current income tax calculated upon the results of the Group companies, as they have been reformed in their taxation return applying the applicable tax rate. Deferred income tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax 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 and loss, it is not accounted for.

Deferred income tax assets are recognized only to the extent that is it probable that taxable profits and reversals of deferred tax liabilities will be available against which deductible temporary differences can be utilized. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income taxation is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the related deferred income tax liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

4.5.3.20 Foreign Currency Transactions

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

Gains or losses resulting from foreign currency re-measurements are reflected in the accompanying statements of income. Gains or losses resulting from transactions are also reflected in the accompanying statements of income.

Exchange differences arising from conversion of financial statements in foreign subsidiaries are recognized in equity reserve through the statement of other comprehensive income.

4.5.3.21 Fincancial instruments

Financial instruments at fair value

The financial assets and liabilities reflected on the statement of financial position include cash and cash equivalents, trade and other accounts receivable, investments, trade accounts payable and short and long term liabilities.

These accounts are presented as assets, liabilities or equity components based on the substance and the contents of the related contractual agreements from which they are derived. Interest, dividends, profit o losses which result from financial assets or liabilities are recognized as income or expenses, respectively.

The value at which the Group's financial assets and liabilities are disclosed in the financial statements does not differ from their fair value.

4.5.3.22 Fincancial Risk Management

- **Financial Risk Factors**

The Group's activities give rise to a variety of financial risks, including foreign exchange, interest rate, credit and liquidity risks. The Group's overall risk management program focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group as a whole.

Risk management is carried out by the Group's management which evaluates the risk associated to the Group's activities and functions, and designs the policy by using the appropriate financial tools in order to mitigate the risk.

The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, and trade accounts receivable and payable.

- **Foreign Exchange Risk**

The Group's foreign exchange exposure arises from actual or anticipated cash flows (exports/ imports) in currencies other than its base currency.

Exposures related to future trade agreements and recognized elements of assets and liabilities are managed through the use of forward exchange contracts when needed. Exposure arises when trade agreements and recognized elements of assets and liabilities are presented in currencies different from the functional and presentation currency of the Entity, which is the Euro. The Group has no significant elements for assets and liabilities that are expressed in currency different than the Euro. Thus there is no substantial currency exchange risk. The main transaction currencies are USD and the Euro.

In table below there is sensitivity analysis of the earnings before taxes due to currency exchange rate changes

Currency	31.12.2017		31.12.2016	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit before tax
	8%	-550	7%	-400
	-8%	550	-7%	400

- **Price Risk**

The Group is not exposed to securities price risk. The Group is exposed in risk due to the variations of the value of the goods used for trade and of the raw-materials used. In order to face the risk of impairment of inventories, a rationalized warehouse management aims to minimize the stock according to progress of the production needs. The level of the inventories in relation to the Group's turnover is significantly low.

- **Interest Rate Risk**

The fluctuations in the interest rate markets have a moderate impact on the Group's income and the Group's operating cash flows.
It is the policy of the Group to continuously review interest rate trends and the tenor of financing needs. In this respect, decisions are made on a case by case basis as to the tenor and the fixed versus floating cost of a new loan. Thus, the amount of short term borrowings is variable. All short term borrowings are based on floating rates.
For medium and long-term loans both the amounts of loans as well as the interest rates are decreasing. Thus the interest rate risk exposure is relatively low.

Sensitivity analysis of Group's borrowings due to interest rate changes:

Currency	31.12.2017		31.12.2016	
euro	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
	1%	-150	1%	-130
	-1%	150	-1%	130

- **Credit Risk**

Trade accounts receivable consist mainly of a large, widespread customer base where the predominant position is held by Banking and Public sectors. The Group's Financial Management Department monitors the financial position of their debtors on an ongoing basis.
Each client's credit exposure is monitored by an independent entity, taking into account the client's financial position, the amount of previews transactions and other factors and tests the credit limits granted to the client. The credit limits granted are fixed taking into account internal and external evaluations and are always within the limits approved by the Board of directors.
Appropriate provision for impairment losses is made for specific credit risks. At the end of year 2015 the there is no material credit risk exposure that is not already covered with appropriate doubtful debt provision. Taking into account the Group's customer base and the relevant liquidity risk, the exposure at the credit risk will be moderate. The post-dated collection of receivables is an important issue but is not related to our customers credit ability. To minimize this credit risk, the Group operates within an established counterparty policy approved by the Board of Directors, which limits the amount of credit exposure to any one financial institution. Also, as regards money market instruments, the Group only deals with well-established financial institutions of high credit standing

- **Liquidity Risk**

Liquidity risk is addressed both by the steady stream of receipts and by providing sufficient cash resources from bank financing (focusing on funding on project basis), which is based on the excellent relationship we have with the largest credit institutions in the country and and provides sufficient credit lines to finance our business plans.

In addition, excellent relationships with our suppliers, which are based on long-lasting, reliable and stable relationship, provide us with significant help in trying to smooth cash flow. Capital control restrictions did not materially affect the aforementioned relationships.
The table below summarizes the maturity profile of financial liabilities for years 2017 and 2016 respectively.

Group

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Borrowings	17.765	15.965	7.965	8.117	3.546	3.483	6.254	4.365
Trade and other payables	17.401	15.562	17.395	15.551	-	-	6	11

Company

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Borrowings	17.765	15.965	7.965	8.117	3.546	3.483	6.254	4.365
Trade and other payables	17.141	15.078	17.111	15.048	24	19	6	11

- ### Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong investment grade credit rating and healthy capital ratios in order to support its operations and maximize shareholder value.

The group's policy is to maintain leverage targets in line with an investment grade profile. The gearing ratio is calculated by dividing the net borrowing with the total capital employed.

	Group		Company	
Amounts in € thousand	**2017**	**2016**	**2017**	**2016**
Short term Borrowings	7.965	8.117	7.965	8.117
Long term Borrowings	9.800	7.848	9.800	7.848
Less: cash and cash equivalents	-7.694	-7.465	-7.042	-7.115
Net Debt	**10.071**	**8.500**	**10.723**	**8.850**
Equity	14.670	13.787	14.189	13.401
Total capital employed	**24.741**	**22.287**	**24.912**	**22.251**
Gearing ratio	**40,71%**	**38,14%**	**43,04%**	**39,77%**

The significant increase of turnover by 23,85%, recorded mainly in the last 4 months of 2017, generated increased financing needs, which led to an increase of the net debt for approximately € 1,6 millions or 18,4%. At the same time Equity is increased by € 883 thousand and thus the leverage ratio increased from 38,14% to 40,71%, which is consistent with the turnover increase. This is also a confirmation of the Group's ease of access to financial institutions for the financing of its activities.

- ### Other operational risk

A reliable internal Control System has been established by the company's management in order to timely identify potential distortions in the company's commercial activities. The insurance coverage against all risks is deemed to be sufficient. The Group and the Company do not expect to face significant short term risks. The company's expertise, the continuous investment in human resource and the solid infrastructures combined with the development of new products enable the preservation of its competitive advantage and the skill to penetrate in new markets mitigating the risks.
Furthermore, the amount of the ongoing projects together with the ability to adjust to new market conditions allow to believe that the Group will be able to efficiently react to challenging years to come, efficiently and effectively.

- ### Business Long term Risk

The macroeconomic and financial environment in Greece shows signs of stabilization, but there is still uncertainty. Capital controls initially imposed on the country on 28 June 2015 continue to exist, but have since been relaxed. Capital controls had a short-term effect on the Group's domestic operations, but this has been normalized.
In addition, global developments affecting both the United States and the United Kingdom generally affect Europe's economic environment in conjunction with geopolitical dangers. It is particularly difficult to assess the

interactions of all the above and to express an estimation of their degree of influence in the Greek business environment. As a result, SPACE has chosen a reasonable risk policy that breaks down into different product strategies and geographic areas. More specifically, we are trying to broaden our know-how in areas necessary for today's development and to spread the risk geographically with our expansion to foreign markets. Helping us to do this is the Banking system through the excellent relationships we have. In particular, the continuous communication of our business plans, combined with the Bank's banking policy, give us the ability to cope with both capital restrictions and the continuous improvement of our relationships with our key suppliers.

4.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF YEAR 2017

4.6.1 OPERATING SEGMENTS

Business segment is a distinct part of the Company and the Group which provides products and services subject to different grades of risk and performance that is different from those of other business segments.
Geographical segments provide products or services within a particular economic environment that is subject to risks and performances that are different from those of components operating in other economic environments.
The Group and the company's segments are based on the products and services provided.

