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FINANCIAL REPORT FOR THE SIX MONTH PERIOD

From 1st January 2018 to 30th June 2018

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

The Financial Report for the Six Month Period from 1st January to 30th June 2018 has been prepared in accordance with art. 5, Law 3556/2007, has been approved by the Board of Directors at 24th September 2018 and has been uploaded at the URL address *www.space.gr*

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1 STATEMENTS OF MEMBERS OF THE BOARD (In accordance with article 5 par.2 of Law 3556/2007)

The Members of the Board of Directors

- Spyridon D. Manolopoulos, Chairman of the Board, executive member
- Ioannis A. Mertzanis 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, 2018 to June 30, 2018, 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, 24 September 2018

The Designated member by the Board of Directors:

The Chairman of the Board	Chief Executive Officer	Member of the Board and Chief Financial Officer
S. Manolopouos	I. Mertzanis	I. Doulaveris

2 SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2018 – 30.06.2018

The present report of the Board of Directors of SPACE HELLAS, refers to the financial period from January 1, 2017 to June 30, 2018 and is compliant to the provisions of the Greek Companies' Act, Codified Law 2190/1920, art 136, as well as art. 5 § 6 L.3556/2007 and related HCMC circulars and the relevant IFRS adopted by the European Union as well.

This report summarises the financial position and other relevant information for the Group and the Company, the important issues that took place during the first half of year and their impact on the financial statements, the risk and uncertainties of the Group and the Company for the second half of the year and he transactions with related parties during the period, presenting in a true, condensed, yet comprehensive manner, all the necessary information required by law, enabling to obtain a substantive and accurate information on the Group's and the Company's activities for the relevant period.

The key information reference of this report is the consolidated financial data of the Company and its affiliated companies, and with reference to the individual (non-consolidated) financial data of the Company, only where it is deemed appropriate or necessary for a better understanding of its content.

The present report is included unchanged in the interim Financial Report of half year 2018, along with the financial statements and the rest of the necessary information, the relevant declarations and the explanatory notes.

All amounts are expressed in euro unless stated otherwise.

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

2.1 FINANCIAL POSITION – PERFORMANCE – OTHER INFORMATION

2.1.1 FINANCIAL FIGURES

With the completion of the third bailout package that took place formally in August 2018, the Greek economy is entering a new phase characterized by new prospects but also major challenges, with major pillars, the stabilization of the banking system and the improvement of the economic environment aiming to attract investments.

The Greek economy has achieved a positive growth rate but still has to recover significant losses of previous years.

Increased taxation, the need to achieve high primary surpluses and the problems in managing non-performing loans appear today to be the main challenges of the Greek economy that may negatively affect the economic outlook.

The time required to achieve these goals is an important factor of success, as further delay will negatively affect and magnify the effects of the prolonged recession. The conditions for financing the real economy, although improved, are still off target.

SPACE Group, as part of the country's economic process, is inevitably affected by the above developments, but at the same time it is enforced by the expansion of commercial solutions, the spread of commercial risks and its constantly improving capital structure.
The effort to expand abroad will continue through partnerships but also the tracking and exploitation of all business opportunities that fit with the Group's philosophy, to undertake a reasonable risk and to achieve satisfactory profitability.

Global economy is also moving into a search for new balance where low-cost capital coexists with lower-than-expected inflation. As a result, any business decisions should take into account not only the domestic but also the international macroeconomic and financial environment as well. Interest rates, currency fluctuations and bond yields need to be carefully 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.

More detailed data of the financial statements compared to those of the previous period are provided in the following pages.

2.1.1.1 Period's total income

	Group			Company		
Amounts in € thousand	**01.01-30.06.2018**	**01.01-30.06.2017**	**VARIATION %**	**01.01-30.06.2018**	**01.01-30.06.2017**	**VARIATION %**
Revenue	27.641	25.164	9,84%	25.856	23.549	9,80%
Gross profit/loss	8.187	5.875	39,35%	7.301	5.249	39,09%
Gross profit margin	30%	23%		28%	22%	
EBITDA	3.223	2.127	51,53%	2.351	1.445	62,70%
EBIT	2.629	1.609	63,39%	1.761	929	89,56%
Earnings before taxes	1.141	849	34,39%	1.201	995	20,70%
Earnings after taxes	638	548	16,42%	855	854	0,12%

The Group's turnover amounted to € 27. 641 thousand compared to € 25.164 thousand of the previews period showing an increase of 9,84%.

The Group's Gross profit amounted to € 8.187 thousand compared to € 5.875 thousand of the previews period attributable to an increased participation of high value added sales.

The Group's EBITDA amounted to € 3.223 thousand compared to € 2.127 thousand of the previews period as a result of the increased sales.

The Group's EBIT amounted to € 2.629 thousand compared to € 1.609 thousand of the previews period, following the same pattern as in EBITDA.

The Group's earnings before taxes amounted to € 1.141 thousand compared to € 849 thousand of the previews period showing an increase of 34,39%.

The Group's earnings after taxes amounted to € 638 thousand compared to € 548 thousand of the previews period showing an increase of 16,42%.

Statement of comprehensive income

The other comprehensive income after taxes comprises the net amount of -245 thousand, of the revaluation of property at the fair value based on evaluation performed by independent valuators, the ne amount of €-32 thousand of actuarial results (IAS 19) after taxes and the amount of €-1 thousand, of currency differences from consolidation of subsidiaries.

The other comprehensive income after taxes of previews year comprises the net amount of -17 thousand, of actuarial results (IAS 19) after taxes and the amount of -5 thousand, of currency differences from consolidation of subsidiaries.

2.1.1.2 Assets

Amounts in € thousand	Group			Company		
	01.01-30.06.2018	01.01-31.12.2017	VARIATION %	01.01-30.06.2018	01.01-31.12.2017	VARIATION %
Total Assets	51.520	50.699	1,62%	50.900	49.958	1,89%
Total noncurrent receivables	19.733	20.309	-2,84%	19.767	20.338	-2,81%
Inventories	4.392	3.578	22,75%	4.392	3.578	22,75%
Trade receivables	15.957	14.295	11,63%	15.077	13.831	9,01%
Other receivables	11.438	12.517	-8,62%	11.664	12.211	-4,48%

The Group's Total Assets amounts to € 51.520 thousand compared to € 50.699 thousand of year 2017.

The Group's noncurrent receivables' net value, comprising the goodwill after impairments, and the revaluated buildings, amount to € 19.733 thousand compared to € 20.309 thousand of year 2017.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 4.392 thousand compared to 3.578 thousand of year 2017.

The Group's Trade receivables amount to € 15.957 thousand compared to € 14.295 thousand of year 2017 Showing an increase of 11,63%, following the second quarter's increase of sales.

The Group's other receivables amount to € 11.438 thousand compared to € 12.517 thousand of year 2017.

2.1.1.3 Liabilites

Amount in € thousand	Group			Company		
	01.01-30.06.2018	01.01-31.12.2017	VARIATION %	01.01-30.06.2018	01.01-31.12.2017	VARIATION %
Total Liabilities	51.520	50.699	1,62%	50.900	49.958	1,89%
Shareholders' Equity	15.001	14.670	2,26%	14.737	14.189	3,86%
Long term loans	11.424	9.800	16,57%	11.424	9.800	16,57%
Other long term liabilities	1.133	869	30,38%	1.159	893	29,79%
Short term loans	8.879	7.965	11,48%	8.879	7.965	11,48%
Other short term liabilities	15.083	17.395	-13,29%	14.701	17.111	-14,08%

The Shareholders' equity amounts to € 15.001 thousand compared to € 14.670 thousand.

The Group's long term loans amounts to € 11.424 thousand compared to € 9.800 thousand compared to year 2017. The loans concern:

- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.000 thousand.
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 500 thousand.
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 312 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 2.122 thousand.
- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.725 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.125 thousand.
- The mortgage loan ending at 2020, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.140 thousand.
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.500 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 4,52%.

The Group's other long term liabilities amount to € 1.133 thousand compared to € 869 thousand of year 2017.

The Group's short term loans amount to € 8.879 thousand compared to € 7.965 thousand of year 2017.

The Group's other short term liabilities amount to € 15.083 thousand compared to € 17.395 thousand of year 2017.

2.1.1.4 Cash Flow

	Group		Company	
Amount ins € thousand	01.01-30.06.2018	01.01-30.06.2017	01.01-30.06.2018	01.01-30.06.2017
Total cash inflow/(outflow) from operating activities	-3.860	-2.559	-4.157	-2.791
Total cash inflow/(outflow) from investing activities	-642	-1.870	-222	-1.620
Total cash inflow/(outflow) from financing activities	2.537	2.201	2.537	2.201

Cash flow from operating activities, is negative amounting to € -3.860 thousand as sales have been increased in the year's second quarter. This has led to an increase of receivables, and combined with the increased cost of sales of the first semester have created a negative impact on the cash flow.

Cash flow from investing activities is negative amounting to € -642 thousand.

The cash flow from financing activities is positive amounting to € 2.537 thousand. This result provides a confirmation of the Group's ease of access to financial institutions for the financing of its activities and the excellent relations with the banking system.

2.1.1.5 Performance ratios

		Group		Company	
		30.06.2018	30.06.2017	30.06.2018	30.06.2017
A.	**LIQUIDITY RATIOS**				
A1.	CURRENT RATIO	132,65%	136,72%	132,03%	136,94%
A2.	QUICK RATIO	114,32%	113,24%	113,41%	113,04%
A3.	ACID TEST RATIO	23,91%	28,45%	22,05%	27,12%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,25	0,27	0,24	0,27
B.	**CAPITAL STRUCTURE RATIOS**				
B1.	DEPT TO EQUITY	243,45%	217,09%	245,40%	216,11%
B2.	CURRENT LIABILITIES TO NET WORTH	159,74%	128,63%	160,01%	127,03%
B3.	OWNER'S EQUITY TO TOTAL LIABILITIES	41,08%	46,06%	40,75%	46,27%
C.	**PROFITABILITY RATIOS**				
C1.	GROSS PROFIT MARGIN	29,62%	23,35%	28,24%	22,29%
C2.	NET PROFIT MARGIN	4,13%	3,38%	4,64%	4,23%
D.	**OPERATING EXPENSES RATIOS**				
D1.	OPERATING RATIO	87,67%	95,45%	90,22%	97,39%
D4.	LOANS TO TOTAL ASSETS	39,41%	40,03%	39,94%	40,41%

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. During the first semster of year 2018 the share capital remain unchanged.
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	30.06.2018	31.12.2017
Paid up capital	6.973.052,40	6.973.052,40
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,08 €

Earnings per share calculation for the year is calculated as earnings divided by the weighted average number of shares, which amounts 6.456.530.

2.1.1.7 Own Shares

The company does not possess any own shares as at 30-06-2018.

2.1.1.8 Dividend policy

According to the current legislation, the company is legally obliged to form the legal reserve and 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 Ordinary General Meeting of the shareholders on 27-06-2018 (continuation of the 5-6-2018 meeting) decided to distribute a part of the reserve at the amount of € 452 thousand or € 0.07 per share to the Shareholders, setting the Beneficiary Identification Date, Thursday 5 July 2018, and Dividend Date, Wednesday, July 4, 2018, Distribution Date: Wednesday, July 10, 2018, and Alpha Bank as the 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	Country	Status/Field	Ownership percentage		Consolidation method
			Direct	Indirect	
Subsidiaries					
SPACE HELLAS (CYPRUS) LTD	Cyprus	Telecommunication Services	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	Romania	Telecommunication Services - Real Estate	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	Telecommunication Services	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	Malta	Telecommunication Services	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	Jordan	Telecommunication Services	-	100%	Full Consolidation
Joint Ventures					
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	Greece	Liquidation	35%	-	Equity method
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	Greece	Liquidation	50%	-	Equity method
Associates					
MOBICS S.A.	Greece	Design Development in Computing Environments	18,10%	-	-
Web-IQ B.V.	Netherlands	Specialised Applications	17,21%	-	-

2.1.1.10 Commitments -Guarantees

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

	Group		Company	
Amounts in € thousand	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Guarantee letters to secure good performance of contract terms	2.890	3.050	2.890	3.050
Total contingent liabilities	**2.890**	**3.050**	**2.890**	**3.050**

On 30.06.2018 there were no outstanding guarantee letters to secure good performance. On 31.12.2017 the amount issued in favour of joint ventures for guarantee letters to secure good performance was € 326 thousand.

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 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 to obtain the tax certificate from the statutory auditors. 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 4.6.27) 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.

