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ANNUAL FINANCIAL REPORT

For the year 1st January 2018 – 31st December 2018

«SPACE HELLAS S.A. »
Company's Reg. No: 13966/06/B/95
Mesogion Av. 312 Ag. Paraskevi

The annual financial report of 2018 has been prepared in accordance with art. 4, Law 3556/2007, has been approved by the Board of Directors on 8 th March 2019 and has been uploaded at the URL address http://www.space.gr,

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

The Members of the Board of Directors

- Spyridon D. Manolopoulos, Chairman of the Board, executive member
- Mertzanis A. Ioannis, Chief Executive Officer, executive member
- Ioannis 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 December 31, 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, 8 March 2019

The Designated members of the Board of Directors

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

2 ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2018 – 31.12.2018

This Report of the Board of Directors of SPACE HELLAS, submitted to the Shareholders, refers to the financial year from January 1, 2018 to December 31, 2018 and is compliant to the provisions of the Greek Companies' Act, Codified Law 2190/1920 (art. 136) as well as art. 4 § 7 L.3556/2007 and L 3873/2010 and related HCMC circulars and the relevant IFRS adopted by the European Union as well.

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

The sections of the report provide information regarding:

- The financial position of the Group and the Company, and additional related information for the financial year 2018.
- The important issues that took place during the financial year 2018 and their impact on the financial statements.
- The perspectives and strategic aims of the Group and the Company,
- The risk and uncertainties of the Group and the Company,
- The Group's Corporate Governance practices,
- The transactions with related parties during 2018,
- The important issues that took place after the end of the financial year 2018.

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 in its entirety in the Annual Financial Report of year 2018, along with the financial statements and the rest of the necessary information, the relevant declarations and the explanatory notes.

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

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

2.1 FINANCIAL POSITION – PERFORMANCE – OTHER INFORMATION

2.1.1 FINANCIAL DATA

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 Group is facing difficult challenges but remains committed to achieving its goals. The effort of the Group to be competitive is continuous and is based essentially on the know-how, skills and dedication of its people, as well as on the continuous investments that take place throughout the financial crisis.

The corporate values of the Group derive from the principles and vision of Management, constitute the basis of its culture and form the foundation for its activities and development.

The company's activities have been in line 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 Year's total income

	Group			Company		
Amounts in € thousand	**01.01-31.12.2018**	**01.01-31.12.2017**	**CHANGE %**	**01.01-31.12.2018**	**01.01-31.12.2017**	**CHANGE %**
Revenue	66.112	59.658	10,82%	62.819	56.559	11,07%
Gross profit/loss	15.887	14.155	12,24%	14.298	12.933	10,55%
Gross profit margin	24%	24%		23%	23%	
EBITDA	5.942	4.838	22,82%	4.454	3.610	23,38%
EBIT	4.720	3.772	25,13%	3.238	2.548	27,08%
Earnings before taxes	2.081	1.652	25,97%	1.532	1.257	21,88%
Earnings after taxes	1.218	1.114	9,34%	984	1.006	-2,19%

The Group's turnover amounted to € 66.112 thousand compared to € 59.658 thousand of year 2017 showing an increase of 19,82%, attributed mainly to the second half year 2018, as results of the Group's efforts to expand in new markets.

The Group's Gross profit amounted to € 15.887 thousand compared to € 14.155 thousand of the previews year showing an increase of 12,24%.

The Group's EBITDA amounted to € 5.942 thousand compared to € 4.838 thousand of the previews period sharing the same pattern with the Group's turnover.

The Group's EBIT amounted to € 4.720 thousand compared to € 3.722 thousand of the previews year showing an increase of equal proportion with respect to EBTDA as previously commented.

The Group's earnings before taxes amounted to € 2.081 thousand compared to € 1.652 thousand of the previews period, showing an increase of 25,97%.

The Group's earnings after taxes amounted to € 1.218 thousand compared to € 1.114 thousand of the previews period showing an increase of 9,34%.

Statement of comprehensive income

The other comprehensive income after taxes for the current year comprises the net amount of -245 thousand from the revaluation of assets, and the amount of € 30 thousand from actuarial results (IAS 19) after taxes and the amount of 9 thousand, of currency differences from the consolidation of subsidiaries.

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

2.1.1.2 Assets

	Group			Company		
Amounts in € thousand	**01.01-31.12.2018**	**01.01-31.12.2017**	**CHANGE %**	**01.01-31.12.2018**	**01.01-31.12.2017**	**CHANGE %**
Total Assets	58.268	50.699	14,93%	57.224	49.958	14,54%
Total noncurrent receivables	19.944	20.309	-1,80%	19.929	20.338	-2,01%
Inventories	4.416	3.578	23,42%	4.416	3.578	23,42%
Trade receivables	16.163	14.295	13,07%	15.933	13.831	15,20%
Other receivables	17.745	12.517	41,77%	16.946	12.211	38,78%

The Group's Total Assets amounts to € 58.268 thousand compared to € 50.699 thousand of year 2017 attributable mainly to the increase of the turnover during the second half.

The Group's noncurrent receivables' net value, amount to € 19.994 thousand compared to € 20.309 thousand of year 2017.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 4.416 thousand compared to 3.578 thousand of year 2017

The Group's Trade receivables amount to € 16.163 thousand compared to € 14.295 thousand of year 2017 showing an increase of 13,07%, Despite this increase, the average collections period remained the same.

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

2.1.1.3 Liabilities

	Group			Company		
Amounts in € thousand	**01.01-31.12.2018**	**01.01-31.12.2017**	**CHANGE %**	**01.01-31.12.2018**	**01.01-31.12.2017**	**CHANGE %**
Total Liabilities	58.268	50.699	14,93%	57.224	49.958	14,54%
Shareholders' Equity	15.139	14.670	3,20%	14.416	14.189	1,60%
Long term loans	12.674	9.800	29,33%	12.674	9.800	29,33%
Other long term liabilities	1.296	869	49,14%	1.296	893	45,13%
Short term loans	8.606	7.965	8,05%	8.606	7.965	8,05%
Other short term liabilities	20.553	17.395	18,15%	20.232	17.111	18,24%

The Shareholders' equity amounts to € 15.139 thousand compared to € 14.670 thousand.

The Group's long term loans amounts to € 12.674 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 € 750 thousand
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 375 thousand
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 250 thousand

- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 1.929 thousand
- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.505 thousand
- The mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 937 thousand
- The mortgage loan ending at 2020, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 960 thousand
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.375 thousand
- The mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 634 thousand
- The mortgage loan ending at 2023, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.950 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 4,67%.

The Group's other long term liabilities amount to € 1.296 thousand compared to € 869 thousand of year 2017.

The Group's short term loans amount to € 8.606 thousand compared to € 7.965 thousand of year 2017.

The Group's other short term liabilities amount to € 20.553 thousand compared to € 17.395 thousand of year 2017.

2.1.1.4 Cash Flow

	Group		Company	
Amount ins € thousand	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Total cash inflow/(outflow) from operating activities	3.811	1.251	2.372	599
Total cash inflow/(outflow) from investing activities	-1.409	-2.628	-82	-2.278
Total cash inflow/(outflow) from financing activities	3.062	1.606	3.062	1.606

Cash flow from operating activities, is positive amounting to € 3.811 thousand. This result is reaffirms the Group's capability of generating cash from turnover.

Cash flows from investing activities, presented in a negative € -1.409 thousand as a result of the Group's continuing investing activity.

The cash flow from financing activities amounted to € 3.062 thousand reaffirming its trustworthy position acknowledged investing choices from the domestic banking system.

2.1.1.5 Performance ratios

		Group		Company	
		31.12.2018	31.12.2017	31.12.2018	31.12.2017
A.	**LIQUIDITY RATIOS**				
A1.	CURRENT RATIO	131,44%	119,84%	129,33%	118,12%
A2.	QUICK RATIO	116,29%	105,73%	114,01%	103,85%
A3.	ACID TEST RATIO	45,13%	30,34%	42,98%	28,08%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,24	0,17	0,23	0,15

B.	**CAPITAL STRUCTURE RATIOS**				
B1.	DEPT TO EQUITY	284,88%	245,60%	296,95%	252,10%
B2.	CURRENT LIABILITIES TO NET WORTH	192,60%	172,87%	200,04%	176,73%
B3.	FIXED ASSETS TO NET WORTH	132,94%	132,86%	139,66%	137,54%
B4.	OWNER'S EQUITY TO TOTAL LIABILITIES	35,10%	40,72%	33,68%	39,67%
B.5	CURRENT ASSETS TO TOTAL ASSETS RATIO	65,77%	59,69%	65,17%	59,29%

C.	**ACTIVITY RATIOS**				
C1.	INVENTORIES TURNOVER RATIO	12,56 times	13,32 times	12,14 times	12,77 times
C2.	FIXED ASSETS TURNOVER RATIO	3,28 times	3,06 times	3,12 times	2,90 times
C3.	DAYS OF SALES OUTSTANDING (D.S.O)	70,75 days	69,73 days	72,11 days	70,22 days
C4.	ASSET TURNOVER RATIO	1,138 times	1,18 times	1,10 times	1,13 times
C5.	OWNER'S EQUITY TURNOVER RATIO	4,37 times	4,07 times	4,36 times	3,99 times

D.	**PROFITABILITY RATIOS**				
D1.	GROSS PROFIT MARGIN	24,03%	23,73%	22,76%	22,87%
D2.	NET PROFIT MARGIN	3,15%	2,77%	2,44%	2,22%
D3.	RETURN OF INVESTMENT	21,82%	18,53%	19,06%	16,34%
D4.	EFFICIENCY OF TOTAL ASSETS	13,74%	11,26%	10,62%	8,86%
D5.	RETURN ON TOTAL CAPITAL EMPLOYED	7,66%	7,53%	6,83%	6,84%
D6.	FINANCIAL LEVERAGE RATIO	0,66 times	0,57 times	0,39 times	0,37 times

E.	**OPERATING EXPENSES RATIOS**				
E1.	OPERATING RATIO	92,40%	92,97%	94,38%	94,49%
E2.	INTEREST RATIO	1,87 times	1,76 times	1,64 times	1,58 times
E3.	OPERATING EXPENSES TO NET SALES	16,43%	16,70%	17,14%	17,35%
E4.	LOANS TO TOTAL ASSETS	36,52%	35,04%	37,19%	35,61%

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	31.12.2018	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 €

The earnings per share have been calculated taking into account the weighted average number of ordinary shares in issue which, for the period was 6.456.530.

2.1.1.7 Own Shares

The company does not possess any own shares as at 31-12-2018.

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

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	Sector	Ownership percentage		Consolidation method
			Direct	Indirect	
Subsidiaries					
SPACE HELLAS (CYPRUS) LTD	Cyprus	ICT	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	Romania	ICT- Investment Properties	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	ICT	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	Malta	ICT	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	Jordan	ICT	-	100%	Full Consolidation
Associates & Joint Ventures					
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	Greece	Terminated	35%	-	Equity method
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA (“DORY”)	Greece	Terminated	50%	-	Equity method
Other investments					
MOBICS SA	Greece	Software Development	18,10%	-	-
Web-IQ B.V.	Netherlands	Specialiased 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	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Guarantee letters to secure good performance of contract terms	3.424	3.050	3.424	3.050
Total contingent liabilities	**3.424**	**3.050**	**3.424**	**3.050**

At 31.12.2018 there were no outstanding letters of guarantee issued in favour of joint ventures. At 31.12.2017 the letters of guarantee issued in favour of joint ventures amounted to € 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

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 € 61 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.

For the foreign subsidiaries there is no statutory tax audit framework. Audits are carried out exceptionally where appropriate by the tax authorities of each country on the basis of specific criteria. Tax liabilities resulting from the submission of the annual tax return remain under the control of the tax authorities for a certain period of time, in accordance with the tax laws of each country.

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 2017 and the tax audit reports were issued without any qualification

There is ongoing tax audit of the company for the year 2018 by the statutory auditors, from which no significant additional charges are expected to arise.