- **Primary segment – Business segments**

The Group organizes its activities in three segments:

- Technology providers of solutions and services to the business environment. (Value Added Solutions)
- IT projects (integraton)
- Resellers' network for mobile telecommunications.

The segment consolidated results for the current and previews period are as follows:

Group												
	Technology Solutions and Services			Integration projects			Mobile telecommunications			Total		
Amounts in € thousand	2017	2016	+/-%	2017	2016	+/-%	2017	2016	+/-%	2017	2016	+/-%
Revenue	55.558	45.474	22,18%	2.540	1.425	78,25%	1560	1.270	22,83%	**59.658**	**48.169**	23,85%
Gross profit	12.710	11.950	6,36%	875	599	46,08%	570	520	9,62%	**14.155**	**13.069**	8,31%
EBIT	4.346	3.962	9,69%	252	140	80,00%	240	210	14,29%	**4.838**	**4.312**	12,20%
Earnings before taxes	-	-	-	-	-	-	-	-	-	**1.652**	**1.401**	17,92%
Earnings after taxes	-	-	-	-	-	-	-	-	-	**1.114**	**900**	23,78%

- **Secondary segment – Geographical segment**

The Group's main geographical space is Greece, where the parent company's registed office is lovated.
The subsidiary company «SPACE HELLAS CYPRUS LTD», has its registered offices in Cyprus and is a parent of subsidiaries «SPACE HELLAS SYSTEM INTEGRATOR SRL» headquartered in Romania, «SPACE HELLAS HELLAS Doo Beograd-Stari Grad based in Serbia, SPACE HELLAS (MALTA) LTD and the newly established SPACE AAB LEVANT TECHNOLOGIES COMPANY headquartered in Jordan with growing activities, though not significant in relation to the totality of the Group.

4.6.2 OTHER OPERATING INCOME

	Group		Company	
Amounts in € thousand	**01.01-31.12.2017**	**01.01-31.12.2016**	**01.01-31.12.2017**	**01.01-31.12.2016**
Service provision	1	3	1	3
Income from property leases	59	62	59	62
Income from technical equipment leases	483	797	483	797
Government Grants	200	149	45	32
Other extraordinary income	6	2	6	2
Other extraordinary gains	491	215	475	201
Currency exchange gains	34	0	34	0
Total other operating income	**1.274**	**1.228**	**1.103**	**1.097**

4.6.3 OPERATING EXPENSES

The administrative expenses, the R&D cost as well as the Distribution cost result to be increased compared to year 2016 by 7,21%.

Table of Operating Expenses:

	Group			Company		
Amounts in € thousand	**01.01-31.12.2017**	**01.01-31.12.2016**	**+/-%**	**01.01-31.12.2017**	**01.01-31.12.2016**	**+/-%**
Payroll expenses	6.182	6.006	2,93%	6.182	6.006	2,93%
Third parties' fees and expenses	1.151	1.033	11,42%	1.069	984	8,64%
Third parties' utilities and services	1.222	1.084	12,73%	1.210	1.072	12,87%
Taxes and dues	213	201	5,97%	189	180	5,00%
Sundry expenses	1.208	891	35,58%	1.170	851	37,49%
Depreciations	695	741	-6,21%	694	739	-6,09%
Provisions	138	126	9,52%	138	126	9,52%
Total operating expenses	**10.809**	**10.082**	**7,21%**	**10.652**	**9.958**	**6,97%**

Third parties' fees and expenses include the fees of the auditing firm "PKF Euroauditing SA" in Greece for services related to the statutory audit of the financial statements (€ 19.360,00), the tax compliance report under article 65A of Law 4174/13 and the POL 1124 / 18.06.2015 (€ 10.000,00), remuneration for other assurance services (€ 500,00) and fees for other non-audit allowable services (€ 1.000,00).

4.6.4 OTHER EXPENSES

	Group		Company	
amounts in € thousand	**01.01-31.12.2017**	**01.01-31.12.2016**	**01.01-31.12.2017**	**01.01-31.12.2016**
Extraordinary expenses	106	63	105	63
Loss from currency exchange	335	148	324	132
Provisions for receivables of doubtful collection	372	465	372	465
Extraordinary losses	35	321	35	321
Total other operating expenses	**848**	**997**	**836**	**981**

4.6.5 FINANCIAL RESULTS

Table of financial results

	Group		Company	
amounts in € thousand	**01.01-31.12.2017**	**01.01-31.12.2016**	**01.01-31.12.2017**	**01.01-31.12.2016**
Gain/Loss from affiliated companies	-5	-2	-5	-2
Impairment of goodwill	0	-75	0	-75
Dividends	0	0	823	778
Total financial results	**-5**	**-77**	**818**	**701**

In year 2017 and 2016 as well, the parent company received dividends from the subsidiary SPACE HELLAS CYPRUS LTD from the distribution of previews year's profits

4.6.6 INCOME TAX

The income tax expense imputed the results as following:

Amounts in € thousand	NOTE	Group		Company	
		01.01-31.12.2017	01.01-31.12.2016	01.01-31.12.2017	01.01-31.12.2016
Current Income Tax		-287	-280	0	0
Deferred tax imputed to results	4.6.24	-251	-221	-251	-221
Total income tax charge to income statement (a)		**-538**	**-501**	**-251**	**-221**
Deferred tax recognized directly in equity (b)	4.6.24	10	32	10	32
Total tax (a+b)		**-528**	**-469**	**-241**	**-189**

From the fiscal year 2011 until the year 2015, the Greek companies and the Limited Liability Companies, whose annual financial statements are subject to statutory audits, were legally obliged to receive the "Annual Tax Certificate" according to § 5 of article 82 of Law 2238 / 1994 and article 65A of N4174 / 2014, which is issued after a tax audit carried out by the statutory auditor or an audit firm that audits the annual financial statements.

From the year 2016 onwards, the tax certificate is optional. Upon completion of the tax audit, the Statutory Auditor or Audit Office issues to the company a "Tax Compliance Report" and the Auditor or Audit Office subsequently submits it electronically to the Ministry of Finance, as required by POL 1124/2015, as amended by the POL 1108/2017 no later than the tenth day of the tenth month following the end of the financial year

For the years 2011 to 2016 the Company and its Greek subsidiaries have been audited and obtained the aforementioned report without qualification.
For year 2017 the tax audit of the company is in progress and no significant differences are expected

According to Law 4334/2015, the corporate income tax rate is 29% for 2015 and onwards.

Income Tax reconciliation:

Amounts in € thousand	Group		Company	
	01.01-31.12.2017	01.01-31.12.2016	01.01-31.12.2017	01.01-31.12.2016
Earnings before taxes	1.652	1.401	1.257	1.012
Tax calculated at the statutory tax rate 29% (2014:26%)	-479	-406	-365	-293
Expenses not deductible for tax purposes	118	-21	225	204
Unused recognized tax losses	-111	-132	-111	-132
Effect of different tax rates in other countries	-66	58	0	0
Deferred tax recognized directly in equity	10	32	10	32
Total	-528	-469	-241	-189

4.6.7 PROPERTY, PLANT AND EQUIPMENT

Land and buildings are disclosed in the fair value as resulted from their revaluation as at 31.12.2015 carried out by independent valuators

Property, plant and equipment of the Group

	Group					
Amounts in € thousand	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	**Total**
Opening Balance 01.01.2016	**7.086**	**4.407**	**8.955**	**115**	**2.666**	**23.229**
Plus: Additions	0	11	849	0	61	**921**
Minus: Disposals	0	0	548	23	28	**599**
Ending balance 31.12.2016	**7.086**	**4.418**	**9.256**	**92**	**2.699**	**23.551**
Depreciation at 01.01.2016	**0**	**1.030**	**3.938**	**43**	**2.288**	**7.299**
Plus: Depreciation expense	0	143	347	7	117	**614**
Minus: Depreciation of disposed elements	0	0	217	10	11	**238**
Ending balance 31.12.2016	**0**	**1.173**	**4.068**	**40**	**2.394**	**7.675**
Net Book Value at 31.12.2016	**7.086**	**3.245**	**5.188**	**52**	**305**	**15.876**
Opening Balance 01.01.2017	**7.086**	**4.418**	**9.256**	**92**	**2.699**	**23.551**
Plus: Additions	0	108	927	9	90	**1134**
Minus: Disposals	0	0	79	36	30	**145**
Ending balance 31.12.2017	**7.086**	**4.526**	**10.104**	**65**	**2.759**	**24.540**
Depreciation at 01.01.2017	**0**	**1.173**	**4.068**	**40**	**2.394**	**7.675**
Plus: Depreciation expense	0	144	404	6	82	**636**
Minus: Depreciation of disposed elements	0	0	54	6	30	**90**
Ending balance 31.12.2017	**0**	**1.317**	**4.418**	**40**	**2.446**	**8.221**
Net Book Value at 31.12.2017	**7.086**	**3.209**	**5.686**	**25**	**313**	**16.319**