2.2 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 30.06.2018 and 30.06.2017 are shown in the table below:

	Group	
Amounts in € thousand	**30.06.2018**	**30.06.2017**
Comprehensive Income Statement		
Provisions for impairment	197	193
Total	**197**	**193**

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

Adjusted EBITDA

The adjusted EBIT for year 2017 is 6% higher than EBITDA, while compared to previews period, results to be increased by 47,41%.

Adjusted EBIT

The adjusted EBIT for year 2017 is 7% higher than EBIT, while compared to the previews period, results to be increased by 56,83%.

Adjusted Cash Flows After Investments

The, Adjusted Cash Flows after investments for the current and the previews period as well are increased by 4% compared to Cash Flows after investments.

Adjusted Net Borrowing

In both the current and the previews period, 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 THE FIRST HALF OF YEAR 2018 AND THEIR IMPACT ON THE FINANCIAL STATEMENT

Significant facts that took place during the period from 1st January to 30th June 2018 are the following:

- On 20 March 2018 a branch was established in Cyprus by SPACE HELLAS SA.
- On 2 May 2018 the Joint Venture "UniSystems - SPACE HELLAS JOINT UNDERTAKING" was put into solution and put into liquidation as the project for which it was set up was completed.
- On May 22, 2018 with the decision no.5184 of the Management of Information Society SA it was decided to terminate the Contract for the project "Infrastructure Development for the initial service of the needs of the Public Sector Companies of Remote Areas for Advanced Communications Technologies with the use of the Public Sector Satellite system Hellas Sat - Don ", after the repayment of the total advance paid and the release of the letters of guarantee.
- Thirty-second Annual General Meeting of Shareholders of 27-06-2018 (continuation of the 5-6-2018 meeting) on the agenda of the following:
  - Issue 1: Submission and approval of the Annual Financial Report (Group and Company), in accordance with the International Financial Reporting Standards, for the financial year 01/01/2017 - 31/12/2017, including the Annual Financial Statements and Statements of the Board of Directors and the Certified Auditor
  - Issue 2: Approval of the distribution of results.
  - Issue 3: Distribution of part of Reserve L.3943 / 2011 article 14, article 4, par. 4172/2013, article 48 in combination with POL 1007/2014 and POL 1039/2013.
  - Issue 4: Discharge of the members of the Board of Directors and the auditors from any liability for compensation for the management of the fiscal year 1/1/2017 - 31/12/2017.
  - Issue 5: Approval of paid fees and indemnities of the members of the Board of Directors for the fiscal year from 1/1/2017 to 31/12/2017 and pre-approval of remuneration and indemnities for the fiscal year from 1/1/2018 to 31/12/2018.
  - Issue 6: Election of statutory and substitute statutory auditors for the audit of the financial statements (corporate and consolidated) for the financial year 2018, in accordance with International Financial Reporting Standards and determination of their remuneration.
  - Issue 7:Approval for the acquisition of treasury shares according to article 16 of the Codified Law 2190/1920. 2190/1920.
  - Issue 8: Approval of contracts according to article 23A of CL. 2190/1920.
  - Issue 9: Amendment of Article 29 (2) of the Company's Articles of Association.
  - Issue 10: Announcement of the election of a new executive member of the company's Board of Directors to replace a resigning executive member, in accordance with the provisions of article 18 of Codified Law 2190/1920. 2190/1920.
  - Issue 11: Granting of a permit pursuant to article 23 par. 2190/1920 to the members of the Board of Directors and the Directors of the Company.
  - Issue 12: Various announcements.

2.4 BUSINESS PROSPECTICES FOR THE SECOND HALF OF YEAR 2018

SPACE HELLAS, having experienced a positive first half in 2018, with an increase in economic growth compared to first half 2017, is expected to continue its positive course in the coming years. The stable customer and private sector revenue base as disclosed in the annual financial report 2017 (paragraph 2.4) supports the corporate profitability as planned and there is no expected significant variation.

Significant ongoing complex project for **private sector** are:

- **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**:

- **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.**
  - 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 Foreign Affairs: ongoing contract for the NVIS project, ending on 11/2019, with a budget of **€ 500 thousand**.

- **Ministry of Citizen Protection:**
  - Full page travel document readers with a budget of **€ 630 thousand**.
    Our Company is a temporary contractor, the contract is expected to be signed shortly.
  - Upgrading the Database Infrastructure and Other Equipment with a budget of **€ 990 thousand**. Space Hellas is a bidder in 2 out of 4 sub-projects**.**
  - Supply of IT products. budget of € 176 thousand. Space Hellas is a bidder in 1 subproject.
  - Establishment of a Business Center as the single point of contact (S.P.O.C.) of a budget of € 685 thousand. Pending completion of the evaluation process.
  - Relocation and Supply of Equipment for the National Border, Immigration and Asylum Co-ordination Center (ESSESA) with a budget of € 1.05 million. The technical evaluation of the project is ongoing.
  - The renewal of maintenance contracts for ETAP, e-Crime and Remote Access System projects, with a total budget of more than € 650 thousand, is expected.

- **Ministry of Education:**
  - IT Supply bid for 4 departments with a budget of **€ 400 thousand**.
    Pending the evaluation process.
  - Supply, installation and configuration of hardware and software for the implementation of a secure transmission system for examinations and certifications, with a budget of **€ 1.13 million**.
    Pending the evaluation process.

- **ERT SA:**
  Supply of equipment, installation and commissioning of terrestrial digital terrestrial broadband budget **€ 400 thousand**.
  The contract has been signed.

At the International Fair in Thessaloniki, SPACE HELLAS participated in the **Cisco** Pavilion, where it presented the Web-IQ solutions within Cisco Ecosystem Partner Solutions. Also, at the **Microsoft** Pavilion, presentations were held entitled **"Empowering your cloud transformation journey: azure solutions & practices"**. Finally, at the meeting of the **Hellenic-American Chamber** of Commerce and Industry in the framework of the TIF on **"Cyber Security & Data Protection"**, a speech entitled "Uncovering the blind spots of future digital risks" took place.

For the second half of 2018, the company plans to participate in major exhibitions and promotions in collaboration with international construction companies such as **Cisco, DELL-EMC, Microsoft** and **Oracle** both in Greece and abroad.

For research and development activities, four (4) new European and five (5) national research / development projects were approved in the first half of 2018, covering a wide range of research activities in the fields of IT, telecommunications and security. Of the European projects, the three are part of the Horizon 2020 program and concern large data analysis systems with surveillance applications (TRESSPASS, EVOLVE) and fifth generation mobile networks (5GENESIS). The fourth is the work of the European Space Agency (ESA) and deals with a PSS-Pooling and Sharing System mediation system. Of the national projects, the four are co-funded by GSRT within the framework of the "Research-Innovation-Innovation" action and concern EMISSION, the NEREAS data management system for optimizing consumption on merchant ships, autonomous vehicles (AVINT) as well as intelligent power distribution networks (SG ^ 2). The fifth project is co-funded by the Regional Operational Program of Epirus and concerns a medical data management system.
All of these works begin in the second half of 2018.

For composite projects abroad that are under evaluation we have to mention the following:

- **CYPRUS**,
  - Offer evaluation for the project "Governmental Integrated Network of the Ministry of Transport, Communications and Works of Cyprus (GUN)" with a budget of **€ 16 million**.
  - Evaluation of the Bid for the pre-selection stage of the project "Supply of Installation and Maintenance of Electronic Surveillance Systems at the National Guard CYPRUS" of a budget of **€ 10 million.**
  - Waiting for a re-submission of the project "Supply, Implementation and Management of Systems and Equipment with the Public-Private Partnership (PPP) Method for the Prevention and Combating of Violence in Sports Facilities" to the Cyprus Sport Organization (CSO). The project is expected to be re-announced by 2018.
- **MALTA**
  - Hybrid Cloud Enabling Infrastructure and Services for the state-owned MITA (Malta Information Technology Agency), with a budget of **€ 15 millions**. Space Hellas is the contractor of the project in cooperation with a local company, the contract was signed in September 2018.
  - Workflow Automation Solutions for the state-owned MITA (Malta Information Technology Agency). Involvement as a subcontractor for a range of services.

To sum up, for the second half of 2018, the Group is expected to continue the growth path recorded in the first half with an increase in economic aggregates creating the conditions for new historical revenue. The positive credit rating of the group by the banking system strengthens the smooth running of the Group's 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	**30.06.2018**		**30.06.2017**	
USD	**Exchange rate variation**	**Effect on profit before tax**	**Exchange rate variation**	**Effect on profit before tax**
	10%	-680	8%	-450
	-10%	680	-8%	450

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:

Currency	30.06.2018		30.06.2017	
euro	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
	1%	-200	1%	-150
	-1%	200	-1%	150

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, favors 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 as at 30.6.2018 and 31.12.2017 respectively.

Group								
Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Borrowings	20.303	17.765	8.879	7.965	7.699	3.546	3.725	6.254
Trade and other payables	15.089	17.401	15.083	17.395	-	-	6	6

Amounts in € thousand	Company Total		Less than 1 Year		1 to 5 years		>5years	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Borrowings	20.303	17.765	8.879	7.965	7.699	3.546	3.725	6.254
Trade and other payables	14.733	17.141	14.701	17.111	26	24	6	6

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.

Amounts in € thousand	Group 30.06.2018	Group 31.12.2017	Company 30.06.2018	Company 31.12.2017
Short term Borrowings	8.879	7.965	8.879	7.965
Long term Borrowings	11.424	9.800	11.424	9.800
Less: cash and cash equivalents	-5.729	-7.694	-5.200	-7.042
Net Debt	**14.574**	**10.071**	**15.103**	**10.723**
Equity	15.001	14.670	14.737	14.189
Total capital employed	**29.575**	**24.741**	**29.840**	**24.912**
Gearing ratio	**49,28%**	**40,71%**	**50,61%**	**43,04%**

The significant increase of turnover in the first half of 2018 by 10%, generated increased financing needs, which led to an increase of the net debt for approximately € 4,5 millions. This is considered to be temporary as the first half of each year includes higher service cost compared to the second half. As a result the leverage ratio increased from 40,7% to 49,28%, and is expected to be smoothen by the end of the year. The Group's ease of access to financial institutions for the financing of its activities has been confirmed also in this first half.

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 Applied

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*.

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 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. As part of the Group's commitment to an environmentally responsible operation, we have developed and implemented an Environmental Management System in accordance with the ISO14001: 2004 international standard for which we have been certified by independent internationally accredited certification bodies in Athens and Thessaloniki.

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 RESEARCH AND DEVELOPMENT

Space Hellas is actively involved in R & D at both European and national level, recognizing the importance of knowledge in specialized areas of science and technology and, on the other hand, the exploitation of technological achievements and new opportunities for creating innovative solutions and meeting new customer needs. R & D aims to reinforce this activity by analyzing current market demands to anticipate long-term opportunities. With the participation of Space Hellas in pilot and research projects, both national and European as well as self-financing, the company adopts and develops new technologies, products and services while expanding its network of partners. At the same time, the Research and Development sector has demonstrated a multitude of successful projects that have been recognized on a pan-European level and is increasingly being developed with more proposals for cooperation from European companies and prestigious academic institutions. What Space Hellas seeks, however, is to integrate knowledge and know-how into its projects, solutions and services to ensure a strong competitive advantage.

By participating in pilot and research projects, both national and European as well as internal projects, the company adopts and develops new technologies, products and services, while expanding its network of partners. The acquired knowledge and know-how from these projects offers, among other things, the opportunity to contribute to the research and development sector both in projects of Integration and in commercial and military projects, thus being an important activity for Space Hellas.

The Research and Development Division is active in the following areas of systems, applications and services:

- Future Internet
- Cloud-based applications
- IT Monitoring and Intelligence
- 3G/4G wireless, mobile, satellite and hybrid systems
- M2M Sensor Networks
- Geoinformatics
- Global Monitoring and Security
- Telematics
- Location-based and context-aware applications
- Software platforms (middleware, agent platforms)
- Ambient Assisted Living
- E-Collaboration and e-Learning technologies
- Training Simulators

2.10 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The trade transactions of the Group and the Company with the related parties during the period have been carried out under normal market conditions.

The Group and the Company are not involved in any transaction of an unusual nature or content that is material to the Group or the Companies and persons closely associated with the Group and are not intended to engage in such transactions in the future. None of the transactions involve special terms and conditions.