Except the above mentioned there are no other contingent liabilities.

2.1.2 OTHER INFORMATION

2.1.2.1 Branches

The operating branches (except the company's headquarters on Mesogion Ave 312) as at 31.12.2018 are the following:

No	Establishment	Address
1.	Cholargos	302 Ave. Mesogion Cholargos
2.	Cholargos	6 Loch. Dedousi Str, Cholargos
3.	Thessaloniki	G.-I. Kar. & P. Kyrillou, Thessaloniki
4.	Athens	Em. Mpenaki 59, Athens
5.	Patra	Gkotsi 26-28, Patra
6.	Crete	G. Gennimata 62, Crete
7.	Ioannina	D. Hatzi 45, Ioannina
8.	Larissa	14 str Canada & N. Plasitra, Farsala

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

2.1.2.2 Personnel figures

Group Management is based on a team of experienced and competent executives who are fully aware of their subject matter and market conditions, contributing to the smooth operation and further development of the Group.

The Group respects the employees, develops their abilities, provides them with the communication and all the necessary resources they need and strengthens their role.

A table showing the average number of employees of the company and the Group employed during the current and previous years, as well as the salary, wages and salaries and insurance charges, is broken down into categories as follows:

Amounts in € thousand	Group					
	Persons		Total salary		Social security charges	
	2018	2017	2018	2017	2018	2017
	330	284	9.062	8.054	2.242	2.001

Amounts in € thousand	Company					
	Persons		Total salary		Social security charges	
	2018	2017	2018	2017	2018	2017
	329	283	9.055	8.048	2.242	2.000

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 annual f financial statements of 2018 and the corresponding financial statements of the prior period are the provisions for trade receivables impairment.

The elements affecting the adjustment of the indicators (ALPs) on 31.12.2018 and 31.12.2017 are shown in the table below:

	Group	
Amounts in € thousand	31.12.2018	31.12.2017
Comprehensive Income Statement		
Provisions for impairment	256	372
Total	**256**	**372**

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

Adjusted EBITDA

The adjusted EBITDA for year 2018 is 4% higher than EBITDA, while compared to previews period, results to be increased by 18,96%.

Adjusted EBIT
The adjusted EBIT for year 2018 is 5% higher than EBIT, while compared to the previews period, results to be increased by 20,08%.

Adjusted Cash Flows After Investments
The, Adjusted Cash Flows after investments for the current and the previews period as well are increased by 11% compared to Cash Flows after investments. while compared to the previews period, results to be decreased by 365,48% due to the increase of investing activities of the Group.

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 YEAR 2018 AND THEIR IMPACT ON THE FINANCIAL STATEMENT

Significant facts that took place during the period from 1st January to 31st December 2018 are the following:

- On 20 March 2018 a branch was established in Cyprus by SPACE HELLAS SA.
- On 2 May 2018 the Consortium under the name "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 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.
- 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.

- The distribution , to the shareholders took place, 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, according to the 27-06-2018 (continuation of the 5-6-2018 meeting) decision of the Annual General Meeting of the Shareholders. The amount of the distributed reserve amounts to € 452 thousand or € 0.07 per share with the Beneficiaries Identification Date: Thursday 5 July 2018, Exit Date: Wednesday July 4, 2018, Dividend Start Date: Wednesday, July 10, 2018 and Paying Bank to Alpha Bank.

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

The course of the Greek economy in 2018 compared to 2017 was characterized by a relative increase with the fundamentals evolving satisfactorily, but the growth remained at a low rate. The electoral scenarios in 2018 have not been confirmed and therefore 2019 will be a year of election in multiple level, with negative repercussions in the execution of major public sector projects and the maintenance of a climate of stability. Also, the potential for accelerating private investment plans is limited by the existing weaknesses of the banking sector, which continue to be of concern to both international and domestic investors.

SPACE HELLAS, continuing its steady growth for many years, has created the conditions for achieving new historical revenues in 2018, mainly from private sector projects and contracts, significantly exceeding the initial projections. Clients such as OTE, Deutsche Telekom, British Telecom, Vodafone, Telecom Italia Sparkle, Wind, Forthnet, National Bank, Piraeus Bank, Alpha Bank, OPAP, Athens International Airport, Fraport, Digea, Zenith, Hellenic Petroleum, PPC,. are typical of large organizations that offer an expanded range of technologically advanced products and services.

In 2018, a major success was achieved for the company in the Maltese market by claiming and successfully completing the tender for the supply, installation, maintenance and service for 7 years of the Hybrid Cloud Infrastructure of the state-owned Malta Information Technology Agency (MITA) working with a local company based on Microsoft and Cisco technologies. Successful completion of this project is a major technological breakthrough and reference point since it is the first state-level project worldwide to use hybrid cloud computing technology to enable a player such as MITA to offer upgraded capabilities to implement and host innovative services digital governance (G2G, G2B, G2C) to government agencies. These services use attractive Pay-Per-Use Billing models, adopt new application development architectures such as Microservices, Serverless computing, new practice containers such as DevOps. It is worth noting that similar technology projects have already begun to be launched by both private and public entities in Greece and international markets. The SPACE HELLAS Group will continue to invest in Hybrid cloud computing and the development of applications based on new architectures with the aim of successfully claiming these projects.

In 2019 the projects that continue to be implemented in the **private sector** are as follows:

- Piraeus Bank, Alpha Bank, Thessaloniki EDA: Renewal of technical support contracts with a multiannual duration.
- Infrastructure upgrade of Avin Coral stations at national level.
- OTE - National Bank of Greece: MPLS contract renewal for the support of the National Bank of Greece network
- OTE-LENOVO: Framework agreement for the supply of IT equipment and services
- Upgrading of Network Infrastructures and installation of IP telephony at the National and Kapodistrian University of Athens
- WIND: Upgrading Central Data Center infrastructures
- WIND: Support Contract for all Cisco Network infrastructures at national level
- National Bank of Greece: 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 Heads End (Headend).
- Intrakat-Fraport for the 14 regional airports in the country that are in the process of privatization
    - Framework Agreement for the Provision of Access Control System and Surveillance System. The project comes to cover the critical subject of plant safety and protection and is part of the overall infrastructure upgrade

- Central Aerodrome Data Network. It will be the main communication body through which data will be transferred to the major aerodrome operating systems.

- Honeywell Process Solutions: Natural Gas Transit Pipeline (TAP AG) - SCADA-Telecom Security System.

Complex projects and maintenance contracts in the **public sector** that continue to run in 2019 are as follows:

- ERT SA: Supply of equipment, installation services and operation of digital terrestrial edge
- Civil Aviation Authority: Implementation of the project "Supply of AFTN / CIDIN / AMHS Aeronautical Message Transmission System". The project has been successfully completed and the 2-year warranty period is in progress
- Greek Atomic Energy Commission: The warranty period for the National Electromagnetic Field Observatory project has been completed and a 2 year contract for maintenance and support services is underway
- Ministry of Foreign Affairs: Maintenance contract for the NVIS project concerning the automation of issuing VISA in 135 countries' embassies and consulates internationally
- Ministry of Public Order and Citizen Protection: Maintenance contract for the project "Electronic identification and identification services (e-TAP)"
- Ministry of Public Order and Citizens Protection: Contract for the maintenance of the project "Electronic Crime Prevention Services for the Protection of Citizens' Security and E-Crime"
- Ministry of Public Order and Citizens Protection: Contract for the maintenance of the "Remote Access" project
- Ministry of Public Order and Citizen Protection: The contract for the procurement of 420 travel document readers is being implemented

<u>Coplex projects for the public sector in the contracting stage:</u>

- Information Society: Syzefxis II project, candidate contractor in a joint venture scheme 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 Public Order and Citizens Protection in an association of companies: Extension of an automated border surveillance system to the border area of the Greek-Turkish border in the region of Evros and interconnection of Regional Integrated Border Management and Immigration Centers, with a budget of **€ 12 million.**
- Civil Aviation Authority: Supply of air navigation systems for the relocation of the Athens approach by KEPATH to AIA, with a budget of **€ 3 million.**
- Civil Aviation Authority: Supply of Communication and Voice Recording System, budget of **€ 7.65 million.**
- Ministry of Education: Supply, installation and parameterization of hardware and software, for the implementation of a secure transmission system for examinations and certifications, with a budget of **€ 1.13 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 the countries of Turkey, Egypt, Israel, Lebanon, Jordan , Saudi Arabia, Kuwait, Bahrain, Qatar, Iran, Algeria, Tunisia, Morocco, Oman, Yemen.

<u>Complex projects under evaluation:</u>

- HEDNO: Providing Services for the Operation and Maintenance of a Communication Network of **€ 15 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.**
- Ministry of Public Order and Citizen Protection:
  - Establishment of a Single Point of Contact (S.P.O.C.) Business Center as a budget of **€ 685 thousand.**
  - Relocation and Supply of Equipment for the National Border, Immigration and Asylum Co-ordination Center (ESSESA) with a budget of **€ 1.05 million.**
  - Supply of 7 CCTV systems budget of **€ 241 thousand.**
  - Supply of IT products, software, printers, scanners, consumables and other IT products, **€ 411 thousand.**
- Ministry of Economy and Development: Framework Agreement for the supply of 1) desktop computers, 2) LED flat screens and 3) office automation software packages of **€ 17.1 million.**

- Ministry of Economy and Development: Framework Agreement for the Supply of Desktop Computers, to meet the needs of the Contracting Authorities / Agencies, GGEAA, GEA and ARP, with a budget of **€ 1,295 million.**
- GRNET: upgrade of DWDM infrastructure, budget **€ 291 thousand**
- Ministry of Education: Supply and installation of ICT equipment for Primary and Secondary Schools of the Region of Western Macedonia, with a budget of **€ 3.225 million.**
- Ministry of Defense: Upgrading and expanding the NATO Codification System for the Ministry of Defense for a budget of **€ 235 thousand**.
- Ministry of Education: Supply and installation of ICT equipment for Primary and Secondary Schools of the Region of Epirus, with a budget of **€ 3.225 million**.
- Coast Guard: Communication System Supply for Surveillance, Rescue and Navigation Security, with a budget of **€ 2,810 million**.
- Participation as subcontractors for ICT-related items in the tender for the construction of Athens Metro Line 4.

In 2019, the company continues to invest in the area of systems and integrated telecommunications solutions, IT and security while more are expected to be the contribution of the corporate turnover of the public sector projects and international markets compared to previous years.
At the same time, extends the cooperation at both national and international levels with the key strategic partners such as BT, Cisco, Dell-EMC, Lenovo, Microsoft, VMware, Veritas, Oracle, Olisoft, NEC, SPLUNK, Checkpoint, Fortinet , Symantec, Huawei, Plantronics, Frequentis, Hikvision, Bosch, Honeywell, Avigilon, Rittal, Panduit and Fiber Fab.

Also in 2019 Space Hellas is actively involved in co-funded R & D projects, both at national and European level. At present, there are eleven projects in progress, with a total funding for the company of over **€ 3.5 million**.

Moreover, Space Hellas, for European projects (both in the European Commission - Horizon 2020 and the European Space Agency - ESA):

- Is a coordinator of **SHIELD** project (Securing against intruders and other threats through a NFV-enabled environment) that develops an innovative platform for network security based on Big Data, Machine Learning and virtualization.

- It has a key role to play in the implementation of the **HEIMDALL** (Multi-Hazard) project in the field of security and crisis management .

- Has a key role in the **5GENESIS** project (5th Generation End-to-End Network) for the development of pan-European 5G experimental infrastructures. Space Hellas, together with its subsidiary Space Hellas (Cyprus) Ltd., coordinates the deployment of a complex 5G experimental platform in Limassol, Cyprus.

- Contributes actively to the **TRUSPASS** project (robusT Risk Basel Screening and alert System for PASSengers and luggage), where is responsible for the development and integration of Web intelligence technologies for passenger control and risk assessment at border checkpoints, based on the Voyager platform of Web-IQ.