Property, plant and equipment of the Company

	Company					
Amounts in € thousand	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	**Total**
Opening Balance 01.01.2016	**7.086**	**4.407**	**8.916**	**115**	**2.666**	**23.190**
Plus: Additions	0	11	849	0	61	**921**
Minus: Disposals	0	0	548	23	28	**599**
Ending balance 31.12.2016	**7.086**	**4.418**	**9.217**	**92**	**2.699**	**23.512**
Depreciation at 01.01.2016	**0**	**1.030**	**3.931**	**43**	**2.288**	**7.292**
Plus: Depreciation expense	0	143	344	7	117	**611**
Minus: Depreciation of disposed elements	0	0	217	10	11	**238**
Ending balance 31.12.2016	**0**	**1.173**	**4.058**	**40**	**2.394**	**7.665**
Net Book Value at 31.12.2016	**7.086**	**3.245**	**5.159**	**52**	**305**	**15.847**
Opening Balance 01.01.2017	**7.086**	**4.418**	**9.217**	**92**	**2.699**	**23.512**
Plus: Additions	0	108	927	9	90	**1.134**
Minus: Disposals	0	0	79	36	30	**145**
Ending balance 31.12.2017	**7.086**	**4.526**	**10.065**	**65**	**2.759**	**24.501**
Depreciation at 01.01.2017	**0**	**1.173**	**4.058**	**40**	**2.394**	**7.665**
Plus: Depreciation expense	0	144	402	6	82	**634**
Minus: Depreciation of disposed elements	0	0	54	6	30	**90**
Ending balance 31.12.2017	**0**	**1.317**	**4.406**	**40**	**2.446**	**8.209**
Net Book Value at 31.12.2017	**7.086**	**3.209**	**5.659**	**25**	**313**	**16.292**

4.6.8 INTANGIBLE ASSETS

The account refers to the acquisition cost for of trademarks, software acquired/internally generated and other intangible assets. Investments in internally generated intangible assets comprise the development cost of ready to use/sale software completed as part of the activities of the technological solutions sector. With regard to trademarks, due to the difficulty of a reliable measurement of their commercial value, no amortization has been charged.

The intangible assets of the Group and the company are the following:

	Group		
Amounts in € thousand	Software	Other intangibles	**Total intangible assets IFRS**
Opening balance 01.01.2016	**3.144**	**684**	**3.828**
Additions	554	30	**584**
Disposals/Write offs	0	0	**0**
Ending balance 31.12.2016	**3.698**	**714**	**4.412**
Depreciation 01.01.2016	**2.122**	**195**	**2.317**
Depreciation expense	421	60	**481**
Disposals	0	0	**0**
Depreciation at 31.12.2016	**2.543**	**255**	**2.798**
Net Book Value 31.12.2016	**1.155**	**459**	**1.614**
Opening balance 01.01.2017	**3.698**	**714**	**4.412**
Additions	568	0	**568**
Disposals/Write offs	0	0	**0**
Ending balance 31.12.2017	**4.266**	**714**	**4.980**
Depreciation 01.01.2017	**2.543**	**255**	**2.798**
Depreciation expense	385	46	**431**
Disposals	0	0	**0**
Depreciation at 31.12.2017	**2.928**	**301**	**3.229**
Net Book Value 31.12.2017	**1.338**	**413**	**1.751**

	Company		
Amounts in € thousand	Software	Other intangibles	**Total intangible assets IFRS**
Opening balance 01.01.2016	**3.134**	**684**	**3.818**
Additions	554	30	**584**
Disposals/Write offs	0	0	**0**
Ending balance 31.12.2016	**3.688**	**714**	**4.402**
Depreciation 01.01.2016	**2.118**	**195**	**2.313**
Depreciation expense	419	60	**479**
Disposals	0	0	**0**
Depreciation at 31.12.2016	**2.537**	**255**	**2.792**
Net Book Value 31.12.2016	**1.151**	**459**	**1.610**
Opening balance 01.01.2017	**3.688**	**714**	**4.402**
Additions	568	0	**568**
Disposals/Write offs	0	0	**0**
Ending balance 31.12.2017	**4.256**	**714**	**4.970**
Depreciation 01.01.2017	**2.537**	**255**	**2.792**
Depreciation expense	383	46	**429**
Disposals	0	0	**0**
Depreciation at 31.12.2017	**2.920**	**301**	**3.221**
Net Book Value 31.12.2017	**1.336**	**413**	**1.749**

4.6.9 Investment properties

During the current period, there were no assets that should be classified as investment property.

4.6.10 Goodwill

The Goodwill, amounting to € 847 thousand, comprised among the noncurrent assets, resulted from the following operations:

	Group - Company		
Amounts in € thousand	«SPACEPHONE S.A..»	SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	**Total**
Opening balance 01.01.2016	**428**	**419**	**847**
Additions	0	0	0
Disposals	0	0	0
Ending balance 31.12.2016	**428**	**419**	**847**
Opening balance 01.01.2017	**428**	**419**	**847**
Additions	0	0	0
Disposals	0	0	0
Ending balance 31.12.2017	**428**	**419**	**847**

- € 428 thousand from the buyout of the remaining 50% of SPACE PHONE S.A. that took place at 29/6/2007, currently merged by absorption with the parent company
- € 828 thousand from the buyout of 100,00% of the subsidiary SPACE TECHNICAL CONSTRUCTION BUILDING S.A., that took place at 15/10/2012, and after the impairment charged to the results, the remaining goodwill amounts to € 419 thousand

Goodwill is tested for impairment when there are indications of impairment and is measured at cost less any accumulated impairment losses. At each closing date the Group performs analysis in order to assess whether the carrying amount of goodwill is recoverable. Goodwill is allocated to cash generating units for impairment testing purposes. The allocation is made to the cash-generating units that derived from the subsidiary buy out. The recoverable amount of a cash-generating unit is determined by calculating the «value in use». These calculations use cash flow projections based on financial budgets approved by management.
Below are the main assumptions adopted by Management where in the cases where impairment was deemed necessary, after taking into account the specific conditions and characteristics where appropriate:
Discount rate value: 3.9% Growth rate: 2%
The decision to conduct an impairment is taken after an examination of changes in underlying assumptions and if the outcome of the impairment is deemed important and significantly more than 10% of the book value.

4.6.11 Liens and pledges

There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, the underwriting, amounting to € 2.300 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki

4.6.12 Subsidiaries, Associates And Joint Ventures

The company's shareholding in subsidiaries, associates and Joint venture as at 31.12.2017, is disclosed at their acquisition cost less provisions for impairment

Corporate name	Book value 2017	Book value 2016	Ownership percentage Direct	Ownership percentage Indirect	Consolidation method
Subsidiaries					
SPACE HELLAS (CYPRUS) LTD	34	34	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	935	935	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	10	10	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	5	5	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	67	-	-	100%	Full Consolidation
	1.051	**984**			
Associates & Joint Ventures					
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	3	3	35%	-	Equity method
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	13	13	50%	-	Equity method
	16	**16**			
Other investments					
MOBICS L.T.D.*	75 *	75 *	18,10%	-	-
Web-IQ B.V.	1.003	-	17,21%	-	-
	1.078	**75**			
Total Investments	**2.145**	**1.075**			

**Impaired value.*

<u>Subsidiaries and Joint Ventures' activities</u>

- Space Hellas (Cyprus) Limited was incorporated in Cyprus on September 8, 2005 as a private limited company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The main activities of the company is the provision of telecommunications services and investments property

- SPACE HELLAS SYSTEM INTEGRATOR S.R.L. was founded in 2010 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. The main activities of the company is the provision of telecommunications services, security systems, information technology, trade and investment property

- SPACE HELLAS (MALTA) LTD was founded at the end of 2012 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Malta, it was decided to operate through a subsidiary. This new company has installed telecommunications hub and node services offered in the local market

- SPACE HELLAS Doo Beograd-Stari Grad was founded at the end of 2012 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Serbia, it was decided to operate through a subsidiary. This new company has installed telecommunications hub and node services offered in the local market.