The tables below summarize the transactions and the account balances with related parties carried out during a' 2018 and a' 2017 respectively:

Amounts in € thousand	Dividends received		Sales of goods and services		Rentals		Total company income		Total Group income	
	30.06		30.06		30.06		30.06		30.06	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
SPACE HELLAS (CYPRUS) LTD	926	823	-	60	-	-	**926**	**883**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-	**0**	**0**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-	**0**	**0**	**-**	**-**
Subsidiaries	**926**	**823**	**0**	**60**	**0**	**0**	**926**	**883**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	-	-	-	-	-	-	**0**	**0**	**0**	**0**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	1	1	**1**	**1**	**1**	**1**
Joint Ventures	**0**	**0**	**0**	**0**	**1**	**1**	**1**	**1**	**1**	**1**
MOBICS S.A.	-	-	-	-	-	-	**0**	**0**	**0**	**0**
SPACE CONSULTING S.A.	-	-	-	-	-	-	**0**	**0**	**0**	**0**
Web-IQ B.V.	-	-	-	-	-	-	**0**	**0**	**0**	**0**
Total related parties	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	926	**823**	**0**	**60**	**1**	**1**	**927**	**884**	**1**	**1**

Amounts in € thousand	Total expenses for Company and Group	
	30.06	
	2018	2017
SPACE HELLAS (CYPRUS) LTD	-	-
SPACE HELLAS (MALTA) LTD	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-
Subsidiaries	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	1	2
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1	1
Joint Ventures	**2**	**3**
MOBICS S.A.	-	-
SPACE CONSULTING A.E.	-	5
Web-IQ B.V.	-	-
Total related parties	**0**	**5**
	2	**8**

Amounts in € thousand	Receivables Company		Receivables Group		Total liabilities company and Group	
	30.06		30.06		30.06	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
SPACE HELLAS (CYPRUS) LTD	979	694	-	-	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-
Subsidiaries	**979**	**694**	**0**	**0**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	-	109	-	109	14	11
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA (DORY)	-	-	-	-	12	1.480
Joint Ventures	**0**	**109**	**0**	**109**	**26**	**1.491**
MOBICS S.A.	-	-	-	-	3	3
SPACE CONSULTING S.A.	10	9	10	9	2	5
Web-IQ B.V.	300	-	300	-	-	-
Total related parties	**310**	**9**	**310**	**9**	**5**	**8**
	1289	**812**	**310**	**118**	**31**	**1.499**

- Both the services from and towards the related parties as well as the sales and purchase of goods are contracted with the same trade terms and conditions as for the non-related parties.
- From the above table the transactions between the Company and related parties have been eliminated from the consolidated financial statements.

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
Salaries and other employee benefits	642	611	642	611
Receivables from executives and members of the Board	1	11	1	11
Payables to executives and member of the Board	38	29	38	29

- No loans have been given to members of the Board or other executive members nor to their family members.

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
Guarantees to third parties on behalf of subsidiaries and joint ventures	41	1.850	41	1.850
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	41	1.850	41	1.850

- The company has granted guarantees to banks in favor of the subsidiary SPACE HELLAS (CYPRUS) LTD., amounting to € 41 thousand.

2.11 SIGNIFICANT POST-BALANCE SHEET EVENTS

- The distribution of part of the reserve, Law 3943/2011 article 14, Law 41172/2013, article 48 in combination with POL 1007/2014 and POL 1039/2013, to the shareholders according to the 27-06-2018 continuation of the 5-6-2018 meeting) decision of the Annual General Meeting of the Shareholders, took place The distributed reserve amounts to € 452 thousand or € 0.07 per share with the Beneficiaries Identification Date: Thursday July 5, 2018, Dividend Date: Wednesday July 4, 2018, Distribution Date: Wednesday, July 10, 2018 and Paying Bank to Alpha Bank.

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

Agia Paraskevi, 24 September 2018

The Chairman of Board

S. MANOLOPOULOS

The Board of Directors

3 AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

PKF Ευρωελεγκτική Α.Ε.
Ορκωτοί Ελεγκτές Λογιστές

PKF
Audit Tax &
Business advisory

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

To the Shareholders of SPACE HELLAS S.A.

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of "SPACE HELLAS S.A." as at 30 June 2018 and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes comprising the interim condensed financial information, which is an integral part of the six-month financial report of article 5 L. 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements

Our review did not identify any inconsistency or non-correspondence of the other information contained in the six-month financial report prepared in accordance with article 5 of Law 3556/2007, with the accompanying financial information.

Athens, 25 September 2018
Certified Public Accountant

PKF EUROAUDITING S.A..
Certified Public Accountants
124 Kifisias Avenue, 115 26 Athens
S.O.E.L. Reg. No. 132

PKF

ANDREAS G. POURNOS
S.O.E.L. Reg. No 35081

4 FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2015 TO 30th JUNE 2018

4.1 TOTAL COMPREHENSIVE INCOME STATEMENT

4.1.1 INCOME STATEMENT

Amounts in € thousand	NOTES	Group 01.01-30.06.2018	Group 01.01-30.06.2017	Company 01.01-30.06.2018	Company 01.01-30.06.2017
Revenue	4.6.1	27.641	25.164	25.856	23.549
Cost of sales		-19.454	-19.289	-18.555	-18.300
Gross profit		**8.187**	**5.875**	**7.301**	**5.249**
Other income	4.6.2	718	1.086	569	921
Administrative expenses	4.6.3	-2.729	-2.649	-2.653	-2.558
Research and development cost	4.6.3	-235	-237	-235	-237
Selling and marketing expenses	4.6.3	-2.563	-2.155	-2.553	-2.142
Other expenses	4.6.4	-749	-311	-669	-304
Earnings before taxes, investing and financial results		**2.629**	**1.609**	**1.760**	**929**
Interest & other similar income		36	51	36	51
Interest and other financial expenses		-1.218	-808	-1.215	-805
Profit/(loss) from revaluation of investments in subsidiaries - associated companies	4.6.5	-306	-3	620	820
Profit/(loss) before taxes		**1.141**	**849**	**1.201**	**995**
Less: Taxes	4.6.6	-503	-301	-346	-141
Profit after taxes (A)		**638**	**548**	**855**	**854**
- Company Shareholders		638	548	855	854
- Minority Interests in subsidiaries		0	0	-	-
Earnings per share - basic (in €)		0,0988	0,0849	0,1324	0,1323

SUMMARY OF INCOME STATEMENT

	Group 01.01-30.06.2018	Group 01.01-30.06.2017	Company 01.01-30.06.2018	Company 01.01-30.06.2017
Profit before interest, taxes, depreciation and amortization (EBITDA)	**3.223**	**2.127**	**2.351**	**1.445**
Less depreciation	594	518	591	516
Profit before interest and taxes, (EBIT)	**2.629**	**1.609**	**1.760**	**929**
Profit before taxes	**1.141**	**849**	**1.201**	**995**
Profit after taxes	**638**	**548**	**855**	**854**

4.1.2 OTHER COMPREHENSIVE INCOME STATEMENT

Amounts in € thousand	ΣΗΜΕΙΩΣΕΙΣ	Group		Company	
		01.01-30.06.2018	01.01-30.06.2017	01.01-30.06.2018	01.01-30.06.2017
Profit after taxes (A)		**638**	**548**	**855**	**854**
- Company Shareholders		638	548	855	854
- Minority Interests in subsidiaries		0	0	-	-
Other comprehensive income after taxes					
Items that might be recycled subsequently					
Currency exchange differences from consolidation of subsidiaries		1	-5	0	0
Total Items that might be recycled subsequently		**1**	**-5**	**0**	**0**
Items that will not be recycled subsequently					
Revaluation of buildings		-345	0	-345	0
Tax effect of revaluation of assets		100	0	100	0
Actuarial Loss		-45	-24	-45	-24
Actuarial loss taxes		13	7	13	7
Total Items that will not be recycled subsequently		**-277**	**-17**	**-277**	**-17**
Other comprehensive income after taxes (B)		**-276**	**-22**	**-277**	**-17**
Total comprehensive income after taxes (A) + (B)		**362**	**526**	**578**	**837**
- Company Shareholders		362	526	578	837
- Minority Interests in subsidiaries		0	0	-	-

SUMMARY OF OTHER COMPREHENSIVE INCOME STATEMENT

Profit after taxes	**638**	**548**	**855**	**854**
Other comprehensive income after taxes	**-276**	**-22**	**-277**	**-17**
Total comprehensive income after taxes	**362**	**526**	**578**	**837**

Note:

Current year

- *The amount of €-276 thousand charged, net of taxes, directly to the equity, comprises the net amount of € 245 thousand concerning the revaluation of buildings, the net amount of €-32 thousand form actuarial results and € -1 thousand, currency exchange differences,*

Previews year

- *The amount of €-22 thousand charged, net of taxes, directly to the equity, comprises the net amount of € -17 thousand of actuarial results and € -5 thousand, currency exchange differences,.*

4.2 FINANCIAL POSITION STATEMENTS

Amounts in € thousand	NOTES	Group		Company	
		30.06.2018	31.12.2017*	30.06.2018	31.12.2017*
ASSETS					
Non-current assets					
Property, plant & equipment	4.6.7	16.050	16.319	16.026	16.292
Investment properties	4.6.9	0	0	0	0
Goodwill	4.6.10	597	847	597	847
Intangible assets	4.6.8	1.748	1.751	1.747	1.749
Investments in subsidiaries	4.6.12	0	0	34	34
Investments in associates	4.6.12	1.013	1.070	1.038	1.094
Other noncurrent receivables	4.6.13	325	322	325	322
Deffered tax assets	4.6.23	0	0	0	0
Total Non-current assets		**19.733**	**20.309**	**19.767**	**20.338**
Current assets					
Inventories	4.6.14	4.392	3.578	4.392	3.578
Trade debtors	4.6.15	15.957	14.295	15.077	13.831
Other debtors	4.6.16	4.769	4.350	5.535	4.711
Financial assets		13	13	13	13
Advanced payments	4.6.17	927	460	916	445
Cash and cash equivalents	4.6.18	5.729	7.694	5.200	7.042
Total Current assets		**31.787**	**30.390**	**31.133**	**29.620**
TOTAL ASSETS		**51.520**	**50.699**	**50.900**	**49.958**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital	4.6.19	6.973	6.973	6.973	6.973
Share premium	4.6.19	53	53	53	53
Fair value reserves		2.176	2.421	2.176	2.421
Other Reserves		916	915	978	978
Retained earnings		4.881	4.306	4.557	3.764
Equity attributable to equity holders of the parent		**14.999**	**14.668**	**14.737**	**14.189**
Minority interests		**2**	**2**	**-**	**-**
Total equity		**15.001**	**14.670**	**14.737**	**14.189**
Non-current liabilities					
Other non-current liabilities	4.6.21	6	6	32	30
Long term loans	4.6.20	11.424	9.800	11.424	9.800
Provisions	4.6.26	122	122	122	122
Retirement benefit obligations	4.6.23	783	739	783	739
Deferred income tax liability	4.6.24	222	2	222	2
Total Non-current liabilities		**12.557**	**10.669**	**12.583**	**10.693**
Current liabilities					
Trade and other payables	4.6.25	12.991	15.717	12.619	15.459
Income tax payable		2.092	1678	2.082	1652
Short-term borrowings		8.879	7.965	8.879	7.965
Total Current liabilities		**23.962**	**25.360**	**23.580**	**25.076**
Total Equity and Liabilities		**51.520**	**50.699**	**50.900**	**49.958**

IFRS 9 and 15 were applied recognizing their overall impact on the 'Retained Earnings Balance Sheet' account, without adjusting the comparative figures for 2017 (note 4.5.3.1).