- It has a key role in the **EVOLVE** project (HPC) and Cloud-enhanced Testbed for Diverse Data at Large Scale, coordinating the development of vertically integrated high performance computing platforms.

- Participates in the ESC's **Satcom Pooling and Sharing System** project, studying and designing a pan-European networking system for satellite communications networks and services.

- Finally, the **PREVISION** project (Prediction and Visual Intelligence for Security Information) launches in 2019, in which the company contributes to the development of a complex information mining and management system for security applications, based on the Web-IQ Voyager platform.

With regard to the national research projects are concerned, Space Hellas participates in four projects that started in 2018, namely:

- Coordinates the **NEREAS** project, which concerns the integrated supervision and optimization of energy management on commercial vessels, having undertaken the development of a large data processing platform and a user interface.

- Coordinates the **EMISSION** project, which involves the development of an integrated platform for the monitoring of air pollutants using IoT networks. Space Hellas is responsible for developing the Central Platform of the Information Collection, Processing and Presentation System.

- Coordinates the project **e-Polymorphisms**, co-funded by the region of Epirus. The project concerns e-health platform for the care of patients with chronic kidney disease, while Space Hellas focuses on the development of the central software platform and database.

- Participates actively in the **AVINT** project, concerning the integration of automotive vehicles on the urban transport network. The object of Space Hellas is the Network Infrastructure and the Control Center that will support the operation of vehicles.

The Group's operations in **international markets** are continued through its subsidiaries in Cyprus, Malta, Serbia, Romania and Jordan, as well as with commercial activity in the Balkans, the Middle East and North Africa. In addition, in cooperation with the Dutch Web-IQ company, SPACE HELLAS, which owns 17.21%, participates in international conferences, presentations and bids addressed to the global Cyber security market and applications for Real Time Web Intelligence. Cloud services through the company's telecommunications hub in Frankfurt continue to expand through the expansion of the services offered and through the significant synergies with international manufacturers such as Cisco, DELL-EMC, Microsoft and Oracle.

Complex projects in international markets are:

- In **Cyprus**,
  - Continuation of 13 years of service to the Department of Meteorology for the project "Provision of Meteorological Radar Services" for the Government of the Republic of Cyprus, Ministry of Agriculture, Rural Development and Environment
  - Continue to provide online crime prevention services through the WEB-IQ Voyager platform for the Cyprus Police.
  - Bid evaluation for the project "Governmental Integrated Network of the Ministry of Transport, Communications and Works of Cyprus (GUN)" budget of **€ 16 million**.
  - Bid evaluation for the pre-selection stage of the project "Supply of Installation and Maintenance of Electronic Surveillance Systems in National Guard CYPRUS" for a budget of **€ 10 million.**
  - Bid evaluation for the supply to the Cyprus Police of space surveillance systems.
  - Evaluation of tenders for HERMES (Larnaca and Pafos Airport Administrator) for the supply of:
    - Parking management system.
    - Supplying a NMS platform.
    - Upgrading network infrastructure.
  - Re-submission stage for the project "Supply, Implementation and Management of Systems and Equipment with PPP (Public-Private Partnership) Method to Prevent and Combat Violence in Sports Facilities" at the Cyprus Sports Organization (CSO). The project is expected to be re-announced by 2019.

- In **Malta,**
  - Continue the 7-year hybrid cloud service contract with the Maltese Government (MITA: Malta IT Agency).

- In **Jordan,**
  - Provision of telecommunication services through the subsidiary company Space Arab Levant Technologies.
  - Bid for an ATM security project in the banking sector based on the GUARDIAN security platform developed by SPACE HELLAS.

In summary, in 2019, it is expected to be a year of growth and strengthening of the financial figures of the SPACE HELLAS Group. In spite of the low growth rate of the Greek economy and the upcoming elections, the effort of recent years to strengthen the commercial penetration of the Group into a healthy clientele at international level, the steady pace of investment in state-of-the-art technologies and innovation, is reflected in the financial statements. In 2019, the revenue prospects of signed contracts and those in a bidding process, with significant potential for positive result, give an optimistic message about the course of the group.

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 payables.

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:

Currecy	31.12.2018		31.12.2017	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit
	6%	-340	8%	-550
	-6%	340	-8%	550

Price Risk

The Group is not exposed to securities price risk. The Group is exposed to 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. 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 can have an 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.
However 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. Thus, the careful monitoring and the interest risk management decreases the risk of significant impact on profits due to short term fluctuations.

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

Νόμισμα	31.12.2018		31.12.2017	
euro	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
	1%	-190	1%	-150
	-1%	190	-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 big organizations of the private and the public 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 Management. 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

Liquidity risk is addressed both by the steady stream of collections and by providing sufficient cash resources from bank financing (focusing on on-the-project basis funding), which is based on the excellent relationship the company has 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 controls did not materially affect the aforementioned relationships.

The table below summarizes the maturity profile of financial liabilities for the years 2018 and 2017 respectively.

Group

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2018	2017	2018	2017	2018	2017	2018	2017
Borrowings	**21.280**	**17.765**	8.606	7.965	9.169	3.546	3.505	6.254
Trade and other payables	**20.559**	**17.401**	20.553	17.395	-	-	6	6

Company

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2018	2017	2018	2017	2018	2017	2018	2017
Borrowings	**21.280**	**17.765**	8.606	7.965	9.169	3.546	3.505	6.254
Trade and other payables	**20.238**	**17.141**	20.232	17.111	0	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 expand the Group's activities.

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	**2018**	**2017**	**2018**	**2017**
Short term Borrowings	8.606	7.965	8.606	7.965
Long term Borrowings	12.674	9.800	12.674	9.800
Less: cash and cash equivalents	-13.158	-7.694	-12.394	-7.042
Net Debt	**8.122**	**10.071**	**8.886**	**10.723**
Equity	15.139	14.670	14.416	14.189
Total capital employed	**23.261**	**24.741**	**23.302**	**24.912**
Gearing ratio	**34,92%**	**40,71%**	**38,13%**	**43,04%**

The most important factor in reducing the leverage ratio is the reduction in net debt. This decrease reflects the Group's effort to generate free cash flow, increasing EBITDA and lowering the non-cash working capital required.

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 prepared in compliance with the provisions of applicable law. The text is codified and amended every time this Board of Directors decides. For the purpose of full disclosure to the company's shareholders, the corporate governance regulation includes legislative provisions and provisions of the Company's Articles of Association which prevail over it.

The Corporate Governance Code is prepared by the Board of Directors of the company. After approval by the Board of Directors the code is uploaded on the company's website of the company in a non-editable format. The Corporate Governance Code comes into effect from its upload to the company's website *http://www.space.gr*.

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

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

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

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

2. Corporate Governance Practices Applied

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

In particular:

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

The Board of Directors has the following composition

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

The responsibilities of the executive members are decided by the Board of Directors, as well as the delegation of responsibilities to third - non-staff members, in particular executive officers.

For the current year, responsibilities were delegated to the company's President-executive member and to the Executive Director of the company, and to other executive board members as well except for the executive member Paparizou Anastasia.

To better coordinate the management of corporate affairs, the Board may appoint a committee of senior executives.

Regarding the right to bind the company through the signature, this is delegated for a certain monetary limit. Beyond this limit the decision of the Board is required.

The Board of Directors, in accordance with Law 3016/2002, takes decisions for matters relating to any fees paid to company executives, internal auditors as well as for the overall remuneration policy of the company.

According to the articles of Association, to the members of the Board may be paid a compensation of an amount determined by a special decision of the ordinary general meeting of shareholders.

Wages and other compensation of non-executive directors are determined in accordance with the Law 2190/1920.

The process of setting fees is characterized by objectivity, transparency and professionalism and is free from conflicts of interest.

Each board member is required to strictly comply with the confidentiality requirements in relation to information accessed during of the company which became known to it in its capacity as a consultant.

The board members and any third party entrusted with this responsibility are forbidden to pursue their own interests contrary to the interests of the company according to article 23, Law 2190/1920.

The board members and any third person entrusted with responsibilities must promptly disclose to the other board members of the same interests that might arise in transactions of the Company which fall to their duties and any other conflict own interests with those of the company or affiliates according to Law 2190/1920, which arise in the course of their duties.

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

II. General Meeting

The call of the General Meeting is posted on the company's website together with the total number of shares and voting rights at the time of the call and the documents to be submitted to the General Meeting, a draft decision on every matter on the agenda proposed or in case no decision has been proposed for approval by the Board, a comment on all aspects of the agenda and any draft decisions proposed by shareholders upon receipt by the company as well as the forms to be used for the exercise of voting rights and, where applicable, for the exercise voting rights by correspondence, unless these forms are sent directly to each shareholder.

If for technical reasons this information is not available, the company provides information through the website on how to supply the relevant forms in hardcopy form and send mail without charge to each interested shareholder.

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

Particular attention is paid to issues of conflict of interest of the shareholders' representatives who wish to participate in the meeting.

The shareholder's representative must notify the company before the commencement of the general meeting, any specific event, which may be useful to shareholders for the assessment of the risk the representative is in conflict of interests with the shareholders.

For the purposes of this paragraph a conflict of interests may be appear, in particular where the agent:

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

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

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

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

The appointment and dismissal of the shareholder representative takes place in writing and communicated in the same form to the company at least 3 (three) days before the designated date of the meeting.

Besides the President of the Board, at a general meeting present, the CEO, the General Manager of the company, Chief Commercial Officer, Chief Financial Officer or legal advice where appropriate, the Internal Auditor and regular statutory auditor of the Company and, if necessary, provide feedback and information on issues of responsibility raised for discussion and answer questions from shareholders on these issues.

The President of the General Assembly, according to the circumstances, provides the necessary time to the shareholders in order to ask questions.

The discussions and decisions taken by the General Assembly are recorded and summarized in a special book. The Secretary keeps the minutes of the General Assembly making sure to list all of the points of view or questions that the shareholders might make and responses to these questions.

The President of the Meeting, at the request of a shareholder, is required to file in the book of minutes an accurate summary of his opinion. This book contains also a list, in accordance with paragraph 2 of Article 27 of Law 2190/1920, of the shareholders that were present or represented at the general assembly.

Each share confers the right to vote. All shareholders' rights arising from the share is mandatory according to the proportion of capital represented by shares.

The company ensures equal treatment for all shareholders of the same position. During the meeting all shareholders' request for speech is accepted, and the points of view as well as the questions submitted and responses received are all recorded.

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

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

III. Internal Control System – Risk Management Controls

In compliance with the law, a full time employee is responsible for the internal Audit Department. This person is independent, not subordinate to any other unit of the company, and assists the Board of directors in the exercise of its duties in order to safeguard the interests of the company and its shareholders.

The Internal Audit Department is supervised by the Audit Committee

The Board of Directors reviews the effectiveness of internal control within the corporate strategy with regard to the management the main risks the company is facing, in particular, in financial matters. This review covers the essential audits, including financial and operational audits, compliance testing and monitoring of risk management systems. The Board through the Audit Committee has direct and regular contact with the public auditors in order to receive from the latter regular updates in relation to the proper functioning of the internal control system.

IV. Audit Committee:

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

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

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

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

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

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

3. Shareholders' General Meeting

General Meeting description of functions:

The General Meeting is the supreme body of the company, is entitled to decide for each case of a company in accordance with the statutes and its decisions are binding on the all the shareholders including those who are absent and those who disagree. The General Meeting is the only competent body to decide on all the matters referred to in article 34 of Law 2190/1920, including the amendment of the Company's Articles of Association.

The General Meeting of Shareholders is required to meet at least once for each fiscal year at the registered office of the company or in the region of another municipality within the prefecture or seat of the head office at least once for each business year by the tenth (10th) calendar day of the ninth month after end of the financial year.