- SPACE ARAB LEVANT TECHNOLOGIES COMPANY was founded at the end of 2017 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The share capital consist in 50 thousand shares of 1JD each. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Jordan, it was decided to operate through a subsidiary. This new company has installed telecommunications hub and node services offered in the local market.

- Joint Venture Info Quest – SPACE HELLAS", the aim of the Joint Venture is the development of the IS survey for the Hellenic National Cadastre.

- Joint Venture "SPACE HELLAS S.A – KBI IMPULS HELLAS S.A". The scope of this joint venture is the implementation of the assigned, through public bid, project DORY (Development of Infrastructures for the initial service of the needs of agencies in the Public Sector located in remote areas, as regards advanced communication technologies by use of the Hellas Sat – DORY Public Satellite System).

- Mobics Telecommunication and Consulting Services AE was founded in 2006 as a spin-off of the National University of Athens (Department of Informatics and Telecommunications), based in Athens. The Mobics specializes in the design, development and provision of value added services for mobile and pervasive computing environments and the Internet, focusing on geographical and information and generally aware framework (context-aware services)

- Web-IQ B.V. is a Dutch technology company active in the international Web-Intelligence specialized applications market and Big Data analytics for businesses and organizations. Web-IQ is actively working with many security authorities around the world to combat online child abuse. The total share capital of Web-IQ B.V consists of 232,412 shares. The Group's Management strategic planning, based on the signed agreement, includes the possibility of acquiring additional share in the capital of Web-IQ B.V, which will turn the investment into associate.

4.6.13 Other Long Term Receivables

	Group		Company	
Amounts in € thousand	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Rental guarantees	22	25	22	25
Long term receivables from related paties	300	-	300	-
Total Other Long term receivables	**322**	**25**	**322**	**25**

4.6.14 Inventories

The Group is implementing a set of measures in order to minimize the risk of impairment of inventories due to calamity, fraud etc. Inventories are tested for impairment at the end of the year. When needed, appropriate allowance is made for damaged, obsolete and slow moving items. For the current period the write-downs to net realizable value and inventory losses amounts to € 21 thousand, all charged in cost of sales in previews years' results, The level of inventories is determined according to the Group's customer-oriented, strategic warehouse management.

Table of inventories of the Group and the company:

	Group		Company	
Amounts in Euro thousands	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Goods	2.734	2.114	2.734	2.114
Materials	336	638	336	638
Consumables	508	500	508	500
Total inventories	**3.578**	**3.252**	**3.578**	**3.252**

4.6.15 Trade Receivables

Trade receivables are recognized at their acquisition cost (invoice value) less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all of the amounts due according to the original terms of receivables. The provisions formed are then used for the cancellation of the receivables of doubtful liquidation

	Group		Company	
Amounts in Euro thousands	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Trade receivables	19.240	17.028	18.776	16.530
Less: Provisions for doubtful liquidation	4.945	4.573	4.945	4.573
Total trade receivables	**14.295**	**12.455**	**13.831**	**11.957**

The provision for doughtfull liquidation has been formed taking into account the maturity of the receivables in line with the credit policy, as well as historical data and information on clients' solvency.

Balance of the Provisions for doubtful liquidation:

	Group		Company	
Amounts in Euro thousands	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Total provision - Opening balance	**4.573**	**4.108**	**4.573**	**4.108**
Additions	372	465	372	465
Offsetting of prior year's provision	0	0	0	0
Total charges to year's income	**372**	**465**	**372**	**465**
Total provision - Ending balance	**4.945**	**4.573**	**4.945**	**4.573**

The trade receivables' fair value is approximately equal to the book value. The trade receivables after impairment, for both the Group and the company, are fully collectable.
In the context of working capital management, the Group uses factoring services for the earliest collection of receivables from its customers in Greece.
The trade receivables accounts are not bearing any interest. And are usually arranged as following: Group 1 - 180 Days, Company 1 - 180 days. The collection of receivables related to projects depends on the completion stage.

Aging analysis for trade receivables**:**

	Group		Company	
Amounts in Euro thousands	31.12.2017	31.12.2016	31.12.2017	31.12.2016
1 - 90 days	9.721	8.256	9.397	8.030
91 - 180 days	1.812	2.430	1.683	2.230
181 - 360 days	962	505	951	465
> 360 days	1.800	1.264	1.800	1.232
Total trade receivables	**14.295**	**12.455**	**13.831**	**11.957**

Aging analysis for trade receivables from related parties**:**

	Group		Company	
Amounts in Euro thousands	31.12.2017	31.12.2016	31.12.2017	31.12.2016
1 - 90 days	0	154	0	154
91 - 180 days	0	0	0	0
181 - 360 days	0	0	0	0
> 360 days	0	0	0	0
Total trade receivables	**0**	**154**	**0**	**154**

4.6.16 Other Receivables

Other receivables of the group and companyı:

	Group		Company	
Amounts in Euro thousands	31.12.2017	31.12.2016	31.12.2017	31.12.2017
Cheques receivable	1.326	319	1.326	319
Cheques overdue*	1.709	1.709	1.709	1.709
Deducted Taxes & other receivables	320	201	208	201
Salary prepayments	6	3	6	3
Advances to account for	3	8	3	8
Amounts owed by affiliated undertakings	35	35	509	35
Deferred charges	1.779	2.271	1.779	2.271
Income earned	853	955	858	955
Other receivables**	319	320	313	315
Total other receivables	**6.350**	**5.821**	**6.711**	**5.816**
Less: provisions for doubtful liquidation	2.000	2.000	2.000	2.000
Total other receivables	**4.350**	**3.821**	**4.711**	**3.816**

**The Cheques overdue are fully compensated by a provision for* doubtful liquidation of equal amount.
***Other receivables comprise mainly sundry debtors for the amount of € 319 thousand which is adequately compensated by a provision for* doubtful liquidation for amount €291 thousand.

"Deferred charges " comprise the following:

- Approximately 96% of the costs are related to foreign firm contractual obligation to cover maintenance contracts of our customers, where such obligations are not in line with the customers' demands having different maturation beyond the year and

- Approximately 4% of the costs are operating costs (rent, insurance, etc.).

Expenses are recognised on an accrual basis.
The trade receivables' fair value is approximately equal to the book value. The trade receivables after impairment, for both the Group and the company, are fully collectable

4.6.17 Prepayments

Analysis of prepayments:

	Group		Company	
Amounts in Euro thousands	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Orders placed abroad	244	247	244	247
Prepayments to other creditors	216	394	201	357
Total prepayments	**460**	**641**	**445**	**604**

4.6.18 Cash And Cash Equivalents

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

	Group		Company	
Amounts in Euro thousands	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Cash on hand	63	106	63	106
Short term Bank deposits	7.631	7.359	6.979	7.009
Total Cash and Cash equivalents	**7.694**	**7.465**	**7.042**	**7.115**

4.6.18.1 Share Capital

The company's shares are ordinary registerd shares and have been listed in ASE since 29.09.2000
On 13/06/2017, by decision of the Ordinary General Meeting of Shareholders, the share capital of the company was reduced by offsetting losses of previous years amounting to € 3,476 thousand.
This nominal decrease of the Share Capital took place through a decrease in the nominal value of the shares respectivley. The amount to be offset, taking into account the required adjustment for the rounding of the nominal value of the share to two decimals, according to the applicable law, amounted to € 3,422 thousand with a corresponding reduction of the nominal value of the share by fifty three cents (0.53), that is, from € 1.61 to € 1.08. The remaining amount that was not offset due to the above rounding amounts to € 54 thousand. This amount was covered by the Company's statutory reserve.

Number of shares and nominal value	31.12.2017	31.12.2016
Paid up capital	6.973.052,40	10.395.013,30
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,61 €

Earnings per share were calculated based on the weighted number of shares, that is 6.456.530

4.6.19 Long Term Loans

The long term loans concern:

- The mortgage loan ending at 2019, of initial amount € 1.125 thousand, and after interest and principal payments amounting to € 196 thousand
- The mortgage loan ending at 2019, of initial amount € 800 thousand, and after interest and principal payments amounting to € 200 thousand
- The mortgage loan ending at 2019, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 500 thousand
- The mortgage loan ending at 2019, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 400 thousand
- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.250 thousand
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 625 thousand
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 375 thousand
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 2.314 thousand
- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.940 thousand

The fair value of the short and long term borrowings approximates the book value. The rate used in the company's and the Group's borrowings is floating and renegotiable within a six-month period. The average interest rate applied is 4,54%.