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	Amounts in € thousand
Balance at 1 January 2017 as previously reported	**10.395**	**53**	**2.421**	**0**	**1.032**	**-500**	**13.401**
Profit for the year	0	0	0	0	0	854	**854**
Share Capital increase/ (decrease)	-3.422	0	0	0	-54	3.476	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Other reserves	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Impact from tax rate increase (26% to 29%)	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-24	**-24**
Actuarial loss taxes	0	0	0	0	0	7	**7**
Balance at 30 June 2017	**6.973**	**53**	**2.421**	**0**	**978**	**3.813**	**14.238**
Balance at 31 December 2017 as revised	**6.973**	**53**	**2.421**	**0**	**978**	**3.764**	**14.189**
Revised Accounting Policies	**0**	**0**	**0**	**0**	**0**	**-30**	**-30**
Balance at 1 January 2018 as previously reported	**6.973**	**53**	**2.421**	**0**	**978**	**3.734**	**14.159**
Profit for the year	0	0	0	0	0	855	**855**
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	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Revaluation of assets	0	0	-345	0	0	0	**-345**
Tax effect of revaluation of assets	0	0	100	0	0	0	**100**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-45	**-45**
Actuarial loss taxes	0	0	0	0	0	13	**13**
Balance at 30 June 2018	**6.973**	**53**	**2.176**	**0**	**978**	**4.557**	**14.737**

Note:
Current period
- *The amount of € -30 thousand concerns the impact from the adoption of IFRS 9 and 15, directly to the opening balance of retained earnings (note 4.5.3.1).*
- *The amount of €-345 thousand charged directly to Equity concerns the revaluation of buildings performed by independent valuators, together with the charge of deferred tax of € 101 thousand.*
- *The amount of € -32 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the period 30.6.2018*

Previews period
- *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 € -17 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the period 30.6.2017.*

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 Parent company**	**Non controlling interests**	**Total equity**
Revised Balance as at 1 January 2017 in accordance with IFRS	**10.395**	**53**	**2.421**	**0**	**982**	**-66**	**13.785**	**2**	**13.787**
Profit for the year	0	0	0	0	0	548	**548**	0	**548**
Share Capital increase/ (decrease)	-3.422	0	0	0	-54	3.476	**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	-5	0	**-5**	0	**-5**
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	-24	**-24**	0	**-24**
Actuarial loss taxes	0	0	0	0	0	7	**7**	0	**7**
Balance at 30 June 2017	**6.973**	**53**	**2.421**	**0**	**923**	**3.941**	**14.311**	**2**	**14.313**
Revised Balance as at 31 December 2018 in accordance with IFRS	**6.973**	**53**	**2.421**	**0**	**915**	**4.306**	**14.668**	**2**	**14.670**
Revised Accounting Policies	**0**	**0**	**0**	**0**	**0**	**-31**	**-31**	**0**	**-31**
Revised Balance as at 1 January 2018 in accordance with IFRS	**6.973**	**53**	**2.421**	**0**	**915**	**4.275**	**14.637**	**2**	**14.639**
Profit for the year	0	0	0	0	0	638	**638**	0	**638**
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	-345	0	1	0	**-344**	0	**-344**
Revaluation of assets	0	0	100	0	0	0	**100**	0	**100**
Tax effect of revaluation of assets	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	-45	**-45**	0	**-45**
Actuarial loss taxes	0	0	0	0	0	13	**13**	0	**13**
Balance at 30 June 2018	**6.973**	**53**	**2.176**	**0**	**916**	**4.881**	**14.999**	**2**	**15.001**

Note:

Current year

- *The amount of € -31 thousand concerns the impact from the adoption of IFRS 9 and 15, directly to the opening balance of retained earnings (note 4.5.3.1).*
- *The amount of €-345 thousand charged directly to Equity concerns the revaluation of buildings performed by independent valuators, together with the charge of deferred tax of € 101 thousand.*
- *The amount of € -32 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the period 30.6.2018..*
- *The amount of €-1 thousand charged, net of taxes, directly to the equity, concerns currency exchange differences.*

Previews 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.*
- *The amount of € -17 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the period 30.6.2017.*
- *The amount of €-5 thousand charged, net of taxes, directly to the equity, concerns currency exchange differences.*

4.4 CASH FLOW STATEMENT

Amounts in € thousand	Group		Company	
	01.01-30.06.2018	01.01-30.06.2017*	01.01-30.06.2018	01.01-30.06.2017*
Cash flows from operating activities				
Profit/(Loss) Before Taxes	1.141	849	1.201	995
Adjustments for:				
Depreciation & amortization	594	518	591	516
Impairment of assets	594	0	594	0
Provisions	155	287	155	287
Foreign exchange differences	388	-399	386	-395
Net (profit)/Loss from investing activities	31	-31	-894	-853
Interest and other financial expenses	1.218	808	1.215	805
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-814	-1.072	-814	-1.072
Decrease/(increase) in Receivables	-2.615	952	-3.143	423
(Decrease)/increase in Payables (excluding banks)	-3.295	-3.604	-2.408	-2.822
Less:				
Interest and other financial expenses paid	-1.043	-678	-1.040	-675
Taxes paid	-214	-189	0	0
Total cash inflow/(outflow) from operating activities (a)	**-3.860**	**-2.559**	**-4.157**	**-2.791**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	0	-1.003	0	-1.003
Acquisition of tangible and intangible assets	-683	-932	-683	-932
Proceeds from sale of tangible and intangible assets	5	14	5	14
Interest received	36	51	36	51
Collection of Dividends	0	0	420	250
Total cash inflow/(outflow) from investing activities (b)	**-642**	**-1.870**	**-222**	**-1.620**
Cash flow from Financing Activities				
Proceeds from Borrowings	4.411	4.170	4.411	4.170
Payments of Borrowings	-1.874	-1.969	-1.874	-1.969
Dividents paid	0	0	0	0
Total cash inflow/(outflow) from financing activities ©	**2.537**	**2.201**	**2.537**	**2.201**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**-1.965**	**-2.228**	**-1.842**	**-2.210**
Cash and cash equivalents at beginning of period	**7.694**	**7.465**	**7.042**	**7.115**
Cash and cash equivalents at end of period	**5.729**	**5.237**	**5.200**	**4.905**

*Reclassification of amounts on note 4.8

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 a leading System Integrator and Value Added Solutions Provider in the field of Telecommunications, Information Technology and Security. It offers integrated solutions certified according to the ISO 9001: 2008 quality assurance standard as well as the ISO / IEC 27001: 2005 standard to ensure that its procedures contain all the necessary controls on confidentiality, integrity and availability of information so as to protect data and resources involved in each commercial activity. Its clientele include the largest banks and private companies, industries, retail chains, telecoms providers, government departments and ministries, and the Armed Forces.

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, non 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 30.06.2018 is presented below:

Corporate name	Country	Field/Status	Ownership percentage		Consolidation method
			Direct	Indirect	
Subsidiaries					
SPACE HELLAS (CYPRUS) LTD	Cyprus	Telecommunication Services	100%	-	Full consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	Romania	Telecommunication Services - Real Estate	-	99,45%	Full consolidation
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	Telecommunication Services	-	100%	Full consolidation
SPACE HELLAS (MALTA) LTD	Malta	Telecommunication Services	-	99,98%	Full consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	Jordan	Telecommunication Services	-	100%	Full consolidation
Associates & Joint Ventures					
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	Greece	Liquidation	35%	-	Equity method
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	Greece	Liquidation	50%	-	Equity method
Other investments					
MOBICS L.T.D.	Greece	Design Development in computational environments	18,10%	-	-
Web-IQ B.V.	Netherlands	Specialized applications	17,21%	-	-

4.5.2 Summary of Significant Accounting Policies

4.5.2.1 Basis of Preparation

The interim financial statements of the first semester 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying financial statements do not include all the information and notes required in the annual financial statements and should be read in conjunction with the financial statements of the Group and the Company as at 31 December 2017. Nevertheless, the financial statements include selected notes for an explanation of events and transactions that are important to understand the changes in the financial position of the Group and the Company in relation to the latest annual published financial statements.

The accounting policies used for the preparation of the interim condensed financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended December 31, 2017, except for the new standards and interpretations adopted, the application of which became mandatory for periods after 1 January 2018.

The accompanying interim financial statements have been prepared complying with the historical cost convention, adjusted with the revaluation of certain assets and liabilities at fair values and with the principle of going concern «going concern».

The Group's comparative advantage is its satisfied customers, its specialized know-how, its excellent organization, continuous investment in modern equipment, its staffing with highly specialized human resources, the development of new products, the recognition of its credibility demonstrated by the excellent relations of the Group with its suppliers and the largest credit institutions in the country and abroad are the guarantee for long-term survival with significant benefits for the shareholders.

The preparation of financial statements was made in accordance with International Financial Reporting Standards, and the Group Management is required to make assumptions and accounting estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of preparation financial statements as well as the reported revenues and expenses during the reporting period. Although these estimates are based on the best knowledge of 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 historical experience and other factors, including expectations of future events that are considered reasonable under the 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 period.

4.5.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

Standards and interpretations effective in the current period:

IFRS 2 (amendment)— Clarifications of classification and measurement of share based payment transactions.

IFRS 4 (amendment)— Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts.

IFRS 9 - «Financial instruments» and amendments to IFRS 9 and IFRS 7.

IFRS 15 — Revenue from Contracts with Customers.

IAS 40 (amendment)— Transfers of investment property.

IFRIC 22 — Foreign Currency Transactions and Advance Consideration.

Annual improvements — 2014-2016 cycle.

IAS 28 — Investments in Associates and Joint Ventures.

New standards and interpretations not yet adopted:

IFRS 16 (effective for annual accounting 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 relating to leases. IFRS 16 introduces a single model for the accounting treatment by the lessee requiring the lessee to recognize assets and liabilities for all lease contracts 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 standard will affect primarily the accounting for operating leases. As at the reporting date, the Company and the Group have non-cancellable operating lease commitments of € 1.525 thousand and € 1.427 thousand respectively (note 4.6.29). However, the Company has not yet determined:

- the amount of assets and liabilities that will arise from these commitments and
- the impact that these commitments will have on the results and the cash flow as well.

The Standard is effective for annual periods beginning on or after 1 January 2019. The Group and the Company do not intend to adopt the Standard before the date of its mandatory application and will examine the possibility of using the exemption of leases for short term and low value assets.

IFRS 9 — Prepayment features with negative compensation (effective for annual accounting periods beginning on or after 1 January 2019).

IFRS 17 — Insurance Contracts (effective for annual accounting periods beginning on or after 1 January 2019) Not adopted yet by the European Union.

IAS 28 — Long-term interests in associates and joint ventures (effective for annual accounting periods beginning on or after 1 January 2019) Not adopted yet by the European Union.

IFRIC 23 — Uncertainty over Income Tax Treatments (effective for annual accounting periods beginning on or after 1 January 2019) Not adopted yet by the European Union.

IAS 19 (amendments) Plan amendments, curtailments, and settlements (effective for annual accounting periods beginning on or after 1 January 2019) Not adopted yet by the European Union.

Annual improvements — 2015-2017 cycle (effective for annual accounting periods beginning on or after 1 January 2019) Not adopted yet by the European Union.

No other Standard or interpretation of future application 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 2017 except for new standards and interpretations of mandatory application after 1st January 2018.

IFRS 15 — Revenue from Contracts with Customers
IFRS 15 was issued in May 2014. The purpose of the standard is to provide a single, understandable revenue recognition model from all customer contracts to improve comparability between companies in the same industry, different industries and different capital markets. It includes the principles that an entity must apply to determine the measurement of revenue and the timing of its recognition. The underlying principle is that an entity recognizes revenue in a manner that reflects the transfer of the goods or services to customers to the amount it expects to be entitled to in exchange for those goods or services.

The Group applies the Standard for the year 2018 using the retrospective application method according to which the effect of applying the Standard is recognized at the date of initial application (ie 1 January 2018) as an adjustment to the retained earnings without reconsidering the comparative figures.

The Group has made an assessment of its revenue sources by applying the five steps outlined in the standard to identify areas that may be affected:

Step 1: Define the contract for the sale of goods or the provision of services.

Step 2: Identify the separate obligations arising from the contract with the customer.

Step 3: Determine the value of transactions.

Step 4: Allocation of the transaction price to the obligations arising from the contract.

Step 5: Recognize revenue as the entity meets its obligations under the contract with the customer,

The Management concluded that in general the contracts with customers are made up of an obligation to execute or provide a service and the prices are fixed and are derived from price lists. Revenue is recognized when the service is provided to the customer.

Rental income from operating leases is recognized in the income statement using the straight-line method over the lease term.

Based on this assessment, the Group concluded that this Standard does not have an impact on its financial statements as the Group's current accounting for revenue from contracts with customers is in accordance with IFRS 15.

IFRS 9 "Financial Instruments"
IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" for the periods beginning on 1 January 2018, summarizing the three aspects of the accounting of financial instruments: classification and measurement, impairment and Hedge accounting .

The Group applied the new standard on 1 January 2018 retrospectively without reviewing comparative information from previous years.

The Group had not applied hedge accounting and did not opt to apply hedge accounting on 1 January 2018 in accordance with the new standard. Therefore, it will continue to apply its present hedge accounting policy, although it will consider initiating the hedge accounting in accordance with IFRS 9 requirements when a new hedging relationship will arise.

As mentioned above, adoption of the IFRS 9 took place without the restatement of comparative information and therefore the adjustments resulting from the new classification and the new impairment rules did not appear in the financial position of 31 December 2017 but were recognized in the financial position as at 1 January 2018 .

On 1 January 2018 (the date of initial application of IFRS 9), the Group's (and Company) assessed the business models that apply to the financial assets owned by the Group and the Company and classified them in the appropriate category of IFRS 9.