The call of the General Meeting, which includes at least the building with exact address, the date and time of meeting, agenda items clearly reported, the shareholders entitled to participate and precise instructions on how the Shareholders will be able to participate in the meeting and to exercise their rights, should be posted in a

conspicuous position the company's premises and published in accordance with the provisions of Article 26 of Law 2190/1920.
Apart from the above invitation should include:

a) Information regarding:
aa) The rights of shareholders of paragraph 2, a 2, 4 and 5 of Article 39 of Law. 2190/1920, indicating the period within which may be exercised any right within the time limits set out in paragraphs of Article 39 of Law 2190/1920, as above, or alternatively, the deadline by which these rights can be exercised provided that detailed information about these rights and conditions for their exercise will be available with express reference to the call to the address (domain name) of the company's website.
bb) The procedure for proxy voting and, in particular the forms used for the proxy vote, and the methods provided in the statute, article 28 paragraph 3 of a CL 2190/1920, to receive electronic notifications of for the appointment and removal of the agents.

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

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

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

The invitation is also uploaded at the company's website along with the total number of shares and voting rights at the time of the call and the documents to be submitted to the General Meeting, a draft decision on any matter of the agenda as proposed or, if no resolution is proposed for approval, comment of the Board on each item on the agenda and any draft resolutions proposed by shareholders upon receipt by the company and the forms to be used for the proxy voting right and, where applicable, the right to vote by mail, unless these forms are sent directly to each shareholder.

If for technical reasons this information is not available, the company provides information through the website on how to supply the relevant forms in hardcopy form and send mail without charge to each interested shareholder.

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

The company may publish in the publication media listed by the Law 2190/1920 a summary of the call which includes at least the building with exact address, day and hour of the meeting, the shareholders entitled to attend as well as express reference to the website address where the full text of the call and other information regarding the meeting will be available.

Call for a general meeting is not required in the event that the shareholders present or represented are representing the entire share capital and none of them objects to carrying out of the meeting and to the decision making.

Shareholders rights before the Call for the General Meeting:
Ten days before the regular general meeting each shareholder can get the company's annual financial statements and the reports of the Board of Directors and the independent auditors' report.

Twenty-four hours before each general meeting must be posted at a conspicuous place in the premises of the company a list of shareholders entitled to vote at the general meeting indicating, if any, their representatives, the number of shareholders and votes of each and the address of shareholders and representatives.

From the day of publication of the call for the General Meeting until the day of the meeting, at least the following information should be uploaded to the website:

a) The call for the General Meeting.
b) The total number of shares and voting rights at the date of the call, including separate totals for each class of shares if the company's capital is divided into several classes of shares.
c) The documents to be submitted to the General Assembly.
d) A draft decision on any matter on the agenda as proposed or, if no decision has been proposed for approval by the Board, the comment of the Board on each item on the agenda and any draft resolutions proposed by shareholders right after their receipt by the company.
e) The forms that should be used for the exercise of proxy voting rights and, where applicable, the right to vote by mail, unless these forms are sent directly to each shareholder.

General Meeting participation rights:
Each shareholder is entitled to attend and vote at a General Meeting. The exercise of these rights does not require the shareholders' share blocking nor similar procedure, that would limit the ability to sell and transfer the shares

during the interval between the record date, as defined in paragraph 4 of Article 28a of Law 2190/1920, and the date of relevant general meeting.

A shareholder participates in the general meeting and votes either in person or through agents.

An agent that is acting for more shareholders may vote differently for each shareholder. Legal entities participate in the General Assembly by stating as their representatives up to three (3) individuals.

A shareholder may appoint a representative for a single meeting or for as many meetings will take place within a certain time. The representative will vote in accordance with the instructions of the shareholder, if any, and is required to preserve the voting instructions for at least one (1) year from the submission of the General Meeting minutes to the competent authority or, in case the decision is subject to publicity, from the date of registration at the Companies Registry. Failure of the representative with the instructions received do not affect the validity of decisions of the General Assembly, even when the representative's vote was decisive for the decision making.

The shareholder's representative must notify the company before the commencement of the general meeting, any specific event, which may be useful to shareholders for the assessment of the risk the representative is in conflict of interests with the shareholders.

For the purposes of this paragraph a conflict of interests may be appear, in particular where the agent:

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

The appointment and dismissal of the shareholder representative takes place in writing and communicated in the same form to the company at least 3 (three) days before the designated date of the meeting.

However, if the shareholder holds shares in a company, which appear in more than one securities account, this restriction does not prevent a shareholder to appoint different representatives for the shares held in each securities account in respect of a general meeting.

Entitled to participate to the general meeting is a shareholder which appears in the records of the organization, which has the administration of the company's securities. The presentation of relevant written certificate of such organization would make proof of membership. As a shareholder should exist at the beginning of the fifth day before the day of the general meeting (record date) and a written statement or electronic certification of the shareholding should reach the company by the third day before the general meeting. In the repetitive General Meeting shareholders may participate under the same standard conditions as above.

Shareholding must exist at the beginning of the fourth day preceding the meeting day of the repeated general meeting (date of recording repetitive General Meetings), and a written statement or electronic certification of the shareholding should reach the company no later by the third day before the general meeting.

The Board has prepare in the list of persons entitled to vote at a general meeting in accordance with Article 27 paragraph 2 of Law 2190/1920, all shareholders who have complied with the provisions of Article 28 a of Law 2190/1920. The company considers eligible to participate and vote at the general meetings the person who results to be shareholder at the relevant record date. A shareholder that does not comply with these regulations would participate in the General Assembly only after permission.

Quorum:
The General Assembly is in quorum and convenes validly on the issues on the agenda, when are present shareholders or agents representing one fifth (1 / 5) at least the paid up share capital.

If such a quorum fails to achieve, the General Assembly shall meet again within twenty (20) days from the date of the cancelled meeting, while the call should take place at least ten (10) days before. This new meeting will form a quorum and will validly deliberate on the issues of the original agenda regardless of the percentage of issued share capital will be represented in it. In case the quorum is not achieved, new call is not required if the initial call provided also the location and timing, by law, for the repeated general meeting, provided there is at least ten (10) full days between the cancelled meeting and repetitive.

Exceptionally, the General Assembly is in quorum and convenes validly on the issues agenda when are present shareholders or agents representing two-thirds (2 / 3) of the issued share capital, for decisions on: **a)** extending the duration or termination of the company **b)** the change of nationality of the company, **c)** the change of corporate purpose, **d)** increase the share capital, when not required by the Association according to the article 13 paragraph 1 and 2 of Law 2190/1920 or when required by laws or rules or though capitalization of reserves, **e)** reduction of share capital, in all cases except in those contained in paragraph 6 of article 16 of Law 2190/1920, **f)** changing the order of appropriation of the profits, **g)** the enhancement of the obligations of shareholders **h)** merger, split, conversion, revival of the company, **i)** the provision or renewal of authority to the Board to increase share capital pursuant to Article 13 paragraph 1 of Law 2190/1920, **j)** in any other case where the law or the Company provides for the receipt of a decision by the General Assembly requires a quorum of this paragraph.

If the aforementioned quorum is not achieved in the first session, the General Assembly convenes for a repeat hearing within twenty (20) days of the cancelled meeting and the call is required at least ten (10) full days before. The meeting is valid for items on the original agenda, when the quorum is the half (1 / 2) the paid up share capital at least.

When even this quorum is not achieved, or in case of a decision with regard to increase of capital, the General Meeting at its last repetitive meeting achieves the required quorum is when the shareholders that are present or represented are representing one fifth (1 / 5) paid up capital at least. In case the quorum is not achieved, new call is not required if the initial call provided also the location and timing, by law, for the repeated general meeting, provided there is at least ten (10) full days between the cancelled meeting and repetitive.

General Meeting hearing procedure:

Temporary president of the General Assembly is the Chairman of the Board or in case of impediment is his deputy or a person appointed by the Board or the General Meeting. The temporary president appoints a temporary Secretary from the present shareholders. Until the approval of the list of shareholders entitled to vote, the General Meeting proceeds to elect the President and a Secretary who is also responsible for the voting process. The final President of the General Meeting of shareholders and the Secretary are elected by secret ballot, unless the General Assembly decides or the law provides otherwise. Besides the President of the Board, at a general meeting present, the CEO, the General Manager of the company, Chief Commercial Officer, Chief Financial Officer or legal advice where appropriate, the Internal Auditor and regular statutory auditor of the Company and, if necessary, provide feedback and information on issues of responsibility raised for discussion and answer questions from shareholders on these issues. The President of the General Assembly, according to the circumstances, provides the necessary time to the shareholders in order to ask questions.

The decisions of the General Assembly are limited to agenda items, unless the present or represented shareholders representing the entire share capital and no shareholder objects to discuss and decide on other issues. The agenda is set by the Board and includes proposals to the General Assembly as well as suggestions of the auditors or shareholders representing one twentieth (1 / 20) of the paid up share capital.

General Meeting's minutes:

The discussions and decisions taken by the General Assembly are recorded in summarized in a special book.

The Secretary keeps the minutes of the General Assembly making sure to list all of the points of view or questions that the shareholders might make and responses to these questions.

At the request of the chairman of the shareholder meeting is required to record the minutes accurate summary of the opinion. In the same book and list of registered shareholders present or represented at the general assembly to be drawn up in accordance with paragraph 2 of Article 27 of Law 2190/1920.

Each share confers the right to vote. All shareholders' rights arising from the share is mandatory according to the proportion of capital represented by shares

The company ensures equal treatment for all shareholders of the same position. During the meeting all shareholders' request for speech is accepted, and the points of view as well as the questions submitted and responses received are all recorded.

Publication of the General Meeting's voting results:

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

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

Board of Directors - Obligations and duties – Mode of operation:

The Board of Directors is competent to decide on any act concerning the management of the company, the management of its property and the overall pursuit of the company's purpose.

The responsibilities of the Board of Directors are defined in the Company's Articles of Association and by the existing legislation. Pursuant to the Company's Articles of Association and by law 2190/1920 after its election by the General Meeting, the Board of Directors is constituted in a body for the election of the President, the Vice-Presidents and the Managing Director. At the same meeting the delegation of responsibilities to its members or to third parties is also decided.

The Board of Directors is required to meet at the registered office of the company whenever the law, the statute or the circumstances require so. Exceptionally, the statute may also define another way in the country or abroad, where the BoD may validly meet. The Board of Directors. validly meets outside its headquarters in another place, either domestically or abroad, if all members are present or represented at the meeting, and none of them opposes the holding of the meeting and the decision-making.

The meeting of the Board of Directors may be requested by two (2) of its members, by applying to its chairman or his deputy, who are obliged to convene the Board of Directors within seven (7) days from the submission of the application. The application must, with an objection of inadmissibility, clearly state the matters that the Board of Directors will be dealing with. If the Board of Directors is not convened by the Chairman or the deputy chairman within the above deadline, the members who have requested the convocation may convene the Board of Directors within five (5) days from the expiry of the above seven-day period , announcing the relevant invitation to the other members of the Board of Directors.

The Board of Directors shall be convened by the Chairman or the deputy Chairman by invitation, fax or e-mail, to be communicated to the members at least two (2) working days before the meeting. The invitation must clearly state the items on the agenda, otherwise decision making is only allowed if all the members of the Board of Directors are present and none of them opposes them.

Any member who is not present at the Meeting may be validly represented only by another member appointed by the absent member by written letter, telex or fax addressed to the Board of Directors. Each member can validly represent only one of absent member.

The Board of Directors is in quorum and validly meets when are present or represented, half by more than one of the members, but never the number of present members may be less than three. Any resulting fraction is not taken into account.

At the meetings of the Board of Directors, a member of the board or the legal counsel of the company, if required, is appointed as a secretary.

The Secretary takes care of the minutes of the meetings of the Board of Directors, ensuring that all views expressed by the members are recorded.

Unless otherwise defined by the law, decisions of the Board of Directors are validly made by an absolute majority of the present and represented members. Each member has one vote and when he represents absent member has two (2) votes. In case of a tie, the vote of the Chairman of the Board of Directors prevails.