4.6.20 OTHER LONG TERM LIABILITES

Liabilities are characterized as long term when they due over 12 months otherwise there are consider as short term liabilities.

	Group		Company	
Amounts in Euro thousands	31.12.2017	31.12.2016	31.12.2017	31.12.2016
losses from joint ventures	0	0	24	19
Guarantees received	6	11	6	11
Total Other long term liabilities	**6**	**11**	**30**	**30**

4.6.21 FAIR VALUE MEASUREMENT

The financial assets measured at fair value as of the balance sheet date are classified under the following levels, in
accordance with the method used for determining their fair value:

Level 1: for assets traded in an active market and whose fair value is determined by the market prices (unadjusted) of similar assets.

Level 2: for assets whose fair value is determined by factors related to market data, either directly (prices) or indirectly (prices derivatives).

Level 3: for assets whose fair value is not determined by observations from the market, but is mainly based on internal estimates

The method used for the fair value measurement considers all possible parameters in order to approximate the fair value and the financial assets are classified at level 3 except for banking loans classified a level 2.
During the year, there were no transfers between levels 1 and 2, nor transfers within or outside level 3, for the measurement of the fair value.

The amounts disclosed in the Financial Position Statement with regard to cash, trade receivables, short-term liabilities and short term banking borrowings, approach their corresponding fair values due to their short-term maturity

The valuation method was determined taking into account all factors to determine accurately the fair value and the items are measured at Level 3 of the hierarchy of the fair value except of bank liabilities which are measured at Level 2 of the hierarchy.

4.6.22 PERSONELL EMPLOYEED - EMPLOYEE BENEFITS

The personnel employed at 31.12.2017 for the Group have reached 292 persons and for the company has reached 291 persons while as at 31.12.2016 amounted to 262 and 261 respectively.

4.6.22.1 Provisions for employees benefits

The Group's management engaged an independent actuary to conduct a study to investigate and calculate the actuarial amounts, based on the specifications set by International Accounting Standards (IAS 19), which prescribe for their mandatory disclosure in the balance sheet and statement of comprehensive income. This actuarial valuation, has taken into account all economic and demographic parameters related to the Group's employees.

Amounts in Euro thousands	Group 31.12.2017	Group 31.12.2016	Company 31.12.2017	Company 31.12.2016
Present value of unfunded obligations	739	884	739	884
Not recognized actuarial gains\ losses	0	0	0	0
Reserves to be formed	**739**	**884**	**739**	**884**
Provisions for employers benefits recognized in the income statement				
Current service cost	73	68	73	68
Cost of interest	31	32	31	32
Actuarial loss / (gain)	0	0	0	0
Past service cost	34	26	34	26
Net periodic cost	**138**	**126**	**138**	**126**
Liability recognized in the Statement of financial position				
Net liability – opening balance as at 01.01	884	793	884	793
Benefits paid	-317	-143	-317	-143
Cost recognized in the income statement	138	126	138	126
Gains/Losses recognized in Equity	34	108	34	108
Net liability	**739**	**884**	**739**	**884**
Present value of the liability				
Net liability – opening balance as at 01.01	884	793	884	793
Current service cost	73	68	73	68
Cost of interest	31	32	31	32
Past service cost	34	26	34	26
Benefits paid	-317	-143	-317	-143
Actuarial loss / (gain)	0	0	0	0
Gains/Losses recognized in Equity	34	108	34	108
Present value of the liability	**739**	**884**	**739**	**884**

The assumptions used are the following:

	Actuarial assumptions	
1.	Discount interest rate	1,2% as at 31/12/2017
2.	Average annual long term inflation rate	2% (according to EU, Lisbon convention).
3.	Average annual long term salary growth	2,00%
4.	Valuation date	31.12.2017
5.	Regular retirement age :	According to the social security fund of each employee
6.	General assumption fro actuarial purpose:	The going concern principle according to IAS (IAS1 para 23)
7.	Valuation method :	Projected Unit Credit Method (IAS19)

4.6.23 DEFFERED INCOME TAX

Deferred income taxes are calculated in full on temporary differences under the liability method using the principal tax rates that apply to the countries where the companies of the group operate. The calculation of the deferred taxes both for the Group and the Company are reviewed each year, as the balance on the balance sheet to reflect the effective tax rates.

The movement on the deferred income tax account after set-offs is as follows:

Amounts in € thousand	Group - company			
	31.12.2016	Amounts recognised through income statement	Amounts recognised through equity	31.12.2017
Deferred tax liabilities				
Depreciation rate difference effect	-473	-59	0	-532
Fair value adjustments Property, plant and equipment	-989	0	0	-989
Total Deferred tax liabilities	**-1.462**	**-59**	**0**	**-1.521**
Deferred tax assets				
Provisions for Trade and other receivables	495	20	0	515
Post-employment and termination benefits	257	-52	10	215
Impairment of Receivables	22	0	0	22
Impairment of Inventories	6	0	0	6
Tax deductible previews years' losses	893	-132	0	761
Share premium capitalization expenses	28	-28	0	0
Total Deferred tax assets	**1.701**	**-192**	**10**	**1.519**
Total Deferred tax	**239**	**-251**	**10**	**-2**

The Deferred tax liabilities and deferred tax assets compensate where this is legally possible. Pursuant to Law 4334/2015, the rate of corporate income tax is set at 29% for the year 2015 onwards.

4.6.24 Trade and other payables

Liabilities are characterized as long term when their due is less than 12 months otherwise considered as long term liabilities.

Amounts in € thousand	Group		Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Trade payables	10.330	8.092	10.132	7.740
Checks payables	339	640	339	640
Customer down payments/advances	1.891	4.278	1.891	4.278
Social security	476	425	476	425
Wages and salaries payable	147	26	147	26
Short term liabilities to factors	2.282	1.025	2.282	1.025
Other payables	83	50	66	31
Amounts due to related parties	0	0	0	0
Next year's Income	5	5	5	5
Accrued expenses	120	76	77	68
Purchases under arraignment	44	118	44	118
Total Trade and other payables	**15.717**	**14.735**	**15.459**	**14.356**

4.6.25 Provisions

The Group has formed provisions for doubtful trade receivables for the amount of € 4.945 thousand, for doubtful sundry debtors for the amount of € 2.000 thousand, and for obsolete inventories for the amount of € 21 thousand. The provisions are disclosed compensated among the trade and other receivables and the inventories respectively.

Amounts in € thousand	Group - Company				
	Υπόλοιπο την 31.12.2016	New Provisions	Used Provisions	Decreases	31.12.2017
Provisions for tax unaudited years	122	0	0	0	122
Provisions for employers benefits	884	172	317	0	739
Other provisions	0	0	0	0	0
Total	**1.006**	**172**	**317**	**0**	**861**

4.6.26 DISPUTED CLAIMS

There are no disputed claims that might have significant impact on the financial position both of the Group and the Company.

4.6.27 UNDAUDITED FISCAL YEARS BY THE TAX AUTHORITIES

The unaudited fiscal years by the tax authorities for the companies of the Group are as followed:

Company	Tax Unaudited Years
SPACE HELLAS S.A.	2009 – 2010
SPACE HELLAS (CYPRUS) LTD	2005 – 2017
SPACE HELLAS Doo Beograd-Stari Grad	2012 - 2017
SPACE HELLAS (MALTA) LTD	2012 - 2017
SPACE HELLAS INTEGRATOR SRL	2010 - 2017
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2010 - 2017
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	2009 – 2017

The company using statistics from past tax audits, has formed a provision amounting to € 122 thousand against the event of additional taxes in case of a tax audit by the tax authorities.

For the subsidiaries which are resident abroad there are no mandatory tax audit provisions. The audits are performed exceptionally, where appropriate by the tax authorities of each country according to specific criteria. Tax liabilities arising after the filing of the annual tax return remain under the control of the tax authorities for a certain period, according to the tax laws of each country.

From the fiscal year 2011 until the year 2015, the Greek companies and the Limited Liability Companies, whose annual financial statements are subject to statutory audits, were legally obliged to receive the "Annual Tax Certificate" according to § 5 of article 82 of Law 2238 / 1994 and article 65A of N4174 / 2014, which is issued after a tax audit carried out by the statutory auditor or an audit firm that audits the annual financial statements.