The effect from the application of the Standard mainly relates to the impairment of trade receivables as well as an increase in losses from provisions for receivables of doubtful collection and a corresponding negative impact on equity.

The Group applied the simplified method to calculate the expected credit losses over the life of its trade receivables.

This evaluation was based on historically available from the financial records over time

The main impacts of adopting the above standards are as follows:

STATEMENT OF FINANCIAL POSITION

Amounts in € thousand	Group			Company		
	31.12.2017	IFRS 9	01.01.2018	31.12.2017	IFRS 9	01.01.2018
ASSETS						
Non-current assets						
Property, plant & equipment	16.319		16.319	16.292		16.292
Investment properties	0		0	0		0
Goodwill	847		847	847		847
Intangible assets	1.751		1.751	1.749		1.749
Investments in subsidiaries	0		0	34		34
Investments in associates	1.070		1.070	1.094		1.094
Other noncurrent receivables	322		322	322		322
Deffered tax assets	0		0	0		0
Total Non-current assets	**20.309**	**0**	**20.309**	**20.338**	**0**	**20.338**
Current assets						
Inventories	3.578		3.578	3.578		3.578
Trade debtors	14.295	-43	14.252	13.831	-42	13.789
Other debtors	4.350		4.350	4.711		4.711
Financial assets	13		13	13		13
Advanced payments	460		460	445		445
Cash and cash equivalents	7.694		7.694	7.042		7.042
Total Current assets	**30.390**	**-43**	**30.347**	**29.620**	**-42**	**29.578**
TOTAL ASSETS	**50.699**	**-43**	**50.656**	**49.958**	**-42**	**49.916**
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent						
Share Capital	6.973		6.973	6.973		6.973
Share premium	53		53	53		53
Fair value reserves	2.421		2.421	2.421		2.421
Other Reserves	915		915	978		978
Retained earnings	4.306	-31	4.275	3.764	-30	3.734
Equity attributable to equity holders of the parent	**14.668**	**-31**	**14.637**	**14.189**	**-30**	**14.159**
Minority interests	**2**		**2**	**-**		**-**
Total equity	**14.670**	**-31**	**14.639**	**14.189**	**-30**	**14.159**
Non-current liabilities						
Other non-current liabilities	6		6	30		30
Long term loans	9.800		9.800	9.800		9.800
Provisions	122		122	122		122
Retirement benefit obligations	739		739	739		739
Deferred income tax liability	2	-12	-10	2	-12	-10
Total Non-current liabilities	**10.669**	**-12**	**10.657**	**10.693**	**-12**	**10.681**
Current liabilities						
Trade and other payables	15.717		15.717	15.459		15.459
Income tax payable	1.678		1.678	1.652		1.652
Short-term borrowings	7.965		7.965	7.965		7.965
Total Current liabilities	**25.360**	**0**	**25.360**	**25.076**	**0**	**25.076**
Total Equity and Liabilities	**50.699**	**-43**	**50.656**	**49.958**	**-42**	**49.916**

4.5.3.2 Property, Plant And Equipment

Fixed assets are disclosed in the financial statements at their acquisition cost or fair value. Fair value is the amount for which a fixed asset can be exchanged between parties that have knowledge of the subject and act voluntarily in a purely commercial operation. The initial recognition of an asset is always at the cost. The cost of acquisition of fixed assets includes directly allocated costs (purchase price, transport, premiums, non-refundable purchase taxes, etc.) necessary to be operational at the date of preparation of the financial statements.

The Group's and Company's Buildings are measured at fair value as at 30.06.2018 based on valuation performed by independent valuators.

Other assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful life of the fixed assets. The land is not depreciated.

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 recognize 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.

The cost of purchasing and deploying software recognized as intangible assets is depreciated using the straight-line method over its useful life.

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:

Description	Useful live (in years)
Buildings and buildings installations	50
Buildings and buildings installations in third parties	12
Plant and machinery Leased	16
Plant and machinery	10
Furniture	16
Fittings	10
Office equipment	10
Telecommunication equipment	10
Other equipment	10
Electronics equipment	5
Cars	5

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

4.5.3.3 Investment property

Investment property is intended to generate rental income or profit from its resale. The properties used for the Group's operating activities are not considered as investment but operational. This is also the criterion of separation between investment and operating real estate.
Investment properties as long-term assets are disclosed at fair value, which will be revalued at each end of the year. Any changes in fair value, which represents the free market price, are recognized in the other income / expense of the income statement.

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.

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 at the lower of their acquisition cost and net realizable value. Net realizable value is the estimated selling price within the ordinary course of business of the enterprise, minus the estimated cost necessary to make the sale. The cost of inventories is determined using the weighted average method and includes the cost of acquiring inventories and their specific purchase costs (transport, insurance, etc.). Appropriate forecasts are formulated for discarded, useless and slow moving stocks. Write-downs of inventories in net realizable value and other inventory losses are recognized in the income statement in which the write-downs or losses occur.

4.5.3.8 Trade Receivables - Impairment

Trade receivables are initially recognized at fair value, which is at the same time the transaction value. Subsequently, they are valued at their amortized cost less the bad debt provision, which is formed when there is a risk of not collecting all or part of the amount due. The Group's management periodically reassesses the adequacy of the provision for doubtful debts in relation to its credit policy and taking into account the Group's legal service information obtained from the processing of historical data and recent developments of litigations. The amount of the provision for impairment is the difference between the carrying amount of the receivables and the present value of the estimated future cash flows and is included in the period's results. If, in a subsequent period, the impairment loss decreases and the decrease can be objectively related to events occurring after the impairment

loss has been recognized (for example, improving the borrower's creditworthiness), the reversal of the loss is recognized in profit or loss. The fair value of trade and other receivables approximates the carrying amount.
The trade and other receivables of both the Company and the Group, except those for which a provision has been formed, are considered all 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:
The Group and the Company recognize income, excluding interest income, dividends and any other source arising from financial instruments (which are recognized under IFRS 9), to the extent that they reflect the price the Company is entitled to from the transfer of goods and services based on a five-step approach:

- Recognition of contracts with customers.
- Recognition of the terms of contract execution.
- Determining the transaction price.
- Allocation of the transaction price according to the terms of contract execution.
- Recognition of revenue when the Company fulfills the conditions for performance of the contracts.

Revenue includes sales of goods and services, net of Value Added Tax, Discounts and Refunds. Revenue is recognized when it is probable that the economic benefits will flow to the Group and can be measured reliably. Revenues from technical projects are recognized in the results of the period, depending on the stage of completion of the contractual activity at the date of preparation of the financial statements. Therefore, the cost of projects that have been executed but not invoiced to the customer respectively is recognized in the income statement together with the relevant contract revenue. Intra-group revenues within the Group are completely eliminated.
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.

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 Group and the Company use the following hierarchy to determine and disclose the fair value of financial instruments on a valuation basis:

Level 1: Negotiable (unadjusted) prices in active markets for similar assets or liabilities. The fair value of financial assets traded on active financial markets is determined on the basis of the published prices prevailing at the balance sheet date. An "active" money market exists when there are readily available and regularly reviewed prices published by a stock exchange, broker, industry, rating agency or supervising body, which represent real and often repetitive transactions and are made under normal commercial terms.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly. The fair value of financial assets that are not traded on active financial markets (eg derivatives contracts outside the derivatives market) is determined using valuation techniques that are mostly based on available information for transactions in active markets while using as few as possible estimates.

Level 3: Techniques using inputs that have a significant effect on the recorded fair value and are not based on observable market data

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 in which virtually all the risks and rewards of ownership are retained by lessors are classified as operating leases. Other leases are classified as finance leases. Lease payments under operating leases are recorded in expenses on a straight-line basis over the lease term. Assets held under finance leases are recorded as the Company's assets at fair value at the time of the lease, or if it is lower at the present value of the minimum lease payments. The relevant liability to the lessor is recognized in the balance sheet as a finance lease liability. Payments are divided into financial expense and payable in a way that gives a fixed interest rate to the respective balance of the liability. Financial expense is recognized in expenses if it is directly related to an asset. Proceeds from operating leases are recorded as income on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recorded as receivables with an amount equal to the net investment in the lease. Revenue is recognized in the income statement in a manner that gives a consistent, over time, return on the company's outstanding net investment.

4.5.3.19 Income Tax And Deferred Tax

Income tax consists of current taxes, deferred taxes, that is, tax charges or rebates related to the economic benefits accruing in the period but which have already been accounted for or will be accounted for by the tax authorities in different periods and the provisions for additional taxes which may arise from an audit by the tax authorities. Income tax is recognized in the statement of comprehensive income for the period, both that relating to transactions recorded directly in equity and that relating to the period's results. The current income tax relates to the tax on the taxable profits of the companies included in the consolidation as reformed according to the requirements of the tax laws and was calculated on the basis of the applicable tax rates of the countries in which the companies of the group operate. Deferred income tax is calculated using the liability method in all temporary differences at the balance sheet date between the tax base and the carrying amount of assets and liabilities. The expected tax effects of the temporary tax differences are determined and presented either as deferred tax liabilities or as deferred tax assets. Deferred tax is determined on the basis of the tax rates at the balance sheet date. Deferred tax assets are recognized for all tax deductible temporary differences and tax losses transferred to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference may be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is unlikely that taxable profits will be available for which part or all of the deferred tax assets may be used.

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. 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	30.06.2018		30.06.2017	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit before tax
	10%	-680	8%	-450
	-10%	680	-8%	450

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 goal is to minimize the stock holding time so as to eliminate the risk of impairment.

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	30.06.2018		30.06.2017	
euro	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
	1%	-200	1%	-150
	-1%	200	-1%	150

Credit Risk

The Group is not facing significant credit risks. 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.
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 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 current period and 2017 respectively:

Group

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Borrowings	20.303	17.765	8.879	7.965	7.699	3.546	3.725	6.254
Trade and other payables	15.089	17.401	15.083	17.395	-	-	6	6

Company

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Borrowings	20.303	17.765	8.879	7.965	7.699	3.546	3.725	6.254
Trade and other payables	14.733	17.141	14.701	17.111	26	24	6	6

- **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	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Short term Borrowings	8.879	7.965	8.879	7.965
Long term Borrowings	11.424	9.800	11.424	9.800
Less: cash and cash equivalents	-5.729	-7.694	-5.200	-7.042
Net Debt	**14.574**	**10.071**	**15.103**	**10.723**
Equity	15.001	14.670	14.737	14.189
Total capital employed	**29.575**	**24.741**	**29.840**	**24.912**
Gearing ratio	**49,28%**	**40,71%**	**50,61%**	**43,04%**

The increase in Group's turnover in the first half of 2018 by 10% requires increased financing needs, which increased the total net debt of the company by € 4.5 million. This is a main reason, as traditionally in the first half of each year the costs of services are higher than in the second half. As a result, the leverage ratio rose from 40.7% to 49.28%, which is usually normalized at the end of the year.
The Group's access to the necessary funds was also confirmed in the first half of 2018.