The minutes of the Board of Directors are signed by the Chairman or the Managing Director (when not coinciding with the position of the Chairman) or a member of the Board of Directors appointed by decision of the Board of Directors. Copies of the minutes are officially issued by these persons, without requiring any further validation. The drawing up and signing of minutes by all the members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors, even if there is no previous meeting held (Article 21 par. 5 of Law 2190/1920).

Members of the Board of Directors:
According to the association, the company is managed by the Board consisting of three (3) to nine (9) members.

The members of the Board are elected by the General Meeting of shareholders of the company for five years, automatically extended until the first Annual General Meeting following the expiry of their term, but which may not exceed six years.

For the election to the board of the company the experience in managing corporate affairs of the candidates is taken into consideration, as well as the level of professional training, experience and previous experience especially in managerial positions, knowledge of rules and market conditions.

If for any reason a vacancy of member or members arises, the remaining members can continue to manage and represent the company, without replacing the missing members, provided that the number is more than half of the members, as had before the occurrence of the vacancy. In each case the members may not be less than three (3).

To Board of Directors may elect members to replace members who resigned, die or lost their status in any other way. This election by the Board shall be taken by the remaining members, if at least three (3), and will be valid for the remainder of the member being replaced. The decision of the election shall be published according to article 7b of CL 2190/1920 and announced by the Board at the next General Meeting, which can replace the elected members, even if not included on the agenda.

The members have to participate in all meetings of the Board. The continuing absence of a member from the meetings for one (1) year without sufficient cause or without permission of the Board, is equivalent to resignation from the Board, but applies only when the Board decides so and the relevant decision is recorded in the minutes.

The Board of Directors, which runs the company is composed of nine members of which five (5) are executive members, two (2) non-executive members and two (2) independent non-executive member.

The number of non-executive directors should not be less than 1 / 3 of the total number of members.

Among the non-executive members must include at least two (2) independent members.

Executive members of the Board of Directors:
The Executive Directors of the Company exercise their powers according to the association and the applicable legislation and in particular to the provisions of Law 2190/1920 and provide services to the company, exercising management functions and representation.

Powers are granted to the executive directors by decision of the Board.

Specifically, with the Board's decision for delegation the executive members have management responsibilities, representing the company, among others, to the public administration, public entities or private sector entities, banks, representing the company to the courts and Independent Authorities and have authorized signature rights up to the financial limit set by the Board in its decision. Beyond this limit, the Board shall decide at a special.

By decision of the Board the executive members may authorize third - non-members - persons to carry out specific -isolated acts.

The Board of Directors may decide to delegate to third - non-members - persons exercising the powers of the executive members, especially to executives of the company.

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

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

Chief Executive Officer:
The CEO is an executive board member and cooperates with the President and the Board members for the development and implementation of company goals. In this context, the CEO:
1. Participates in determining the strategy of the company, along with the President and other executive members of the Board.
2. Participates in setting goals and how to implement them.
3. He is responsible, along with the President and other board members, for determining the remuneration policy of the company.
4. Promotes the image and vision of the company.
5. Participates in the approval process of investments.

6. Promotes and form collaboration agreements with foreign firms (representation, marketing, supply products, etc.).
7. Works with banks and decide on matters of finance and lending.
8. Co-decides in recruitment.
9. Co-decides and approve the general operating expenses of the company..
10. Co-decides in the formulation of pricing and discount policy.
11. Take decisions and set priorities particularly on investment, financing, pricing and products.
12. Directs the activities of the staff, particularly in the marketing department.
13. Participates in regular meetings with:
    - The President, the Board, banks, subsidiaries,

<u>Vice President of the Board of Directors</u>:
According to the association, the Board decides and elects one or more Vice Presidents.

The company has one excecuitve Vice Presidents and one non executive Vice President. The executive Vice President of the Board acts within the powers confered by virtue of the Boards' decisions. The non executive Vice President participates in all meetings and is responsible for the promotion of corporate issues in accordance with the provisions of Law 3016/2002 and the Association.

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

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

<u>Obligations of members of the Board of Directors for the protection of corporate interest:</u>
Each board member is required to strictly comply with the confidentiality requirements in relation to information accessed during of the company which became known to it in its capacity as a consultant.

The board members and any third party entrusted with this responsibility are forbidden to pursue their own interests contrary to the interests of the company.

The board members and any third person entrusted with responsibilities must promptly disclose to the other board members of the same interests that might arise in transactions of the Company which fall to their duties and any other conflict own interests with those of the company or affiliates for the purposes of paragraph 5 of Article 42e of Law 2190/1920, which arise in the course of their duties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.7 CERTIFICATIONS

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

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

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

In effectively achieving these goals, the Company’s Quality Management System applied since 1996 (the first space in Greece certified with ISO 9001), has significantly contributed, using effective design and quality monitoring methods, in all product supply stages and service. The company’s Quality Management System is certified to ISO 9001: 2015, for all activities of the company's offices in Athens and Thessaloniki and since 2018 in Ioannina.

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 and since 2018 in Ioannina.

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 and since 2018 in Ioannina.

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: 2015 International Standard for which we have been certified by independent internationally accredited certification bodies in Athens and Thessaloniki. The main goal is to reduce energy consumption, reduce the use of plastic, and reduce the consumption of precious natural resources such as water, wood, paper, metals, and liquid or gaseous fuels. It also promotes the use of more environmentally friendly substances for cleaning and disinfecting.

The Group has also adhered to the Approved Collective Alternative Waste Management System for Electrical and Electronic Equipment by recycling any old electrical or electronic equipment, mobile phones, computers, printers, etc., as well as their accessories. The Group participates in the Collective Alternative Packaging Management System, organized by the Hellenic Recycling Utilization Company (EEE), and deals with the alternative packaging waste management to recycle the packaging of the mobile devices. It implements paper recycling programs, PLASTIC WOOD, METAL, portable batteries, ink cartridges and toners. Last but not least, the supply of electronic products is only made by manufacturers certified under the RoHS Directive (Registration of Hazardous Substances) so that their packaging is free from environmentally hazardous substances and heavy metals.

The dynamic business development of the Group is inseparable from the principles of Corporate Social Responsibility and Sustainable Development. Sustainable Development for the Group means pursuing business leadership with dedication to corporate vision, with respect to society, the environment, people and its shareholders. The sustainability policy of the Group is based on the harmonious coexistence of its activities with the needs of the societies in which it operates.

2.9 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The transactions below relate to transactions with related parties as defined in IAS 24, cumulatively from the beginning of the financial year to the end of the period, as well as the balances of the receivables and liabilities of the company and the group at the end of the current fiscal year, have arisen from the specific transactions of the related parties. The sales to and purchases from related parties, during the year, are made at normal market prices. There are no transactions of unusual nature or content with significant impact on the Group or the subsidiaries or related parties. All of the transactions with related parties are free of any special condition or clause.
The tables below summarize the transactions and the account balances with related parties carried out during year 2018 and 2017 respectively:

Amounts in € thousand	Revenue from dividends		Sales		Income from investment property		Total income-Parent company		Total income-Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
SPACE HELLAS (CYPRUS) LTD	926	824	1	120	-	-	**927**	**944**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	2	2	-	-	**2**	**2**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	3	3	-	-	**3**	**3**	**-**	**-**
Subsidiaries	**926**	**824**	**6**	**125**	**0**	**0**	**932**	**949**	**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	-	-	-	-	2	2	**2**	**2**	**2**	**2**
Joint Ventures	**0**	**0**	**0**	**0**	**2**	**2**	**2**	**2**	**2**	**2**
MOBICS L.T.D.	-	-	0	-	-	-	**0**	**0**	**0**	**0**
SPACE CONSULTING S.A.	-	-	-	-	1	1	**1**	**1**	**1**	**1**
Web-IQ B.V.	-	-	46	-	-	-	**46**	**0**	**46**	**0**
Associates	**0**	**0**	**46**	**0**	**1**	**1**	**47**	**1**	**47**	**1**
	926	**824**	**52**	**125**	**3**	**3**	**981**	**952**	**49**	**3**

Amounts in € thousand	Total expenses Group and Company	
	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	22	4
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	13	1
Joint Ventures	**35**	**5**
MOBICS L.T.D.	-	-
SPACE CONSULTING S.A.	-	5
Web-IQ B.V.	40	-
Total related parties	**40**	**5**
	75	**10**

Amounts in € thousand	Total Receivables - Company		Total Receivables Group		Total Liabilities Group and Company	
	2018	2017	2018	2017	2018	2017
SPACE HELLAS (CYPRUS) LTD	99	474	-	-	-	-
SPACE HELLAS (MALTA) LTD	2	-	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	3	-	-	-	-	-
Subsidiaries	**104**	**474**	**0**	**0**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	13	32	13	32	-	13
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	-	1.481
Joint Ventures	**13**	**32**	**13**	**32**	**0**	**1.494**
MOBICS L.T.D.	-	-	-	-	3	3
SPACE CONSULTING S.A.	10	10	10	10	2	2
Web-IQ B.V.	309	300	309	300	0	-
Total related parties	**319**	**310**	**319**	**310**	**5**	**5**
	436	**816**	**332**	**342**	**5**	**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	
	2018	2017	2018	2017
Salaries and other employee benefits	1.264	1.238	1.264	1.238
Receivables from executives and members of the Board	2	1	2	1
Payables to executives and member of the Board	5	26	5	26

- 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	
	2018	2017	2018	2017
Guarantees to third parties on behalf of subsidiaries and joint ventures	41	1.837	41	1.837
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	41	1.837	41	1.837

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

2.10 SIGNIFICANT POST-BALANCE SHEET EVENTS

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

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

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

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

The Share capital amounts to 6.973.052,40 € and is divided to 6.456.530 ordinary nominal voting shares of nominal value 1,08 € each and listed in the Athens Stock Exchange in the general category (main category).

ii. *Limitations on transfer of Company shares.*

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

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

At 31.12.2018 the following shareholders held more than 5% of the total voting rights of the Company:

Name and Surname	Percentage
Manolopoulos Spyridon	17,230%
Manolopoulos Ioannis	16,150%
Mpellos Pnagiotis	16,931%
ALPHA BANK S.A.	19,33%

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

iv. *Shares conferring special control rights*

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

v. *Limitations on voting rights.*

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

vi. *Agreements among Company shareholders.*

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

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

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

viii. *Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the Company.*

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

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

There is no such an agreement.

x. *Any agreement that the Company has concluded with the members of its Board of Directors or its staff, which provides for compensation in case of resignation or dismissal without a valid reason or termination of their term or employment due to the public offer.*

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

Agia Paraskevi, 8 March 2019

The Chairman of Board

S. MANOLOPOULOS

The Board of Directors

3 INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of "SPACE HELLAS S.A." (Company), which comprise the separate and consolidated statement of financial position as of 31 December 2018, the separate and consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.
In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2018, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis for opinion

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

Key audit matters

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

1. Revenue recognition

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

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

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

2. Recoverability of deferred tax assets
Note 4.6.2.4 of the accompanying financial statements refers to the deferred tax liability. This item also includes differed tax receivables amounting to 323 thousand from tax losses from previous years and other deferred tax receivables of 738 thousand for which the Company estimates that a tax benefit will arise in the future.

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

3 Impairment of non-current assets
Notes to notes 4.6.10 and 4.6.12 of the accompanying financial statements refer to non-current assets and, in particular, recognized goodwill of € 597 thousand and value of investments in the share capital of subsidiaries, affiliates and other companies of € 1.004 thousand. According to the applicable accounting framework, it is necessary to assess at each financial statement date whether there is evidence of impairment of those assets and if needed appropriate impairment has been made.
For these amounts, we evaluated the management's estimates of whether there are indications of impairment of these assets, we examined the reasonability of the assumptions and the methodologies used to calculate the cash flows, discount rates and residual value.

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

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

Responsibilities of management and those charged with governance for the separate and consolidated financial statements
Management is responsible for the preparation and fair presentation of the separate and Consolidated Financial Statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.
The Audit Committee (article 44 of Law 4449/2017) is responsible for overseeing the financial reporting process of the Company and the Group.