From the year 2016 onwards, the tax certificate is optional. Upon completion of the tax audit, the Statutory Auditor or Audit Office issues to the company a "Tax Compliance Report" and the Auditor or Audit Office subsequently submits it electronically to the Ministry of Finance, as required by POL 1124/2015, as amended by the POL 1108/2017 no later than the tenth day of the tenth month following the end of the financial year.

For the years 2011 to 2016 the Company and its Greek subsidiaries have been audited and obtained the aforementioned report without qualification.

The company has received a notice by the tax authorities that a partial tax audit will take place for the unaudited years 2009 and 2010.
For year 2017 the tax audit of the company is in progress and no significant differences are expected.

The Group recognizes a provision where necessary, where appropriate and company against potential additional taxes that may be imposed by the tax authorities.
The Group's management does not expect any significant tax liabilities beyond those presented in the financial statements.

4.6.28 CONTIGENT EVENTS

4.6.28.1 Commitments -Guarantees

The Group has contingent liabilities in relation to banks as well as other commitments related to ordinary activities.
No substantial burden will arise. No additional payments are expected.

The contingent liabilities for letters of guarantee granted both for the Company and the Group are the Following:

	Group		Company	
Amounts in € thousand	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Guarantee letters to secure good performance of contract terms	3.050	2.555	3.050	2.555
Total Contingent Liabilities	**3.050**	**2.555**	**3.050**	**2.555**

The amounts above include letters of guarantee issued in favour of joint ventures amounting to € 326 thousand as at 31.12.2017 and € 402 thousand as at 31.12. 2016.

4.6.28.2 Excess clause provisions and Disputed claims

There are no cases (note. 4.6.26) that might have significant impact on the financial position both of the Group and the Company.

4.6.28.3 Other contigent liabilities

For the unaudited years, as mentioned in note 4.6.27, there is the risk that the tax authorities' review might result in higher or additional tax obligations. For the event of tax audit of previews fiscal years a provision amounting to € 122 thousand has been charged regarding only the parent company has as for the rest of the Group such an event would have insignificant impact.

4.6.28.4 Operating lease commitments

At 31.12.2017, the company's leases concerned motor vehicles as well as buildings. The minimum future payments based on valid contracts as at 31 December 2017 are the following

Minimum future payments

Amounts in € thousand	Group			Company		
	Up to year	Up to 5 years	Over 5 years	Up to year	Up to 5 years	Over 5 years
Motor vehicle	463	662	-	463	662	-
Buildings	55	246	47	53	246	47
Total	**518**	**908**	**47**	**516**	**908**	**47**

Except the above mentioned, there are no other contingent liabilities.

4.6.28.5 Capital comittements

At 31.12.2017 there were no capital commitments for the Group and the Company

4.6.29 Cash Flows

Amount ins € thousand	Group		Company	
	01.01-31.12.2017	01.01-31.12.2016	01.01-31.12.2017	01.01-31.12.2016
Total cash inflow/(outflow) from operating activities	1.251	1.800	599	784
Total cash inflow/(outflow) from investing activities	-2.628	-1.316	-2.278	-176
Total cash inflow/(outflow) from financing activities	1.606	2.106	1.606	2.106

Cash flow from operating activities, is positive amounting to € 1.251 thousand. This result is reaffirms the Group's capability of generating cash from turnover.

Cash flows from investing activities, presented in a negative € -2.628 thousand as a result of the Group's continuing investing activity.

The cash flow from financing activities amounted to € 1.606 thousand reaffirming its trustworthy position acknowledged investing choices from the domestic banking system.

4.6.30 Contingent Events - Transactions Between The Company And Related Parties (IAS 24) from 01-01-2017 to 31-12-2017

The tables below summarize the transactions carried out with related parties, according to IAS 24, cumulatively from the beginning of the current year, as well as the account receivables and payables at the end of the current and previews year respectively.

There are no transactions of unusual nature or content with significant impact on the Group or the subsidiaries or related parties. All of the transactions with related parties are free of any special condition or clause.

- The sales to and purchases from related parties, are made at normal market prices.
- The above table the transactions between the Company and related parties does not include transactions that have been eliminated from the consolidated financial statements.

Amounts in € thousand	Revenue from dividends		Sales		Income from investment property		Total income-Parent company		Total income-Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
SPACE HELLAS (CYPRUS) LTD	824	778	120	120	-	-	**944**	**898**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	2	2	-	-	**2**	**2**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	3	3	-	-	**3**	**3**	**-**	**-**
Subsidiaries	**824**	**778**	**125**	**125**	**0**	**0**	**949**	**903**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	-	-	-	249	-	-	**0**	**249**	**0**	**249**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	2	2	**2**	**2**	**2**	**2**
Joint Ventures	**0**	**0**	**0**	**249**	**2**	**2**	**2**	**251**	**2**	**251**
MOBICS L.T.D.	-	-	-	1	-	-	**0**	**1**	**0**	**1**
SPACE CONSULTING S.A.	-	-	-	-	1	1	**1**	**1**	**1**	**1**
Web-IQ B.V.	-	-	-	-	-	-	**-**	**-**	**-**	**-**
Associates	**0**	**0**	**0**	**1**	**1**	**1**	**1**	**2**	**1**	**2**
	824	**778**	**125**	**375**	**3**	**3**	**952**	**1.156**	**3**	**253**

Amounts in € thousand	Total expenses Group and Company	
	2017	2016
SPACE HELLAS (CYPRUS) LTD	-	-
SPACE HELLAS (MALTA) LTD	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-
Subsidiaries	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. – SPACE HELLAS	4	-
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1	2
Joint Ventures	**5**	**2**
MOBICS L.T.D.	-	-
SPACE CONSULTING S.A.	5	-
Web-IQ B.V.	-	-
Associates	**5**	**0**
	10	**2**

Amounts in € thousand	Total Receivables - Company		Total Receivables Group	
	2017	2016	2017	2016
SPACE HELLAS (CYPRUS) LTD	474	120	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-
Subsidiaries	**474**	**120**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. – SPACE HELLAS	32	186	32	186
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-
Joint Ventures	**32**	**186**	**32**	**186**
MOBICS L.T.D.	-	-	-	-
SPACE CONSULTING S.A.	10	9	10	9
Web-IQ B.V.	300	-	300	-
Associates	**310**	**9**	**310**	**9**
	816	**315**	**342**	**195**

Amounts in € thousand	Total Receivables - Company		Total Receivables Group		Total Liabilities Group and Company	
	2017	2016	2017	2016	2017	2016
SPACE HELLAS (CYPRUS) LTD	474	120	-	-	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-
Subsidiaries	**474**	**120**	**0**	**0**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	32	186	32	186	13	9
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	0	-	0	1.481	1.479
Joint Ventures	**32**	**186**	**32**	**186**	**1.494**	**1.488**
MOBICS L.T.D.	-	-	-	-	3	3
SPACE CONSULTING S.A.	10	9	10	9	2	-
Web-IQ B.V.	300	-	300	-	-	-
Total related parties	**310**	**9**	**310**	**0**	**5**	**3**
	816	**315**	**342**	**186**	**1.499**	**1.491**

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	2017	2016	2017	2016
Salaries and other employee benefits	1.238	1.384	1.238	1.384
Receivables from executives and members of the Board	1	2	1	2
Payables to executives and member of the Board	26	17	26	17

There are no loans granted towards members of the board or other executives or their families.

Tables of Guarantees to third parties
:

Amounts in € thousand	Group		Company	
	2017	2016	2017	2016
Guarantees to third parties on behalf of subsidiaries and joint ventures	1.837	1.929	1.837	1.929
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	1.837	1.926	1.837	1.926

Amounts in € thousand	Group		Company	
	2017	2016	2017	2016
Guarantees to third parties on behalf of subsidiaries and joint ventures	1.837	1.926	1.837	1.926
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	1.837	1.926	1.837	1.926

The company has issued letters of guarantee issued in favor of the joint venture DORY amounting to € 1.796 thousand, and in favor of the subsidiary SPACE HELLAS (CYPRUS) LTD amounting to € 54 thousand.

4.7 ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority (ESMA / 2015 / 1415el) published the final guidelines on Alternative Performance Measures (APMAs) applicable from 3 July 2016 to companies listed in organized exchange systems. ALPs are disclosed by publishers when publishing regulated information and are intended to enhance transparency and promote the usefulness and fair and full information of the investing public.