- **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 INTERIM FINANCIAL STATEMENTS OF FIRST SEMESTER 2018

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		
	30.06			30.06			30.06			30.06		
Amounts in € thousand	2018	2017	+/-%	2018	2017	+/-%	2018	2017	+/-%	2018	2017	+/-%
Revenue	25.176	23.104	8,97%	1.785	1.350	32,22%	680	710	-4,23%	**27.641**	**25.164**	9,84%
Gross Profit	7.188	5.210	37,97%	771	420	83,57%	228	245	-6,94%	**8.187**	**5.875**	39,35%
EBIT	2.910	1.924	51,25%	235	118	99,15%	78	85	-8,24%	**3.223**	**2.127**	51,53%
Earnings before taxes	-	-	-	-	-	-	-	-	-	**1.141**	**849**	34,39%
Earnings after taxes	**-**	-	-	-	-	-	-	-	-	**638**	**548**	16,42%

- **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 based in Malta,
- 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

Amounts in € thousand	GROUP		COMPANY	
	01.01-30.06.2018	01.01.-30.06.2017	01.01-30.06.2018	01.01.-30.06.2017
Service provision	1	1	1	1
Income from property leases	28	29	28	29
Government Grants	468	401	468	401
Other extraordinary income	150	155	1	1
Other extraordinary gains	1	1	1	1
Currency exchange gains	58	465	58	454
Income from prior periods	12	34	12	34
Total other operating income	**718**	**1.086**	**569**	**921**

4.6.3 Operating Expenses

The administrative expenses, the R&D cost as well as the Distribution cost result to be marginally increased compared to previews period by 9,64%

amounts in € thousand	Group			Company		
	01.01-30.06.2018	01.01-30.06.2017	+/-%	01.01-30.06.2018	01.01-30.06.2017	+/-%
Payroll expenses	3.169	2.853	11,08%	3.169	2.853	11,08%
Third parties' fees and expenses	606	496	22,18%	558	437	27,69%
Third parties' utilities and services	644	600	7,33%	633	593	6,75%
Taxes and dues	106	99	7,07%	92	79	16,46%
Sundry expenses	580	554	4,69%	568	537	5,77%
Depreciations	386	345	11,88%	385	344	11,92%
Provisions	36	94	-61,70%	36	94	-61,70%
Total operating expenses	**5.527**	**5.041**	**9,64%**	**5.441**	**4.937**	**10,21%**

4.6.4 Other Operating Expenses

amounts in € thousand	Group		Company	
	01.01-30.06.2018	01.01-30.06.2017	01.01-30.06.2018	01.01-30.06.2017
Extraordinary expenses	95	32	95	32
Loss from currency exchange	446	66	444	59
Provisions for receivables of doubtful collection	197	193	119	193
Extraordinary losses	11	20	11	20
Total other operating expenses	**749**	**311**	**669**	**304**

4.6.5 Financial results

amounts in € thousand	Group 01.01-30.06.2018	Group 01.01-30.06.2017	Company 01.01-30.06.2018	Company 01.01-30.06.2017
Gain/Loss from affiliated companies	-2	-3	-2	-3
Impairment of goodwill	-304	0	-304	0
Dividends	0	0	926	823
Total financial results	**-306**	**-3**	**620**	**820**

The amount for impairment concerns Goodwill impairment of € 250 thousand (note 4.6.10), impairment of the participation of the affiliate Mobics SA by € 40 thousand and the remaining amount relates to the impairment of the participations of the joint ventures that are in liquidation.

The company received as a dividend from its subsidiary SPACE HELLAS CYPRUS LTD previous year's profits.

4.6.6 Income Tax

The income tax expense imputed the results as following:

Amounts in € thousand	Notes	Group 01.01-30.06.2018	Group 01.01-30.06.2017	Company 01.01-30.06.2018	Company 01.01-30.06.2017
Current Income Tax		-157	-160	0	0
Deferred tax imputed to results	4.6.24	-346	-141	-346	-141
Total income tax charge to income statement (a)		**-503**	**-301**	**-346**	**-141**
Deffered tax recognized directly in equity (b)	4.6.24	113	7	113	7
Total tax (a+b)		**-390**	**-294**	**-233**	**-134**

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.

4.6.7 Property, Plant And Equipment

Land and buildings are disclosed in the fair value as resulted from their revaluation as at 30.06.2018 carried out by independent valuators.

Amounts in € thousand	Group					
	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	**Total**
Opening Balance 01.01.2017	**7.086**	**4.418**	**9.256**	**92**	**2.699**	**23.551**
Plus: Additions	0	64	502	5	37	**608**
Minus: Disposals	0	0	14	24	1	**39**
Ending balance 30.06.2017	**7.086**	**4.482**	**9.744**	**73**	**2.735**	**24.120**
Depreciation at 01.01.2017	**0**	**1.173**	**4.068**	**40**	**2.394**	**7.675**
Plus: Depreciation expense	0	71	171	3	44	**289**
Minus: Depreciation of disposed elements	0	0	2	4	1	**7**
Ending balance 30.06.2017	**0**	**1.244**	**4.237**	**39**	**2.437**	**7.957**
Net Book Value 30.06.2017	**7.086**	**3.238**	**5.507**	**34**	**298**	**16.163**
Opening Balance 01.01.2018	**7.086**	**4.526**	**10.104**	**65**	**2.759**	**24.540**
Plus: Additions	0	35	334	0	79	**448**
Revaluation	-151	-1.289	0	0	0	**-1.440**
Minus: Disposals	0	0	20	11	4	**35**
Ending balance 30.06.2018	**6.935**	**3.272**	**10.418**	**54**	**2.834**	**23.513**
Depreciation at 01.01.2018	**0**	**1.317**	**4.418**	**40**	**2.446**	**8.221**
Plus: Depreciation expense	0	73	240	2	41	**356**
Revaluation	0	-1.094	0	0	0	**-1.094**
Minus: Depreciation of disposed elements	0	0	14	2	4	**20**
Ending balance 30.06.2018	**0**	**296**	**4.644**	**40**	**2.483**	**7.463**
Net Book Value 30.06.2018	**6.935**	**2.976**	**5.774**	**14**	**351**	**16.050**

	Company					
Amounts in € thousand	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	**Total**
Opening Balance 01.01.2017	**7.086**	**4.418**	**9.217**	**92**	**2.699**	**23.512**
Plus: Additions	0	64	502	5	37	**608**
Minus: Disposals	0	0	14	24	1	**39**
Ending balance 30.06.2017	**7.086**	**4.482**	**9.705**	**73**	**2.735**	**24.081**
Depreciation at 01.01.2017	**0**	**1.173**	**4.058**	**40**	**2.394**	**7.665**
Plus: Depreciation expense	0	71	170	3	44	**288**
Minus: Depreciation of disposed elements	0	0	2	4	1	**7**
Ending balance 30.06.2017	**0**	**1.244**	**4.226**	**39**	**2.437**	**7.946**
Net Book Value 30.06.2017	**7.086**	**3.238**	**5.479**	**34**	**298**	**16.135**
Opening Balance 01.01.2018	**7.086**	**4.526**	**10.065**	**65**	**2.759**	**24.501**
Plus: Additions	0	35	334	0	79	**448**
Revaluation	-151	-1.289	0	0	0	**-1.440**
Minus: Disposals	0	0	20	11	4	**35**
Ending balance 30.06.2018	**6.935**	**3.272**	**10.379**	**54**	**2.834**	**23.474**
Depreciation at 01.01.2018	**0**	**1.317**	**4.406**	**40**	**2.446**	**8.209**
Plus: Depreciation expense	0	73	237	2	41	**353**
Revaluation	0	-1.094	0	0	0	**-1.094**
Minus: Depreciation of disposed elements	0	0	14	2	4	**20**
Ending balance 30.06.2018	**0**	**296**	**4.629**	**40**	**2.483**	**7.448**
Net Book Value at 30.06.2018	**6.935**	**2.976**	**5.750**	**14**	**351**	**16.026**

4.6.8 INTANGIBLE ASSETS

Intangible assets of the Group and the Company include third party Software, other intangible assets and owned software. Investments in intangible assets include the cost of development of software in the form of integrated software for use within our operating area of Technology Solutions and Services. The item on other intangible assets relates to the acquisition value of a brand, but due to the inability to reliably measure their commercial viability and their inflow in the near future no depreciation has been made.

Amounts in € thousand	Group Software	Group Other intangibles	Group In-house Software development	Group Total intangible assets IFRS
Opening Balance 01.01.2017	**3.698**	**714**	**0**	**4.412**
Plus: Additions	10	0	313	**323**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2017	**3.708**	**714**	**313**	**4.735**
Depreciation at 01.01.2017	**2.543**	**255**	**0**	**2.798**
Plus: Depreciation expense	199	30	0	**229**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2017	**2.742**	**285**	**0**	**3.027**
Net Book Value at 30.06.2017	**966**	**429**	**313**	**1.708**
Opening Balance 01.01.2018	**4.266**	**714**	**0**	**4.980**
Plus: Additions	77	0	159	**236**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2018	**4.343**	**714**	**159**	**5.216**
Depreciation at 01.01.2018	**2.928**	**301**	**0**	**3.229**
Plus: Depreciation expense	238	1	0	**239**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2018	**3.166**	**302**	**0**	**3.468**
Net Book Value at 30.06.2018	**1.177**	**412**	**159**	**1.748**

Amounts in € thousand	Company Software	Company Other intangibles	Company In-house Software development	Company Total intangible assets IFRS
Opening Balance 01.01.2017	**3.688**	**714**	**0**	**4.402**
Plus: Additions	568	0	313	**881**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2017	**4.256**	**714**	**313**	**5.283**
Depreciation at 01.01.2017	**2.537**	**255**	**0**	**2.792**
Plus: Depreciation expense	383	46	0	**429**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2017	**2.920**	**301**	**0**	**3.221**
Net Book Value at 30.06.2017	**1.336**	**413**	**313**	**2.062**
Opening Balance 01.01.2018	**4.256**	**714**	**0**	**4.970**
Plus: Additions	77	0	159	**236**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2018	**4.333**	**714**	**159**	**5.206**
Depreciation at 01.01.2018	**2.920**	**301**	**0**	**3.221**
Plus: Depreciation expense	237	1	0	**238**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2018	**3.157**	**302**	**0**	**3.459**
Net Book Value at 30.06.2018	**1.176**	**412**	**159**	**1.747**

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 € 597 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 01.01.2017	**428**	**419**	**847**
Additions	0	0	0
Disposals	0	0	0
Ending balance 31.12.2017	**428**	**419**	**847**
Opening balance 01.01.2018	**428**	**419**	**847**
Additions	0	0	0
Disposals	0	-250	-250
Ending balance 30.06.2018	**428**	**169**	**597**

Goodwill is subject to impairment testing when there is evidence of impairment and is measured at cost less any accumulated impairment losses. At each balance sheet date, the Group conducts an analysis to assess whether the carrying amount of goodwill is recoverable.

- the amount of € 428 thousand comes from the acquisition of the remaining 50% of the 29/6/2007 after the absorption of the subsidiary "SPACEPHONE SA".
- the amount of € 169 thousand comes from the acquisition of 100% of our 15/10/2012 subsidiary "SPACE TECHNICAL CONSTRUCTION BUILDING SA"

Goodwill is allocated to cash-generating units for impairment testing purposes. Allocation is made to cash-generating units that are expected to benefit from the acquisition from which goodwill originated. The recoverable value of a cash-generating unit is determined using its value in use calculation. This calculation uses cash flow forecasts derived from budgets that have been approved by the management.

Below are the main assumptions adopted by Management in cases where there was a need for impairment, taking into account the specific characteristics:
Discount rate of discount at present value: 3.9%, Growth rate in perpetuity: 2%

An impairment decision is made after an examination of the change in the underlying assumptions and if it is deemed to be material and more than 10% of the carrying amount.

The aforementioned values have been subject to an impairment test the result of which was charged in the results of the period of € 250 thousand and remained as an asset of the company and the Group.

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 € 1.200 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 30.06.2018:

Corporate name	Ownership percentage		Ownership percentage		Consolidation method
	Direct	Indirect	Direct	Indirect	
Subsidiaries	**30.06.2018**		**31.12.2017**		
SPACE HELLAS (CYPRUS) LTD	100%	-	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	-	99,45%	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	-	100%	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	-	99,98%	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	-	100%	-	100%	Full Consolidation
Associates & Joint Ventures					
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	35%	-	35%	-	Equity method
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	50%	-	50%	-	Equity method
Other investments					
MOBICS Telecommunication and Consulting Services S.A.	18,10%	-	18,10%	-	-
Web-IQ B.V.	17,21%	-	17,21%	-	-

Subsidiaries and Joint Ventures' activities

- 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. On May 2, 2018, the joint venture was put into solution and put into liquidation as the project for which it was set up was completed.

- 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). On May 22, 2018 with no. the decision 5184 of the Management of the Information Society Management was decided to terminate the Contract for the project "Infrastructure Development for the initial service of the needs of the Public Sector Companies of Remote Areas for Advanced Communications Technologies with the use of the Public Sector Satellite system Hellas Sat - Don ", after the repayment of the total advance paid and the release of the letters of guarantee.

- Mobics Telecommunication and Consulting Services S.A. 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 Euro thousands	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Rental Guarantees	25	22	25	22
Long term receivables from related paties	300	300	300	300
Total Other Long term receivables	**325**	**322**	**325**	**322**

4.6.14 INVENTORIES

The Group takes all necessary measures (insurance, safekeeping) to minimize the risk and possible losses due to loss of inventories from natural disaster theft, etc. Management also continuously reviews the net realizable value of inventories and makes appropriate provisions for impairment of obsolete and slow moving stocks.

For the current year, the value of obsolete and slow moving stocks amounts to € 21 thousand, already charged in the results of the Group and the Company. The amount of inventory reflects the company's strategy to achieve the goal of proper warehouse management without degrading the customer's trustworthy service.