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Auditor's responsibilities for the audit of the separate and consolidated financial statements

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

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

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

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

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

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Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

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

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A, and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying consolidated financial statements for the year ended 31 December 2018.

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

2. Additional Report to the Audit Committee

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

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.
Non-audit services provided by us to the Group during the year ended December 31, 2018, are disclosed in note 4.6.3 of the separate and consolidated financial statements.

4. Appointment of the Auditor

We were appointed for the first time as Auditors of the Company and the Group by decision of the Annual General Meeting of Shareholders on 28/06/2005. Since then, our appointment has been continuously renewed for a total period of 13 years, based on the annual decisions of the regular General Meetings.

PKF EUROAUDITING S.A.
Certified Public Accountants

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

Athens, 12 March 2019

ANDREAS G. POURNOS
Certified Public Accountant
S.O.E.L. Reg. No. 35081

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4 ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2018 TO 31st DECEMBER 2018

4.1 TOTAL COMPREHENSIVE INCOME STATEMENT

4.1.1 INCOME STATEMENT

Amounts in € thousand	NOTES	Group 01.01-31.12.2018	Group 01.01-31.12.2017	Company 01.01-31.12.2018	Company 01.01-31.12.2017
Revenue	4.6.1	66.112	59.658	62.819	56.559
Cost of sales		-50.225	-45.503	-48.521	-43.626
Gross profit		**15.887**	**14.155**	**14.298**	**12.933**
Other income	4.6.2	1.656	1.274	1.506	1.103
Administrative expenses	4.6.3	-5.609	-5.531	-5.443	-5.398
Research and development cost	4.6.3	-744	-585	-744	-585
Selling and marketing expenses	4.6.3	-5.489	-4.693	-5.479	-4.669
Other expenses	4.6.4	-981	-848	-900	-836
Earnings before taxes, investing and financial results		**4.720**	**3.772**	**3.238**	**2.548**
Interest & other similar income		104	51	104	51
Interest and other financial expenses		-2.385	-2.166	-2.378	-2.160
Profit/(loss) from revaluation of investments in subsidiaries - associated companies	4.6.5	-358	-5	568	818
Profit/(loss) before taxes		**2.081**	**1.652**	**1.532**	**1.257**
Less: Taxes	4.6.6	-863	-538	-548	-251
Profit after taxes (A)		**1.218**	**1.114**	**984**	**1.006**
- Company Shareholders		1.218	1.114	984	1.006
- Minority Interests in subsidiaries		0	0	-	-
Earnings per share - basic (in €)		0,1886	0,1725	0,1524	0,1558

SUMMARY OF INCOME STATEMENT

	Group 01.01-31.12.2018	Group 01.01-31.12.2017	Company 01.01-31.12.2018	Company 01.01-31.12.2017
Profit before interest, taxes, depreciation and amortization (EBITDA)	**5.942**	**4.838**	**4.454**	**3.610**
Less depreciation	1.222	1.066	1.216	1.062
Profit before interest and taxes, (EBIT)	**4.720**	**3.772**	**3.238**	**2.548**
Profit before taxes	**2.081**	**1.652**	**1.532**	**1.257**
Profit after taxes	**1.218**	**1.114**	**984**	**1.006**

4.1.2 OTHER COMPREHENSIVE INCOME STATEMENT

Amounts in € thousand	NOTES	Group		Company	
		01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Profit after taxes (A)		**1.218**	**1.114**	**984**	**1.006**
- Company Shareholders		1.218	1.114	984	1.006
- Minority Interests in subsidiaries		0	0	-	-
Other comprehensive income after taxes					
Items that might be recycled subsequently					
Currency exchange differences from consolidation of subsidiaries		9	-13	0	0
Total Items that might be recycled subsequently		**9**	**-13**	**0**	**0**
Items that will not be recycled subsequently					
Revaluation of Buldings		-345	0	-345	0
Deffered tax from revaluation of buldings		100	0	100	0
Actuarial losses due to accounting policy change (IAS19)		-42	-34	-42	-34
Actuarial loss taxes		12	10	12	10
Total Items that will not be recycled subsequently		**-275**	**-24**	**-275**	**-24**
Other comprehensive income after taxes (B)		**-266**	**-37**	**-275**	**-24**
Total comprehensive income after taxes (A) + (B)		**952**	**1.077**	**709**	**982**
- Company Shareholders		952	1.077	709	982
- Minority Interests in subsidiaries		0	0	-	-

SUMMARY OF OTHER COMPREHENSIVE INCOME STATEMENT

Profit after taxes	**1.218**	**1114**	**984**	**1006**
Other comprehensive income after taxes	**-266**	**-37**	**-275**	**-24**
Total comprehensive income after taxes	**952**	**1.077**	**709**	**982**

Note:
Current year
- *The amount of €-266 thousand charged, net of taxes, directly to the equity, comprises the net amount of € 245 thousand from revaluation of buildings, the net amount of € 30 thousand of actuarial results and € 9 thousand, from currency exchange differences.*

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

4.2 FINANCIAL POSITION STATEMENT

Amounts in € thousand	notes	Group 31.12.2018	Group 31.12.2017	Company 31.12.2018	Company 31.12.2017
ASSETS					
Non-current assets					
Property, plant & equipment	4.6.7	15.913	16.319	15.864	16.292
Investment properties	4.6.9	0	0	0	0
Goodwill	4.6.10	597	847	597	847
Intangible assets	4.6.8	2.099	1.751	2.099	1.749
Investments in subsidiaries	4.6.12	0	0	34	34
Investments in associates	4.6.12	1.004	1.070	1.004	1.094
Other long term receivables	4.6.13	331	322	331	322
Deffered tax assets	4.6.23	0	0	0	0
Total Non-current assets		**19.944**	**20.309**	**19.929**	**20.338**
Current assets					
Inventories	4.6.14	4.416	3.578	4.416	3.578
Trade debtors	4.6.15	16.163	14.295	15.933	13.831
Other debtors	4.6.16	4.179	4.350	4.157	4.711
Financial assets		13	13	13	13
Advanced payments	4.6.17	395	460	382	445
Cash and cash equivalents	4.6.18	13.158	7.694	12.394	7.042
Total Current assets		**38.324**	**30.390**	**37.295**	**29.620**
TOTAL ASSETS		**58.268**	**50.699**	**57.224**	**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		924	915	978	978
Retained earnings		5.011	4.306	4.236	3.764
Equity attributable to equity holders of the parent		**15.137**	**14.668**	**14.416**	**14.189**
Minority interests		**2**	**2**	**-**	**-**
Total equity		**15.139**	**14.670**	**14.416**	**14.189**
Non-current liabilities					
Other non-current liabilities	4.6.21	6	6	6	30
Long term loans	4.6.20	12.674	9.800	12.674	9.800
Provisions	4.6.26	61	122	61	122
Retirement benefit obligations	4.6.23	804	739	804	739
Deferred income tax liability	4.6.24	425	2	425	2
Total Non-current liabilities		**13.970**	**10.669**	**13.970**	**10.693**
Current liabilities					
Trade and other payables	4.6.25	18.009	15.717	17.698	15.459
Income tax payable		2.544	1.678	2.534	1.652
Short-term borrowings		8.606	7.965	8.606	7.965
Total Current liabilities		**29.159**	**25.360**	**28.838**	**25.076**
Total Equity and Liabilities		**58.268**	**50.699**	**57.224**	**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*	Total
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	1.006	**1.006**
Share Capital increase/ (decrease)	-3.422	0	0	0	-54	3.476	**0**
Dividends distributed (profits)	0	0	0	0	0	-194	**-194**
Other reserves	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Unrecouped income tax	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-34	**-34**
Actuarial loss tax	0	0	0	0	0	10	**10**
Balance at 31 December 2017 (IFRS)	**6.973**	**53**	**2.421**	**0**	**978**	**3.764**	**14.189**
Accounting policy change	**0**	**0**	**0**	**0**	**0**	**-30**	**-30**
Balance at 1 January 2018	**6.973**	**53**	**2.421**	**0**	**978**	**3.734**	**14.159**
Profit for the year	0	0	0	0	0	984	**984**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	-452	**-452**
Other reserves	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Revaluation of buldings	0	0	-345	0	0	0	**-345**
Tax from Revaluation of buldings	0	0	100	0	0	0	**100**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-42	**-42**
Actuarial loss tax	0	0	0	0	0	12	**12**
Balance at 31 December 2018 (IFRS)	**6.973**	**53**	**2.176**	**0**	**978**	**4.236**	**14.416**

Note:

Current year

- *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 € 100 thousand.*
- *The amount of € -30 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the period 31.12.2018*

Previews years

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

4.3.2 STATEMENT OF CHANGES IN GROUP'S EQUITY:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Accumulated profit / (loss)	Total	Non controlling interests	Total net Equity
Balance at 1 January 2017 as previously reported	**10.395**	**53**	**2.421**	**0**	**982**	**-66**	**13.785**	**2**	**13.787**
Profit for the year	0	0	0	0	0	1.114	**1.114**	0	**1114**
Share Capital increase/ (decrease)	-3.422	0	0	0	-54	3.476	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	-194	**-194**	0	**-194**
Net income recognized directly in equity	0	0	0	0	-13	0	**-13**	0	**-13**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-34	**-34**	0	**-34**
Actuarial loss tax	0	0	0	0	0	10	**10**	0	**10**
Balance at 31 December 2017 (IFRS)	**6.973**	**53**	**2.421**	**0**	**915**	**4.306**	**14.668**	**2**	**14.670**
Accounting policy change	**0**	**0**	**0**	**0**	**0**	**-31**	**-31**	**0**	**-31**
Balance at 1 January 2018 as previously reported	**6.973**	**53**	**2.421**	**0**	**915**	**4.275**	**14.637**	**2**	**14.639**
Profit for the year	0	0	0	0	0	1.218	**1.218**	0	**1.218**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	-452	**-452**	0	**-452**
Net income recognized directly in equity	0	0	0	0	9	0	**9**	0	**9**
Revaluation of buildings	0	0	-345	0	0	0	**-345**	0	**-345**
Deferred tax of revaluation of buildings	0	0	100	0	0	0	**100**	0	**100**
Effect on deferred tax from changes	0	0	0	0	0	0	**0**	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-42	**-42**	0	**-42**
Actuarial loss tax	0	0	0	0	0	12	**12**	0	**12**
Balance at 31 December 2018 (IFRS)	**6.973**	**53**	**2.176**	**0**	**924**	**5.011**	**15.137**	**2**	**15.139**

Note:

Current year

- *The amount of €-9 thousand charged, net of taxes, directly to the equity, concerns currency exchange differences*
- *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 € 100 thousand.*
- *The amount of € -30 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the period 31.12.2018*

Previews year

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

4.4 CASH FLOW STATEMENT

Amounts in € thousand	Group		Company	
	01.01-31.12.2018	01.01-31.12.2017*	01.01-31.12.2018	01.01-31.12.2017*
Cash flows from operating activities				
Profit/(Loss) Before Taxes	2.081	1.652	1.532	1.257
Adjustments for:				
Depreciation & amortization	1.222	1.066	1.216	1.062
Impairment of assets	595	0	595	0
Provisions	387	510	387	510
Foreign exchange differences	296	-157	292	-152
Net (profit)/Loss from investing activities	14	-23	-918	-839
Interest and other financial expenses	2.385	2.166	2.378	2.160
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-838	-327	-838	-327
Decrease/(increase) in Receivables	-2.084	-2.731	-2.361	-3.386
(Decrease)/increase in Payables (excluding banks)	1.998	1.351	2.065	2.067
Less:				
Interest and other financial expenses paid	-1.983	-1.760	-1.976	-1.753
Taxes paid	-262	-496	0	0
Total cash inflow/(outflow) from operating activities (a)	**3.811**	**1.251**	**2.372**	**599**
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	-1.528	-1.702	-1.501	-1.702
Proceeds from sale of tangible and intangible assets	15	26	15	26
Interest received	104	51	104	51
Dividends received	0	0	1.300	350
Total cash inflow/(outflow) from investing activities (b)	**-1.409**	**-2.628**	**-82**	**-2.278**
Cash flow from Financing Activities				
Proceeds from Borrowings	6.101	4.194	6.101	4.194
Payments of Borrowings	-2.587	-2.394	-2.587	-2.394
Dividends paid to shareholders of the Company	-452	-194	-452	-194
Total cash inflow/(outflow) from financing activities (c)	**3.062**	**1.606**	**3.062**	**1.606**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**5.464**	**229**	**5.352**	**-73**
Cash and cash equivalents at beginning of period	**7.694**	**7.465**	**7.042**	**7.115**
Cash and cash equivalents at end of period	**13.158**	**7.694**	**12.394**	**7.042**

*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 technology solutions certified according to the ISO 9001: 2015 quality assurance standard and ISO / IEC 27001: 2013 information security to ensure that its procedures contain all the necessary controls on confidentiality, integrity and availability of information so that data and resources are protected in every commercial activity.