The Alternative Performance Measurement Score (ALP) is an adjusted economic measurement of historical or future economic performance, financial position or cash flow, other than the economic measurement set out in the applicable financial reporting framework. That is to say, ALP does not rely exclusively on the standards of financial statements, but provides substantial additional information, excluding elements that may differ from operating results or cash flows. Transactions with non-functional or non-cash valuation with a significant effect on the Statement of Comprehensive Income are considered as factors influencing the adjustment of the indicators to EMMA. These non-recurring items, in most cases, could arise, among others, from:

- impairment of assets
- Restructuring measures
- consolidation measures
- sale of assets or concessions
- changes in legislation, damages for damages or legal claims.

ALPs should always be taken into account in conjunction with the financial results prepared under IFRSs and should under no circumstances be considered as replacing them. The Group uses the adjusted indicators to better reflect the financial and operating performance that is related to the Group's activity as such in the reference year as well as the corresponding comparable period last year.

The definition, analysis and basis of calculation of the ALPs used by the Group is set out below.

Elements Affecting Adaptation

Figures influencing the adjustment of the indices used by the Group to extract the SNAUs according to the first half financial statements 2017 and the corresponding financial statements of the prior period are the provisions of doubtfulness.

The data that affect the adjustment of the indicators (SEMCs) on 31.12.2017 and 31.12.2016 are shown in the table below:

	Group	
Amounts in € thousand	**31.12.2017**	**31.12.2016**
Comprehensive Income Statement		
Provisions for impairment	372	465
Total	**372**	**465**

Based on the above adjustments, the EMMAs used by the Group are formed as follows:

Adjusted EBITDA

Adjusted EBITDA is defined as the sum of Earnings Before Taxes, Financials, Investments and Depreciation, minus the items that affect the adjustment (payments of voluntary retirement plans, doubtful debts, reimbursement fees and non-recurring legal cases).

EBITDA adjusted = EBITDA - Adjusting elements

Amounts in € thousand	Group		
	31.12.2017	**31.12.2016**	**Divergence %**
EBITDA	**4.838**	**4.312**	12,20%
Provisions for impairment	372	465	
EBITDA adjusted	**5.210**	**4.777**	9,06%
Divegence %	8%	11%	

The adjusted EBITDA of 2017 increased by 8% compared to EBITDA, while compared to 2016 the adjusted EBITDA is increased by 9,06%.

Adjusted EBIT

Adjusted EBITDA is defined as the sum of Earnings Before Taxes, Financials and Investments results, minus the items that affect the adjustment (payments of voluntary retirement plans, doubtful debts, reimbursement fees and non-recurring legal cases).

EBIT adjusted = EBIT - Adjusting elements

Amounts in € thousand	Group		
	31.12.2017	**31.12.2016**	**Divergence %**
EBIT	**3.772**	**3.218**	17,22%
Provisions for impairment	372	465	
EBIT adjusted	**4.144**	**3.683**	12,52%
Divergence %	10%	14%	

The adjusted EBIT of 2017 is 10% higher than EBIT, compared to 2016, adjusted EBIT is increased by 12.52%.

Adjusted Cash Flows After Investments

Adjusted cash flows after Investments are defined as the sum of net cash inflows from operating activities less the components that affect the adjustment (payments of voluntary retirement plans, doubtful debts, reimbursement costs and non-recurring legal cases) and by suggesting net cash flows from investing activities, as shown in the table below.

Cash Flows After Investments adjusted	=	Net operating Cashflow	-	Adjusting elements	-	Net Cash flow from investing activity

Amounts in € thousand	Group		
	31.12.2017	31.12.2016	Divergence %
Net Cash flow from operating activities	1.251	1.800	-30,50%
Net Cash flow from investing activity	-2.628	-1.316	99,70%
Cash Flows After Investments	**-1.377**	**484**	-384,50%
Provisions for impairment	372	465	-20,00%
Cash Flows After Investments adjusted	**-1.005**	**949**	-205,90%
Divergence %	-27%	96%	

The, Adjusted Cash Flows after investments for year 2017 are increased by 27% compared to Cash Flows after investments, while compared to the adjusted Cash Flows after investments of 2016 appear to be decreased by 205% due to the Group’s increased investing activity.

Adjusted Net Borrowing

Adjusted net borrowing is defined as net borrowing, which includes other financial assets as theses are are relatively readily convertible assets. The calculations are presented in the table below.

Adjusted Net Borrowing	=	Net Borrowing	-	Other financial Assets

Amounts in € thousand	Group		
	31.12.2017	31.12.2016	Divergence %
Long term loans	9.800	7.848	24,87%
Shor term loans	7.965	8.117	-1,87%
Cash and Cash equivalents	-7.694	-7.465	3,07%
Net Borrowing	**10.071**	**8.500**	18,48%
Other financial Assets	-13	-13	0,00%
Adjusted Net Borrowing	**10.058**	**8.487**	18,51%
Divergence %	-0,13%	-0,15%	

In both the years 2017 and 2016, the adjusted net borrowing is almost identical to the Net Borrowing.

4.8 REVISIONS AND RECLASSIFICATIONS

Financial position

	Company		
	Reported	Reclassification	Reclassified
Amounts in € thousand	**31.12.2016**		**31.12.2016**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital	10.395	0	10.395
Share premium	53	0	53
Fair value reserves	2.421	0	2.421
Other Reserves	4.008	-2.976	1.032
Retained earnings	-3.476	2.976	-500
Equity attributable to equity holders of the parent	**13.401**	**0**	**13.401**
Minority interests	**-**	**-**	**-**
Total equity	**13.401**	**0**	**13.401**

Changes in the Shareholders equity 01.01.2016-31.12.2016

Balance at 1 January 2016 as previously reported	**10.395**	**53**	**2.421**	**0**	**3.546**	**-3.412**	**13.003**
Profit for the year	0	0	0	0	0	791	**791**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Other reserves	0	0	0	0	778	-778	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Unrecouped tax	0	0	0	0	-316	0	**-316**
Actuarial loss	0	0	0	0	0	-109	**-109**
Actuarial loss taxes	0	0	0	0	0	32	**32**
Balance at 31 December 2017	**10.395**	**53**	**2.421**	**0**	**4.008**	**-3.476**	**13.401**
Reclassification	**0**	**0**	**0**	**0**	**-2.976**	**2.976**	**0**
Reclassified Balance at 31 December 2017	**10.395**	**53**	**2.421**	**0**	**1.032**	**-500**	**13.401**

The amount of € 2,976 thousand corresponding to dividends from a subsidiary company SH CYPRUS, which was disclosed in the Company's Statement of Financial Position in a special reserve due to its income tax exemption on 31.12.2016, was transferred to retained earnings as its nature is closer to net tax profits.

This reclassification had no effect on the results and equity of the company.

4.9 SIGNIFICANT POST-BALANCE SHEET EVENTS FROM 1ST JANUARY TO 31ST DECEMBER 2017

There are no post balance sheet events, concerning the company or the Group, that need to be mentioned.

5 FIGURES AND INFORMATION FROM 1ST JANUARY TO 31st DECEMBER 2017

SPACE HELLAS S.A.
GEMI:375501000
Mesogion Av. 312 Ag. Paraskevi

Financial statement and information for the period 1 January 2017 to 31 December 2017

The following results and information, that arise from the financial statements, provide a general picture of the financial position and financial results of the SPACE HELLAS S.A. Thus we suggest the reader, before entering into any sort of investment decision or other transaction with the company, to gain access to the company's web site, where the financial statements can be downloaded, as well as the Auditor's Certificate.