	Group		Company	
Amounts in Euro thousands	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Goods	3.264	2.734	3.264	2.734
Materials	614	336	614	336
Consumables	514	508	514	508
Total inventories	**4.392**	**3.578**	**4.392**	**3.578**

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		Compnay	
Amounts in Euro thousands	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Trade receivables	21.143	19.240	20.182	18.776
Less: Provisions for doubtful liquidation	5.186	4.945	5.105	4.945
Total trade receivables	**15.957**	**14.295**	**15.077**	**13.831**

The provision for doubtful 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.

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	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
1 – 90 days	11.857	9.721	11.165	9.397
91 – 180 days	1.630	1.812	1.460	1.683
181 – 360 days	1.072	962	1.054	951
> 360 days*	1.398	1.800	1.398	1.800
Total Trade Receivables	**15.957**	**14.295**	**15.077**	**13.831**

There are no receivables from related parties.

4.6.16 Other Receivables

Other receivables of the group and company:

Amounts in Euro thousands	Group		Company	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Cheques receivable	105	1.326	105	1.326
Cheques overdue*	1.709	1.709	1.709	1.709
Deducted Taxes & other receivables	436	320	267	208
Salary prepayments	8	6	8	6
Advances to account for	34	3	34	3
Amounts owed by affiliated undertakings	36	35	1.015	509
Deferred charges	2.752	1.779	2.752	1.779
Income earned	1.071	853	1.071	858
Other receivables**	618	319	574	313
Total other receivables	**6.769**	**6.350**	**7.535**	**6.711**
Less: provisions for doubtful liquidation	2.000	2.000	2.000	2.000
Total other receivables	**4.769**	**4.350**	**5.535**	**4.711**

** For the account in the "Checks overdue" an equivalent provision of default has been made.*
*** For the amount appearing in the Group's Other Receivables, "Other Debtors" amounting to € 618 thousand, mainly concerns Other receivables, a provision of € 291 thousand has been made.*

"Deferred charges " comprise the following:

- Approximately 98% 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 2% 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:

Amounts in Euro thousands	Group		Company	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Orders placed abroad	466	244	466	244
Prepayments to other creditors	461	216	450	201
Total prepayments	**927**	**460**	**916**	**445**

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:

Amounts in Euro thousands	Group		Company	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Cash on hand	84	63	84	63
Short term Bank deposits	5.645	7.631	5.116	6.979
Total Cash and Cash equivalents	**5.729**	**7.694**	**5.200**	**7.042**

4.6.19 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	30.06.2018	31.12.2017
Paid up capital	6.973.052,40	6.973.052,40
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,08 €

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

4.6.20 Long term loans

The loans concern:

- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.000 thousand.
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 500 thousand.
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 312 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 2.122 thousand.
- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.725 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.125 thousand.
- The mortgage loan ending at 2020, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.140 thousand.
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.500 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 4,52%.

4.6.21 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	30.06.2018	31.12.2017	30.06.2018	31.12.2017
losses from joint ventures	0	0	26	24
Guarantees received	6	6	6	6
Total Other long term liabilities	**6**	**6**	**32**	**30**

4.6.22 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.

4.6.23 PERSONELL EMPLOYEED - EMPLOYEE BENEFITS

The personnel employed at 30.06.2018 for the Group have reached 330 persons and for the company has reached 329 persons while as at 30.06.2017 amounted to 280 and 279 respectively.

4.6.23.1 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 30.06.2018	Group 31.12.2017	Company 30.06.2018	Company 31.12.2017
Present value of unfunded obligations	783	739	783	739
Not recognized actuarial gains\ losses	0	0	0	0
Reserves to be formed	**783**	**739**	**783**	**739**
Provisions for employers benefits recognized in the income statement				
Current service cost	28	73	28	73
Cost of interest	4	31	4	31
Actuarial loss / (gain)	0	0	0	0
Past service cost	4	34	4	34
Net periodic cost	**36**	**138**	**36**	**138**
Liability recognized in the Statement of financial position				
Net liability – opening balance as at 01.01	739	884	739	884
Benefits paid	-37	-317	-37	-317
Cost recognized in the income statement	36	138	36	138
Gains/Losses recognized in Equity	45	34	45	34
Net liability	**783**	**739**	**783**	**739**
Present value of the liability				
Net liability – opening balance as at 01.01	739	884	739	884
Current service cost	28	73	28	73
Cost of interest	4	31	4	31
Past service cost	4	34	4	34
Benefits paid	-37	-317	-37	-317
Actuarial loss / (gain)	0	0	0	0
Gains/Losses recognized in Equity	45	34	45	34
Present value of the liability	**783**	**739**	**783**	**739**

The assumptions used are the following:

Actuarial assumptions		
1.	Discount interest rate:	1,3% as at 30.06.2018
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:	30.06.2018
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)

4.6.24 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

	Group - Company					
Amounts in € thousand	**31.12.2017**	**IFRS 9**	**01.01.2018**	**Amounts recognised through income statement**	**Amounts recognised through equity**	**Total**
Deferred tax liabilities						
Depreciation rate difference effect	-532		-532	-34	0	-566
Fair value adjustments Property, plant and equipment	-989		-989	0	100	-889
Total Deferred tax liabilities	**-1.521**	**0**	**-1.521**	**-34**	**100**	**-1.455**
Deferred tax assets						
Provisions for Trade and other payables	516	12	528	-24	0	504
Post-employment and termination benefits	215		215	-1	13	227
Impairment of Receivables	22		22	16	0	38
Impairment of Inventories	6		6	0	0	6
Tax deductible previews years' losses	761		761	-303	0	458
Share premium capitalization expenses	0		0	0	0	0
Total Deferred tax assets	**1.520**	**12**	**1.531**	**-312**	**13**	**1.233**
Total Deferred tax	**-2**	**12**	**10**	**-346**	**113**	**-222**

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.

4.6.25 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 30.06.2018	Group 31.12.2017	Company 30.06.2018	Company 31.12.2017
Trade payables	9.742	10.330	9.497	10.132
Checks payables	775	339	775	339
Customer down payments/advances	90	1.891	90	1.891
Social security	261	476	261	476
Wages and salaries payable	108	147	108	147
Short term liabilities to factors	1.501	2.282	1.501	2.282
Other payables	46	83	45	66
Amounts due to related parties	0	0	0	0
Next year's Income	5	5	5	5
Accrued expenses	162	120	36	77
Purchases under arraignment	301	44	301	44
Total Trade and other payables	**12.991**	**15.717**	**12.619**	**15.459**

4.6.26 PROVISIONS

The Group has formed provisions for doubtful trade receivables for the amount of € 5.186 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.

	Group - Company				
Amounts in € thousand	31.12.2017	New Provisions	Used Provisions	Decreases	30.06.2018
Provisions for tax unaudited years	122	0	0	0	122
Provisions for employers benefits	739	81	37	0	783
Other provisions	0	0	0	0	0
Total	**861**	**81**	**37**	**0**	**905**

4.6.27 DISPUTED CLAIMS

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

4.6.28 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	Unaudited year
SPACE HELLAS A.E	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.

4.6.29 CONTIGENT EVENTS

4.6.29.1 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	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Guarantee letters to secure good performance of contract terms	2.890	3.050	2.890	3.050
Total Contingent Liabilities	**2.890**	**3.050**	**2.890**	**3.050**

On 30.06.2018 there were no outstanding guarantee letters to secure good performance,. On 31.12.2017 the amount issued in favour of joint ventures for guarantee letters to secure good performance was € 326 thousand.

4.6.29.2 Excess clause provisions and Disputed claims

There are no cases (note. 4.6.27) that might have significant impact on the financial position both of the Group and the Company.

4.6.29.3 Other contigent liabilities

For the unaudited tax years of the Group companies as mentioned in note 4.6.28, there is the possibility of imposing additional taxes and surcharges at the time of their examination and finalization by the competent tax authorities. The company has formed a cumulative provision of € 122 thousand in order to cover the possibility of imposing additional taxes in the event of an audit by the tax authorities. For the other Group companies, no provision has been made for unaudited tax years as it is estimated that the charge for the imposition of additional taxes will be insignificant.

4.6.29.4 Operating lease commitments

At 30.06.2018, the Group's leases concerned motor vehicles as well as buildings. The minimum future payments based on valid contracts as at 30 June 2018 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	473	612	-	473	612	-
Buildings	165	251	24	67	251	24
Total	**638**	**863**	**24**	**540**	**863**	**24**

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

4.6.29.5 Capital comittements

At 30.06.2018 there were no capital commitments for the Group and the Company.

4.6.30 Cash Flows

Amount ins € thousand	Group		Company	
	01.01-30.06.2018	01.01-30.06.2017	01.01-30.06.2018	01.01-30.06.2017
Total cash inflow/(outflow) from operating activities	-3.860	-2.559	-4.157	-2.791
Total cash inflow/(outflow) from investing activities	-642	-1.870	-222	-1.620
Total cash inflow/(outflow) from financing activities	2.537	2.201	2.537	2.201

Cash flow from operating activities, is negative amounting to € -3.860 thousand as sales have been increased in the the year's second quarter. This has led to an increase of receivables, and combined with the increased cost of sales of the first semester have created a negative impact on the cash flow.

Cash flow from investing activities, is negative amounting to € -642 thousand.

Cash flow from financing activities, is positive amounting to € 2.537 thousand. This result provides a confirmation of the Group's ease of access to financial institutions for the financing of its activities and the excellent relations with the banking system.

4.6.31 Contingent Events - Transactions Between The Company And Related Parties (IAS 24) from 01-01-2018 to 30-06-2018

The transactions of the Group and the Company with its affiliates during the year have been carried out under normal market conditions.

The Group and the Company are not involved in any transaction of unusual nature or content that is material to the Group or the Companies and persons closely associated with it and is not intended to engage in such transactions in the future. None of the transactions involve special terms and conditions.

The table below presents the main inter-company transactions between the Company of its subsidiaries and the members of the Management during the period considered and during the previous period.

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.

Amounts in € thousand	Dividends received		Sales of goods and services		Rentals		Total company income		Total Group income	
	30.06		30.06		30.06		30.06		30.06	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
SPACE HELLAS (CYPRUS) LTD	926	823	-	60	-	-	**926**	**883**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-	**0**	**0**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-	**0**	**0**	**-**	**-**
Subsidiaries	**926**	**823**	**0**	**60**	**0**	**0**	**926**	**883**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	-	-	-	-	-	-	**0**	**0**	**0**	**0**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	1	1	**1**	**1**	**1**	**1**
Joint Ventures	**0**	**0**	**0**	**0**	**1**	**1**	**1**	**1**	**1**	**1**
MOBICS S.A	-	-	-	-	-	-	**0**	**0**	**0**	**0**
SPACE CONSULTING S.A.	-	-	-	-	-	-	**0**	**0**	**0**	**0**
Web-IQ B.V.	-	-	-	-	-	-	**0**	**0**	**0**	**0**
Total related parties	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	926	**823**	**0**	**60**	**1**	**1**	**927**	**884**	**1**	**1**

Amounts in € thousand	Total expenses for Company and Group	
	30.06.	
	2018	2017
SPACE HELLAS (CYPRUS) LTD	-	-
SPACE HELLAS (MALTA) LTD	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-
Subsidiaries	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	1	2
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	1	1
Joint Ventures	**2**	**3**
MOBICS S.A.	-	-
SPACE CONSULTING S.A.	-	5
Web-IQ B.V.	-	-
Associates	**0**	**5**
	2	**8**

Amounts in € thousand	Receivables Company		Receivables Group		Total liabilities company and Group	
	30.06		30.06		30.06	
	2018	2017	2018	2017	2018	2017
SPACE HELLAS (CYPRUS) LTD	979	694	-	-	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-
Subsidiaries	**979**	**694**	**0**	**0**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	-	109	-	109	14	11
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA (DORY)	-	-	-	-	12	1.480
Joint Ventures	**0**	**109**	**0**	**109**	**26**	**1.491**
MOBICS S.A.	-	-	-	-	3	3
SPACE CONSULTING S.A.	10	9	10	9	2	5
Web-IQ B.V.	300	-	300	-	-	-
Total related parties	**310**	**9**	**310**	**9**	**5**	**8**
	1.289	**812**	**310**	**118**	**31**	**1.499**

- 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.

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Salaries and other employee benefits	642	611	642	611
Receivables from executives and members of the Board	1	11	1	11
Payables to executives and member of the Board	38	29	38	29

- 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	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Guarantees to third parties on behalf of subsidiaries and joint ventures	41	1.850	41	1.850
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	41	1.850	41	1.850

- The company has granted guarantees to banks in favor of the subsidiary SPACE HELLAS (CYPRUS) LTD, amounting to € 41 for the issuance of letters of guarantee.