As an innovative company, it pioneers new technology trends such as Cloud Based Services, Internet of Things, Smart Cities, Big Data, Blockchain, AI, and more. The wide range of solutions and services covers all kinds of needs in ICT and security technologies such as data communications, information technology and IT infrastructure, telecommunications, unified communications, information security and physical security, audiovisual systems as well as services such as managed services, technical support services at national level, consultancy, training and transfer of know-how, project management, as well as information security management system development services, personal protection program development services data in order to adapt to GDPR requirements and DPO Services.

Space Hellas offers unmatched quality technical support to its customers through the award-winning, state-of-the-art Network and Security Support Center, operating in accordance with ITILv3, and serving the largest businesses, financial institutions and public organizations on a 24-hour basis, offering the possibility of repairing damage within 2 hours for customers with strict SLAs. Its clientele include the largest banks and private companies, industries, retail chains, telecommunication service providers, government ministries and agencies, and the Armed Forces.

Space Hellas's excellence is recognized by its customers who put their trust in its multi-year presence, the company has established strategic partnerships with leading international high-tech providers, enabling to successfully complete large and complex business projects for high profile organizations in Greece and abroad. For more than 30 years, Space Hellas has consistently confirmed its leading role in the ICT marketplace, whether designing, deploying and customizing complex IT and security infrastructures, or implementing and integrating demanding System Integration projects.

Space Hellas's commitment to Research and Development offers a significant lead in ICT and security markets driven by innovation and knowledge-based activities. The continuous investment of the company, as well as its participation in National and International research and innovation programs in close collaboration with internationally recognized organizations, enable to identify excellent opportunities for innovation, explore and develop new technologies and apply the acquired knowledge in the direction of meeting the future and constantly changing demands of its customers.

4.5.1.3 Board of Directors

On 6-9-2017 the Minutes of the Company's Board of Directors of 30th August 2017 was registered in the General Commercial Registry (GEMI) (registration number 1156249) according to which, after the 29-8-2017 election of a new executive member, the Board of Directors of the company was reconstituted as follows:

- 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 term of office of the members of the Board of Directors is five years and ends with the election of a new Board of Directors by the General Meeting of the shareholders of the company to be held in the first half of 2020.

4.5.1.4 Group Structure

SPACE HELLAS S.A. is the parent company of the Group. The consolidated financial statements (Group) include the financial statements of the parent Company, its subsidiaries, affiliates and joint ventures. A table showing the Group's investments and the method of consolidation as at 31.12.2018 is presented below:

Corporate name	Country	Sector	Ownership percentage Direct	Ownership percentage Indirect	Consolidation method
Subsidiaries					
SPACE HELLAS (CYPRUS) LTD	Cyprus	ICT	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	Romania	ICT- Investment Properties	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	ICT	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	Malta	ICT	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	Jordan	ICT	-	100%	Full Consolidation
Associates & Joint Ventures					
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	Greece	Terminated	35%	-	Equity method
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	Greece	Terminated	50%	-	Equity method
Other investments					
MOBICS S.A.	Greece	Software Development	18,10%	-	-
Web-IQ B.V.	Netherlands	Specialiased applications	17,21%	-	-

4.5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.5.2.1 Basis of Preparation

The accompanying financial statements are prepared in full compliance with the IFRS, issued by the International Accounting Standards Board (IASB), and their interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB and adopted by the European Union and are effective from year 2018. All relevant standards or interpretations effective for the current period are taken into account.

The financial statements have been prepared taking into account the going concern principle as well as the historical cost convention, as modified by the revaluation of assets and liabilities at fair value.

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

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

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

4.5.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

New Standards and interpretations effective for the current year:

IFRS 2 (Amendments) "Classification and measurement of transactions in share-based payment transactions".

IFRS 4 (Amendments) "Application of IFRS 9 Financial Instruments to IFRS 4 Insurance Contracts"

IFRS 9 "Financial Instruments" and Subsequent Amendments to IFRS 9 and IFRS 7.

IFRS 15 "Revenue from Contracts with Customers".

IAS 40 (Amendments) "Transfer of Investment Property".

IFRIC 22 "Transactions in Foreign Currency and Advances".

Annual improvements to IFRS 2014 (Cycle 2014-2016).

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 € 505 thousand and € 493 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:

FINANCIAL POSITION STATEMENT

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 long term 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	16
Plant and machinery Leased	10
Furniture	16
Fittings	10
Office equipment	10
Telecommunication equipment	10
Other equipment	10
Electronics equipment	5
Cars	5
Trucks	10
Other means of transportation	5
Intangible assets (software acquired/internally generated)	5

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

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 Research and Development
Continuous progress is an integral part of the Group's role as the market is characterized by rapidly changing technology developments. Many software products are based on proprietary technologies. The Group invests significant R & D resources to develop innovative products to meet the requirements of its customers and to be able to compete effectively in the markets.

4.5.3.14 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.

4.5.3.15 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.

4.5.3.16 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.

4.5.3.17 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.

4.5.3.18 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.

4.5.3.19 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.

4.5.3.20 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.

4.5.3.21 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.

4.5.3.22 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.

4.5.3.23 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	31.12.2018		31.12.2017	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit
	6%	-340	8%	-550
	-6%	340	-8%	550

- **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:

Currecy	31.12.2018		31.12.2017	
euro	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
	1%	-190	1%	-150
	-1%	190	-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. there is no material credit risk exposure that is not already covered with appropriate doubtful debt provision.
Taking into account the Group's customer base and the relevant liquidity risk, the exposure at the credit risk will be moderate. The post-dated collection of receivables is an important issue but is not related to our customers credit ability. To minimize this credit risk, the Group operates within an established counterparty policy approved by the Board of Directors, which limits the amount of credit exposure to any one financial institution. Also, as regards money market instruments, the Group only deals with well-established financial institutions of high credit standing.

Liquidity Risk

Liquidity risk is addressed both by the steady stream of receipts and by providing sufficient cash resources from bank financing (focusing on funding on project basis), which is based on the excellent relationship we have with the largest credit institutions in the country and 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 and previews year respectively:

Group

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Borrowings	**21.280**	**17.765**	8.606	7.965	9.169	3.546	3.505	6.254
Trade and other payables	**20.559**	**17.401**	20.553	17.395	-	-	6	6

Company

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Borrowings	**21.280**	**17.765**	8.606	7.965	9.169	3.546	3.505	6.254
Trade and other payables	**20.238**	**17.141**	20.232	17.111	0	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	**2018**	**2017**	**2018**	**2017**
Short term Borrowings	8.606	7.965	8.606	7.965
Long term Borrowings	12.674	9.800	12.674	9.800
Less: cash and cash equivalents	-13.158	-7.694	-12.394	-7.042
Net Debt	**8.122**	**10.071**	**8.886**	**10.723**
Equity	15.139	14.670	14.416	14.189
Total capital employed	**23.261**	**24.741**	**23.302**	**24.912**
Gearing ratio	**34,92%**	**40,71%**	**38,13%**	**43,04%**

The most important factor in reducing the leverage ratio is the reduction in net debt. This decrease reflects the Group's effort to generate free cash flow, increasing EBITDA and lowering the non-cash working capital required.

- **Other operational risk**

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

- **Business Long term Risk**

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

4.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF 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		
Amounts in € thousand	2018	2017	+/-%	2018	2017	+/-%	2018	2017	+/-%	2018	2017	+/-%
Revenue	60.295	55.558	8,53%	4.507	2.540	77,44%	1.310	1.560	-16,03%	**66.112**	**59.658**	10,82%
Gross profit	13.592	12.710	6,94%	1.704	875	94,74%	591	570	3,68%	**15.887**	**14.155**	12,24%
EBIT	4.992	4.346	14,86%	686	252	172,22%	264	240	10,00%	**5.942**	**4.838**	22,82%
Earnings before taxes	-	-	-	-	-	-	-	-	-	**2.081**	**1.652**	25,97%
Earnings after taxes	-	-	-	-	-	-	-	-	-	**1.218**	**1.114**	9,34%

- **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

	Group		Company	
Amounts in € thousand	**01.01-31.12.2018**	**01.01-31.12.2017**	**01.01-31.12.2018**	**01.01-31.12.2017**
Service provision	2	1	2	1
Income from property leases	56	59	56	59
Income from technical equipment leases	1.111	483	1.111	483
Government Grants	151	200	2	45
Other extraordinary income	9	6	9	6
Other extraordinary gains	169	491	168	475
Currency exchange gains	158	34	158	34
Total other operating income	**1.656**	**1.274**	**1.506**	**1.103**

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 9,56%.

Amounts in € thousand	Group			Company		
	01.01-31.12.2018	01.01-31.12.2017	+/-%	01.01-31.12.2018	01.01-31.12.2017	+/-%
Payroll expenses	6.690	6.182	8,22%	6.690	6.182	8,22%
Third parties' fees and expenses	1.468	1.151	27,54%	1.355	1.069	26,75%
Third parties' utilities and services	1.306	1.222	6,87%	1.285	1.210	6,20%
Taxes and dues	244	213	14,55%	226	189	19,58%
Sundry expenses	1.225	1.208	1,41%	1.205	1.170	2,99%
Depreciations	839	695	20,72%	835	694	20,32%
Provisions	70	138	-49,28%	70	138	-49,28%
Total operating expenses	**11.842**	**10.809**	**9,56%**	**11.666**	**10.652**	**9,52%**

The item "Third Party Fees and Expenses" includes the fees of the auditing company "PKF EUROAUDITING SA" in Greece for services related to the regular audit of the financial statements (€ 19.360,00), the tax compliance report pursuant to article 65A of Law no. 4174/2013 and POL 1124/18.06.2015 (€ 10.000,00) and fees for other assurance services (€ 3.500,00).

4.6.4 Other Operating Expenses

amounts in € thousand	Group		Company	
	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Extraordinary expenses	102	106	102	105
Loss from currency exchange	465	335	461	324
Provisions for receivables of doubtful collection	333	372	256	372
Other provisions	61	0	61	0
Extraordinary losses	11	35	11	35
Prior year's expenses	9	0	9	0
Total other operating expenses	**981**	**848**	**900**	**836**

4.6.5 Financial Results

amounts in € thousand	Group		Company	
	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Gain/Loss from affiliated companies	-33	-5	-33	-5
Impairment of goodwill	-325	0	-325	0
Dividends	0	0	926	823
Total financial results	**-358**	**-5**	**568**	**818**

The amount for impairment concerns Goodwill impairment of € 250 thousand (note 4.6.10), impairment of the participation of the affiliate Mobics SA by € 75 thousand.

The termination of the joint ventures "UNISYSTEMS (former INFO QUEST) - SPACE HELLAS" and "SPACE HELLAS SA - KB IMPULS HELLAS SA" resulted in losses amounting to € 33 thousand which has been charged to the results of the current fiscal year.