Prefecture	Ministry of Development, Department of Commerce
Company's web site	http://www.space.gr
Date of approval by the Board of Directors	23 February 2018
	Board of Directors Decisions No 3.198
Certified Auditor Accountant	Dimos N. Pitelis (S.O.E.L. Reg. No 14481)
Auditing Company	PKF Euroauditing S.A.
Type of Auditor's report	Without qualification

Board of Directors	
Manolopoulos Spyridon	Chairman, executive member
Mertzanis Ioannis	CEO, executive member
Mpellos Christos	Vice President, non ececutive member
Doulaveris Ioannis	Executive member
Mpellos Panagiotis	Executive member
Paparizou Anastasia	Executive member
Lagogiannis Georgios	Executive member
Patsouras Athanasios	Indipendent - non executive member
Chatzistamatiou Theodoros	Indipendent - non executive member

1.1 STATEMENT OF FINANCIAL POSITION

(consolidated and non consolidated) Amounts in € thousand	GROUP 31.12.2017	GROUP 31.12.2016	COMPANY 31.12.2017	COMPANY 31.12.2016
ASSETS				
Property, plant and equipment	16.319	15.876	16.292	15.847
Investment properties	0	0	0	0
Intangible assets	1.751	1.614	1.749	1.610
Other non current assets	2.239	1.183	2.297	1.236
Inventory	3.578	3.252	3.578	3.252
Receivables (trade debtors)	14.295	12.455	13.831	11.957
Other current assets	12.517	11.940	12.211	11.548
TOTAL ASSETS	**50.699**	**46.320**	**49.958**	**45.450**
EQUITY AND LIABILITIES				
Share capital	6.973	10.395	6.973	10.395
Other components of equity	7.695	3.390	7.216	3.006
Total equity attributable to owners of the parent (a)	**14.668**	**13.785**	**14.189**	**13.401**
Non controlling interests (b)	2	2	-	-
Total Equity (c) = (a)+(b)	**14.670**	**13.787**	**14.189**	**13.401**
Long term borrowings	9.800	7.848	9.800	7.848
Long term provisions / Non current liabilities	869	1.017	893	1.036
Short term borrowings	7.965	8.117	7.965	8.117
Other current liabilities	17.395	15.551	17.111	15.048
Total Liabilities (d)	**36.029**	**32.533**	**35.769**	**32.049**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**50.699**	**46.320**	**49.958**	**45.450**

1.3 STATEMENT OF CHANGES IN EQUITY

(consolidated and non consolidated) Amounts in € thousand	GROUP 31.12.2017	GROUP 31.12.2016	COMPANY 31.12.2017	COMPANY 31.12.2016
Total equity in the beginning of the year (1/1/2017 and 1/1/2016	13.787	12.961	13.401	13.003
Total comprehensive income after taxes (continued and discontinued	1.077	826	982	398
Increase / (Decrease) of Share Capital	-3.422	0	-3.422	0
Cancellation of own shares	0	0	0	0
Other Changes	3.422	0	3.422	0
Dividends to Shareholders of the parent	-194	0	-194	0
Non controlling interests	0	0	0	0
Total equity at the end of the year Total equity at the end of the period (31.12.2017 and 31.12.2016)	**14.670**	**13.787**	**14.189**	**13.401**

1.4 CASH FLOW STATEMENT FOR THE YEAR

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-31.12.2017	GROUP 01.01-31.12.2016	COMPANY 01.01-31.12.2017	COMPANY 01.01-31.12.2016
Operating Activities :				
Profit before taxes (continued operations)	1.652	1.401	1.257	1.012
Plus/Less adjustments for :				
Depreciation	1.066	1.094	1.062	1.089
Impairment of tangible and intangible assets	0	0	0	0
Provisions	510	591	510	591
Foreign exchange differences	-157	-66	-152	-68
Net (profit)/Loss from investing activities	-23	252	-839	-527
Interest and other financial expenses	2.166	1.885	2.160	1.878
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-327	451	-327	451
Decrease/(increase) in Receivables	-2.731	-1.492	-3.386	-1.527
(Decrease)/increase in Payables (excluding banks)	391	-246	1.107	-312
Less:				
Interest and other financial expenses paid	-1.760	-1.639	-1.753	-1.632
Taxes paid	464	-431	960	-171
Total cash inflow/(outflow) from operating activities (a)	**1.251**	**1.800**	**599**	**784**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.003	0	-1.003	0
Purchase of tangible and intangible assets	-1.702	-1.503	-1.702	-1.503
Proceeds from sale of tangible and intangible assets	26	42	26	42
Interest received	51	145	51	145
Dividends received	0	0	350	1.140
Total cash inflow/(outflow) from investing activities (b)	**-2.628**	**-1.316**	**-2.278**	**-176**
Cash flow from Financing Activities				
Proceeds from Borrowings	4.194	3.907	4.194	3.907
Payments of Borrowings	-2.394	-1.801	-2.394	-1.801
Dividends paid to shareholders of the Company	-194	0	-194	0
Total cash inflow/(outflow) from financing activities (c)	**1.606**	**2.106**	**1.606**	**2.106**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	229	2.590	-73	2.714
Cash and cash equivalents at beginning of period	7.465	4.875	7.115	4.401
Cash and cash equivalents at end of period	**7.694**	**7.465**	**7.042**	**7.115**

1.2 STATEMENT OF COMPREHENSIVE INCOME

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-31.12.2017	GROUP 01.01-31.12.2016	COMPANY 01.01-31.12.2017	COMPANY 01.01-31.12.2016
Turnover	59.658	48.169	56.559	44.906
Gross Profit	14.155	13.069	12.933	11.886
Profit before taxes, financing and investing activity	3.772	3.218	2.548	2.044
Profit before taxes	**1.652**	**1.401**	**1.257**	**1.012**
Profit after taxes (A)	1.114	900	1.006	791
- *Owners of the parent*	1.114	900	1.006	791
- *Non controlling interests*	0	0		
	1.114	900	1.006	791
Other comprehensive income after taxes (B)	-37	-74	-24	-393
Total comprehensive income after taxes (A)+(B)	1.077	826	982	398
- *Owners of the parent*	1.077	826	982	398
- *Non controlling interests*	0	0		0
Earnings (after taxes) per share - basic in €	0,1725	0,1394	0,1558	0,1225
Profit before taxes, financing and investing activity and depreciation	**4.838**	**4.312**	**3.610**	**3.133**

Additional information

1. The shares of the company were listed on the Athens Stock Exchange on 29-9-2000. The earnings per share were calculated based on the weighted average number of ordinary shares in issue amounting to 6.456.530
2. On 13/06/2017, by decision of the Ordinary General Meeting of Shareholders, the share capital of the company was reduced by offsetting losses of previous years amounting to € 3,476 thousand. The remaining amount that was not offset due to rounding amounts to € 54 thousand was covered by the Company's statutory reserve (see note 4.6.19)
3. The companies of the Group, the percentage ownership and the consolidation method for the ending period are disclosed in note 4.6.12 of the Annual financial report of 2017.
4. The tax un-audited years of the Company and the Group are disclosed in note 4.6.28 of the Annual financial report of 2017.
5. The company has formed a provison for the tax unaudited years amounting to 122 thousand euro for years 2009 and 2010. For the rest of the Group's companies no provision has been formed as the impact of the additional tax is deemed to be insignificant (note 4.7.25). There are no other provisions formed (note 4.7.28). No other reserves are formed (note 4.7.26).
6. There are no other disputed or under arbitration cases of national or administrative courts that may have a material effect on the financial position of the Company.
7. There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, and the underwriting, amounting to € 1.200 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki.
8. The personnel employed at 31-12-2017 for the Group amounted to 292 persons and for the Company amounted to 291 while as at 31.12.2016 amounted to 262 and 261 respectively.
9. The same Accounting Policies have been followed as for the financial statements as at 31.12.2016.
10. Note 4.3 of the Annual financial report of 2017 refers to the comprehensive income after taxes for the company and the Group.
11. Intercompany transactions for the period from 1 January 2016 to 31 December 2017 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	3	952
b) Purchases of goods and services	10	10
c) Receivables from related parties	342	816
d) Payables to related parties	1.499	1.499
e) Key management compensations	1.238	1.238
f) Receivables from key management	1	1
g) Payables to key management included in above	26	26

The company has guaranteed to financial institutions for bank credit limits for the JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY") up to the amount of € 1.796 thousand and for the subsidiary SPACE HELLAS (CYPRUS) Lt.d.up to the amount of € 41 thousand, through the issuance of letters of guaranty.

Agia Paraskevi, 23 February 2018

CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER AND EXECUTIVE MEMBER OF THE BOARD	CHIEF ACCOUNTANT AND EXECUTIVE MEMBER OF THE BOARD
SPYRIDON MANOLOPOULOS	IOANNIS MERTZANIS	IOANNIS DOULAVERIS	ANASTASIA PAPARIZOU

6 GROUP'S WEB SITE AND AVAILABILITY OF THE PUBLISHED FINANCIAL REPORT

The reader can refer to the company's website www.space.gr where the financial statements of both the company and its subsidiaries are posted.

We certify that the attached annual financial report, from pages 1 to 77, includes the annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2017 to December 31, 2017, which have been approved by the Board of Directors of SPACE HELLAS SA on February 23th , 2018 and have been published by posting them on the internet, at the address http://www.space.gr., and have been signed by the following:

CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER AND MEMBER OF THE BOARD	CHIEF ACCOUNTANT AND MEMBER OF THE BOARD
SPYRIDON MANOLOPOULOS	**IOANNIS MERTZANIS**	**IOANNIS DOULAVERIS**	**ANASTASIA PAPARIZOU**