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 30.06.2018 and 30.06.2017 are shown in the table below:

	Group	
Amounts in € thousand	**30.06.2018**	**30.06.2017**
Comprehensive Income Statement		
Provisions for impairment	197	193
Total	**197**	**193**

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

	Group		
	30.06.2018	**30.06.2017**	**Divergence %**
EBITDA	**3.223**	**2.127**	51,53%
Provisions for impairment	197	193	
EBITDA adjusted	**3.420**	**2.320**	47,41%
Divergence %	6%	9%	

The adjusted EBITDA of the current period increased by 6% compared to EBITDA, while compared to the previews period the adjusted EBITDA is increased by 47,41%.

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		
	30.06.2018	30.06.2017	Divergence %
EBIT	**2.629**	**1.609**	63,39%
Provisions for impairment	197	193	
EBITDA adjusted	**2.826**	**1.802**	56,83%
Divergence %	7%	12%	

The adjusted EBIT of the current period is 7% higher than EBIT, while compared to the previews period the adjusted EBIT is increased by 56,83%.

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		
	30.06.2018	30.06.2017	Divergence %
Net Cash flow from operating activities	-3.860	-2.559	50,84%
Net Cash flow from investing activity	-642	-1.870	-65,67%
Cash Flows After Investments	**-4.502**	**-4.429**	1,65%
Provisions for impairment	197	193	2,07%
Cash Flows After Investments adjusted	**-4.305**	**-4.236**	1,63%
Divergence %	4%	4%	

The, Adjusted Cash Flows after investments for both the current and the previews period are increased by 4% compared to Cash Flows after investments.

Adjusted Net Borrowing

Adjusted net borrowing is defined as net borrowing, which includes other financial assets as theses 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		
	30.06.2018	**30.06.2017**	**Divergence %**
Long term loans	11.424	11.801	-3,19%
Short term loans	8.879	6.365	39,50%
Cash and Cash equivalents	-5.729	-5.237	9,39%
Net Borrowing	**14.574**	**12.929**	12,72%
Other financial Assets	-13	-13	0,00%
Adjusted Net Borrowing	**14.561**	**12.916**	12,74%
Divergence %	-0,09%	-0,10%	

In both the current and the previews period, the adjusted net borrowing is almost identical to the Net Borrowing.

4.8 REVISIONS AND RECLASSIFICATIONS

Statement of Cash Flows

Amounts in € thousand	Group 01.01-30.06.2017 Released	Group Reclassifications	Group 01.01-30.06.2017	Company 01.01-30.06.2017 Released	Company Reclassifications	Company 01.01-30.06.2017
Cash flows from operating activities						
Profit/(Loss) Before Taxes	849		849	995		995
Adjustments for:						0
Depreciation & amortization	518		518	516		516
Impairment of assets	0		0	0		0
Provisions	287		287	287		287
Foreign exchange differences	-399		-399	-395		-395
Net (profit)/Loss from investing activities	-31		-31	-853		-853
Interest and other financial expenses	808		808	805		805
Plus or minus for Working Capital changes:						0
Decrease/(increase) in Inventories	-1.072		-1.072	-1.072		-1.072
Decrease/(increase) in Receivables	952		952	423		423
(Decrease)/increase in Payables (excluding banks)	-3.879	-275	-3.604	-3.097	-275	-2.822
Less:						0
Interest and other financial expenses paid	-678		-678	-675		-675
Taxes paid	86	275	-189	275	275	0
Total cash inflow/(outflow) from operating activities (a)	**-2.559**	**0**	**-2.559**	**-2.791**	**0**	**-2.791**
Cash flow from Investing Activities						
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.003		-1.003	-1.003		-1.003
Acquisition of tangible and intangible assets	-932		-932	-932		-932
Proceeds from sale of tangible and intangible assets	14		14	14		14
Interest received	51		51	51		51
Collection of Dividends	0		0	250		250
Total cash inflow/(outflow) from investing activities (b)	**-1.870**	**0**	**-1.870**	**-1.620**	**0**	**-1.620**
Cash flow from Financing Activities						
Proceeds from Borrowings	4.170		4.170	4.170		4.170
Payments of Borrowings	-1.969		-1.969	-1.969		-1.969
Dividents paid	0		0	0		0
Total cash inflow/(outflow) from financing activities ©	**2.201**	**0**	**2.201**	**2.201**	**0**	**2.201**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**-2.228**	**0**	**-2.228**	**-2.210**	**0**	**-2.210**
Cash and cash equivalents at beginning of period	**7.465**	**0**	**7.465**	**7.115**	**0**	**7.115**
Cash and cash equivalents at end of period	**5.237**	**0**	**5.237**	**4.905**	**0**	**4.905**

The above reclassification of the € 275 thousand from the item "Paid Taxes" to "(Decrease) / Increase in Non-Banking Loans" had no effect on the Total Income / (Outflows) from Operating Activities.

4.9 SIGNIFICANT POST-BALANCE SHEET EVENTS

- The distribution of part of the reserve, Law 3943/2011 article 14, Law 41172/2013, article 48 in combination with POL 1007/2014 and POL 1039/2013, to the shareholders according to the 27-06-2018 continuation of the 5-6-2018 meeting) decision of the Annual General Meeting of the Shareholders, took place The distributed reserve amounts to € 452 thousand or € 0.07 per share with the Beneficiaries Identification Date: Thursday July 5, 2018, Dividend Date: Wednesday July 4, 2018, Distribution Date: Wednesday, July 10, 2018 and Paying Bank to Alpha Bank.

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

5 FIGURES AND INFORMATION FROM 1ST JANUARY TO 30th JUNE 2018

SPACE HELLAS S.A.
GEMI:375501000
Mesogion Av. 312 Ag. Paraskevi
Financial statement and information for the period 1 January 2018 to 30 June 2018

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	24 September 2018 Board of Directors Decisions No 3.340
Certified Auditor Accountant	Andreas G. Pournos (S.O.E.L. Reg. No 35081)
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	Non Executive member
Patsouras Athanasios	Indipendent - non executive member
Chatzistamatiou Theodoros	Indipendent - non executive member

1.1 STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
(consolidated and non consolidated) Amounts in € thousand	30.06.2018	31.12.2017	30.06.2018	31.12.2017
ASSETS				
Property, plant and equipment	16.050	16.319	16.026	16.292
Investment properties	0	0	0	0
Intangible assets	1.748	1.751	1.747	1.749
Other non current assets	1.935	2.239	1.994	2.297
Inventory	4.392	3.578	4.392	3.578
Receivables (trade debtors)	15.957	14.295	15.077	13.831
Other current assets	11.438	12.517	11.664	12.211
TOTAL ASSETS	**51.520**	**50.699**	**50.900**	**49.958**
EQUITY AND LIABILITIES				
Share capital	6.973	6.973	6.973	6.973
Other components of equity	8.026	7.695	7.764	7.216
Total equity attributable to owners of the parent (a)	**14.999**	**14.668**	**14.737**	**14.189**
Non controlling interests (b)	2	2	-	-
Total Equity (c) = (a)+(b)	**15.001**	**14.670**	**14.737**	**14.189**
Long term borrowings	11.424	9.800	11.424	9.800
Long term provisions / Non current liabilities	1.133	869	1.159	893
Short term borrowings	8.879	7.965	8.879	7.965
Other current liabilities	15.083	17.395	14.701	17.111
Total Liabilities (d)	**36.519**	**36.029**	**36.163**	**35.769**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**51.520**	**50.699**	**50.900**	**49.958**

1.3 STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
(consolidated and non consolidated) Amounts in € thousand	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Total equity in the beginning of the year (1/1/2018 and 1/1/2017 accordingly)	14.639	13.787	14.159	13.401
Total comprehensive income after taxes (continued and discontinued operations)	362	526	578	837
Increase / (Decrease) of Share Capital	0	-3.422	0	-3.422
Cancellation of own shares	0	0	0	0
Other Changes	0	3.422	0	3.422
Non controlling interests	0	0	0	0
Total equity at the end of the year Total equity at the end of the period (30.06.2018 and 30.06.2017)	**15.001**	**14.313**	**14.737**	**14.238**

1.4 CASH FLOW STATEMENT FOR THE YEAR

	GROUP		COMPANY	
(consolidated and non consolidated) Amounts in € thousand	01.01-30.06.2018	01.01-30.06.2017	01.01-30.06.2018	01.01-30.06.2017
Operating Activities :				
Profit before taxes (continued operations)	1.141	849	1.201	995
Plus/Less adjustments for :				
Depreciation	594	518	591	516
Impairment of tangible and intangible assets	594	0	594	0
Provisions	155	287	155	287
Foreign exchange differences	388	-399	386	-395
Net (profit)/Loss from investing activities	31	-31	-894	-853
Interest and other financial expenses	1.218	808	1.215	805
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-814	-1.072	-814	-1.072
Decrease/(increase) in Receivables	-2.615	952	-3.143	423
(Decrease)/increase in Payables (excluding banks)	-3.295	-3.604	-2.408	-2.822
Less:				
Interest and other financial expenses paid	-1.043	-678	-1.040	-675
Taxes paid	-214	-189	0	0
Total cash inflow/(outflow) from operating activities (a)	**-3.860**	**-2.559**	**-4.157**	**-2.791**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	0	-1.003	0	-1.003
Purchase of tangible and intangible assets	-683	-932	-683	-932
Proceeds from sale of tangible and intangible assets	5	14	5	14
Interest received	36	51	36	51
Dividends received	0	0	420	250
Total cash inflow/(outflow) from investing activities (b)	**-642**	**-1.870**	**-222**	**-1.620**
Cash flow from Financing Activities				
Proceeds from Borrowings	4.411	4.170	4.411	4.170
Payments of Borrowings	-1.874	-1.969	-1.874	-1.969
Total cash inflow/(outflow) from financing activities (c)	**2.537**	**2.201**	**2.537**	**2.201**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	-1.965	-2.228	-1.842	-2.210
Cash and cash equivalents at beginning of period	7.694	7.465	7.042	7.115
Cash and cash equivalents at end of period	**5.729**	**5.237**	**5.200**	**4.905**

1.2 STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
(consolidated and non consolidated) Amounts in € thousand	01.01-30.06.2018	01.01-30.06.2017	01.01-30.06.2018	01.01-30.06.2017
Turnover	27.641	25.164	25.856	23.549
Gross Profit	8.187	5.875	7.301	5.249
Profit before taxes, financing and investing activity	2.629	1.609	1.760	929
Profit before taxes	**1.141**	**849**	**1.201**	**995**
Profit after taxes (A)	638	548	855	854
- *Owners of the parent*	638	548	855	854
- *Non controlling interests*	0	0		
	638	548	855	854
Other comprehensive income after taxes (B)	-276	-22	-277	-17
Total comprehensive income after taxes (A)+(B)	362	526	578	837
- *Owners of the parent*	362	526	578	837
- *Non controlling interests*	0	0		0
Earnings (after taxes) per share - basic in €	0,0988	0,0849	0,1324	0,1323
Profit before taxes, financing and investing activity and depreciation	**3.223**	**2.127**	**2.351**	**1.445**

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. 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 half yearly financial report of 2018.
3. The tax un-audited years of the Company and the Group are disclosed in note 4.6.28 of the half yearly financial report of 2018.
4. The company has formed a provision for the tax unaudited years in order to cover the possibility of additional taxes in case of a tax audit by the tax authorities(note 4.6.28). No other reserves are formed (note 4.6.26).
5. 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.
6. 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.
7. The personnel employed at 30-06-2018 for the Group amounted to 330 persons and for the Company amounted to 329 while as at 30.06.2017 amounted to 280 and 279 respectively.
8. The same Accounting Policies have been followed as for the financial statements as at 31.12.2017 except for new standards and interpretations of mandatory application after 1st January 2018.
9. Note 4.3 of the half yearly financial report of 2018 refers to the comprehensive income after taxes for the company and the Group.
10. Intercompany transactions for the period from 1 January 2018 to 30 June 2018 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	1	927
b) Purchases of goods and services	2	2
c) Receivables from related parties	310	1.289
d) Payables to related parties	31	31
e) Key management compensations	642	642
f) Receivables from key management	1	1
g) Payables to key management included in above	38	38

The company has guaranteed to financial institutions for bank credit limits for the subsidiary SPACE HELLAS (CYPRUS) Lt.d.up to the amount of € 41 thousand, through the issuance of letters of guaranty.

Agia Paraskevi, 24 September 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

We certify that the attached annual financial report, from pages 1 to 69, includes the annual financial statements of the Group and of company SPACE HELLAS SA for the period from January 1, 2018 to June 30, 2018, which have been approved by the Board of Directors of SPACE HELLAS SA on September 24th, 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**