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	note	Group 01.01-31.12.2018	Group 01.01-31.12.2017	Company 01.01-31.12.2018	Company 01.01-31.12.2017
Current Income Tax		-315	-287	0	0
Deferred tax imputed to results	4.6.24	-548	-251	-548	-251
Total income tax charge to income statement (a)		**-863**	**-538**	**-548**	**-251**
Deferred tax recognized directly in equity (b)	4.6.24	112	10	112	10
Total tax (a+b)		**-751**	**-528**	**-436**	**-241**

From the fiscal year 2011 to the fiscal year 2015, the Greek corporations and the Limited Liability Companies, whose annual financial statements are compulsorily audited, were obliged to receive the "Annual Certificate" provided for in §5 of article 82 of Law 2238 / 1994 and article 65A of N4174 / 2014, issued following 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 firm then submits it electronically to the Ministry of Finance, based on POL 1124/2015, as amended by the POL 1108/2017 by the tenth day of the tenth month following the end of the fiscal year.

For the Company and its Greek subsidiaries, and for the years 2011 to 2017, this audit has been completed with the issuance of the relevant Tax Compliance Reports without reservation.

There is ongoing tax audit of the company for the year 2018 by statutory auditors, from which no significant additional charges are expected to arise.

The basic tax rate for Greek limited liability companies for the fiscal year ending 31 December 2018 is the same as for the fiscal year ending 31 December 2017, ie 29%. Pursuant to Article 23 of the recent Law 4579, passed in December 2018, tax rates on corporate earnings are gradually reduced by 1% per year, as follows: 28% for the tax year 2019, 27% for the tax year 2020, 26% for the tax year 2021 and 25% for the tax year 2022 onwards. The purpose of the provision is to reduce the tax burden on legal persons and entities, thereby enhancing investment and business competitiveness.

Amounts in € thousand	Group 01.01-31.12.2018	Group 01.01-31.12.2017	Company 01.01-31.12.2018	Company 01.01-31.12.2017
Earnings before taxes	2.081	1.652	1.532	1.257
Tax calculated at the statutory tax rate	-603	-479	-444	-365
Expenses not deductible for tax purposes	115	118	115	225
Unused recognized tax losses	-219	-111	-219	-111
Effect of different tax rates in other countries	-156	-66	0	0
Deferred tax recognized directly in equity	112	10	112	10
Total	-751	-528	-436	-241

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	108	927	9	90	**1134**
Minus: Disposals	0	0	79	36	30	**145**
Ending balance 31.12.2017	**7.086**	**4.526**	**10.104**	**65**	**2.759**	**24.540**
Depreciation at 01.01.2017	**0**	**1.173**	**4.068**	**40**	**2.394**	**7.675**
Plus: Depreciation expense	0	144	404	6	82	**636**
Minus: Depreciation of disposed elements	0	0	54	6	30	**90**
Depreciation at 31.12.2017	**0**	**1.317**	**4.418**	**40**	**2.446**	**8.221**
Ending balance 31.12.2017	**7.086**	**3.209**	**5.686**	**25**	**313**	**16.319**
Opening Balance 01.01.2016	**7.086**	**4.526**	**10.104**	**65**	**2.759**	**24.540**
Plus: Additions	0	34	463	14	154	**665**
Revaluation	-151	-1.289	0	0	0	**-1.440**
Minus: Disposals	0	0	22	11	4	**37**
Ending balance 31.12.2018	**6.935**	**3.271**	**10.545**	**68**	**2.909**	**23.728**
Depreciation at 01.01.2018	**0**	**1.317**	**4.418**	**40**	**2.446**	**8.221**
Plus: Additions	0	142	477	5	84	**708**
Revaluation	0	-1.094	0	0	0	**-1.094**
Minus: Disposals	0	0	14	2	4	**20**
Depreciation at 31.12.2018	**0**	**365**	**4.881**	**43**	**2.526**	**7.815**
Ending balance 31.12.2018	**6.935**	**2.906**	**5.664**	**25**	**383**	**15.913**

Amounts in € thousand	Company					
	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	108	927	9	90	**1.134**
Minus: Disposals	0	0	79	36	30	**145**
Ending balance 31.12.2017	**7.086**	**4.526**	**10.065**	**65**	**2.759**	**24.501**
Depreciation at 01.01.2017	**0**	**1.173**	**4.058**	**40**	**2.394**	**7.665**
Plus: Depreciation expense	0	144	402	6	82	**634**
Minus: Depreciation of disposed elements	0	0	54	6	30	**90**
Depreciation at 31.12.2017	**0**	**1.317**	**4.406**	**40**	**2.446**	**8.209**
Ending balance 31.12.2017	**7.086**	**3.209**	**5.659**	**25**	**313**	**16.292**
Opening Balance 01.01.2016	**7.086**	**4.526**	**10.065**	**65**	**2.759**	**24.501**
Plus: Additions	0	34	437	14	154	**639**
Revaluation	-151	-1.289	0	0	0	**-1.440**
Minus: Disposals	0	0	22	11	4	**37**
Ending balance 31.12.2018	**6.935**	**3.271**	**10.480**	**68**	**2.909**	**23.663**
Depreciation at 01.01.2018	**0**	**1.317**	**4.406**	**40**	**2.446**	**8.209**
Plus: Additions	0	142	473	5	84	**704**
Revaluation	0	-1.094	0	0	0	**-1.094**
Minus: Disposals	0	0	14	2	4	**20**
Depreciation at 31.12.2018	**0**	**365**	**4.865**	**43**	**2.526**	**7.799**
Ending balance 31.12.2018	**6.935**	**2.906**	**5.615**	**25**	**383**	**15.864**

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

	Group		
Amounts in € thousand	Software	Other intangibles	**Total Intangibles**
Opening Balance 01.01.2017	**3.698**	**714**	**4.412**
Plus: Additions	568	0	**568**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2017	**4.266**	**714**	**4.980**
Depreciation at 01.01.2017	**2.543**	**255**	**2.798**
Plus: Depreciation expense	385	46	**431**
Minus: Depreciation of disposed elements	0	0	**0**
Depreciation at 31.12.2017	**2.928**	**301**	**3.229**
Ending balance 31.12.2017	**1.338**	**413**	**1.751**
Opening Balance 01.01.2018	**4.266**	**714**	**4.980**
Plus: Additions	862	0	**862**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2018	**5.128**	**714**	**5.842**
Depreciation at 01.01.2018	**2.928**	**301**	**3.229**
Plus: Depreciation expense	512	2	**514**
Minus: Depreciation of disposed elements	0	0	**0**
Depreciation at 31.12.2018	**3.440**	**303**	**3.743**
Ending balance 31.12.2018	**1.688**	**411**	**2.099**

	Company		
Amounts in € thousand	Software	Other intangibles	**Total Intangibles**
Opening Balance 01.01.2017	**3.688**	**714**	**4.402**
Plus: Additions	568	0	**568**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2017	**4.256**	**714**	**4.970**
Depreciation at 01.01.2017	**2.537**	**255**	**2.792**
Plus: Depreciation expense	383	46	**429**
Minus: Depreciation of disposed elements	0	0	**0**
Depreciation at 31.12.2017	**2.920**	**301**	**3.221**
Ending balance 31.12.2017	**1.336**	**413**	**1.749**
Opening Balance 01.01.2018	**4.256**	**714**	**4.970**
Plus: Additions	862	0	**862**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2018	**5.118**	**714**	**5.832**
Depreciation at 01.01.2018	**2.920**	**301**	**3.221**
Plus: Depreciation expense	510	2	**512**
Minus: Depreciation of disposed elements	0	0	**0**
Depreciation at 31.12.2018	**3.430**	**303**	**3.733**
Ending balance 31.12.2018	**1.688**	**411**	**2.099**

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 SA	**Total**
Opening Balance 01.01.2017	**428**	**419**	**847**
Additions	0	0	0
Imapairments	0	0	0
Ending balance 31.12.2017	**428**	**419**	**847**
Opening Balance 01.01.2018	**428**	**419**	**847**
Additions	0	0	0
Imapairments	0	-250	-250
Ending balance 31.12.2018	**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 31.12.2018, is disclosed at their acquisition cost less provisions for impairment.

Corporate name	Ownership percentage		Ownership percentage		Consolidation method
	Direct	Indirect	Direct	Indirect	
Subsidiaries	**31.12.2018**		**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%	-	Equity method
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	-	-	50%	-	Equity method
Other investments					
MOBICS 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 and the joint venture was terminated on 30 November 2018 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 and the joint venture was terminated on 21 November 2018.

- 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 € thousand	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Rental guarantees	31	22	31	22
Long term receivables from related paties	300	300	300	300
Total Other Long term receivables	**331**	**322**	**331**	**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	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Goods	3.106	2.734	3.106	2.734
Materials	736	336	736	336
Consumables	574	508	574	508
Total inventories	**4.416**	**3.578**	**4.416**	**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		Company	
Amounts in Euro thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Trade receivables	21.407	19.240	21.175	18.776
Less: Provisions for doubtful liquidation	5.244	4.945	5.242	4.945
Total trade receivables	**16.163**	**14.295**	**15.933**	**13.831**

The provision for dough-full 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.

	Group		Company	
Amounts in Euro thousands	**2018**	**2017**	**2018**	**2017**
Opening balance	4.945	4.573	4.945	4.573
Accumulated effect of IFRS 9 at 01.01.2018	43	-	42	-
Total provision - Opening balance	4.988	4.573	4.987	4.573
Additions	227	372	227	372
Write offs	0	0	0	0
Accumulated effect of IFRS 9	29	-	28	-
Total provision charged	256	372	255	372
Ending balance	**5.244**	**4.945**	**5.242**	**4.945**

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.

	Group		Company	
Amounts in Euro thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
1 - 90 days	11.814	9.721	11.717	9.397
91 - 180 days	1.610	1.812	1.490	1.683
181 - 360 days	757	962	744	951
> 360 days	1.982	1.800	1.982	1.800
Total trade receivables	**16.163**	**14.295**	**15.933**	**13.831**

Receivables from related parties**:**

	Group		Company	
Amounts in Euro thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
1 - 90 days	6	0	6	0
91 - 180 days	8	0	8	0
181 - 360 days	0	0	0	0
> 360 days	0	0	0	0
Total trade receivables	**14**	**0**	**14**	**0**

4.6.16 Other Receivables

Amounts in Euro thousands	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Cheques receivable	567	1.326	567	1.326
Cheques overdue*	1.709	1.709	1.709	1.709
Deducted Taxes & other receivables	358	320	298	208
Salary prepayments	6	6	6	6
Advances to account for	6	3	6	3
Amounts owed by affiliated undertakings	18	35	117	509
Deferred charges	1.869	1.779	1.869	1.779
Income earned	869	853	869	858
Other receivables**	515	319	454	313
Total other receivables	**5.917**	**6.350**	**5.895**	**6.711**
Less: provisions for doubtful liquidation	1.738	2.000	1.738	2.000
Total other receivables	**4.179**	**4.350**	**4.157**	**4.711**

*** For the amount appearing in the Group's Other Receivables, "Other Debtors" amounting to € 515 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 recognized 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

Amounts in Euro thousands	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Orders placed abroad	208	244	208	244
Prepayments to other creditors	187	216	174	201
Total prepayments	**395**	**460**	**382**	**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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Cash on hand	28	63	28	63
Short term Bank deposits	13.130	7.631	12.366	6.979
Total Cash and Cash equivalents	**13.158**	**7.694**	**12.394**	**7.042**

The increase in cash and cash equivalents is attributable to the improvement in operating cash flows.

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. 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	31.12.2018	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 €

The earnings per share have been calculated taking into account the weighted average number of ordinary shares in issue which, for the period was 6.456.530.

4.6.20 LONG TERM LOANS

The long term loans are the following:

- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 750 thousand.
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 375 thousand.
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 250 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 1.929 thousand.
- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.505 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 937 thousand.
- The mortgage loan ending at 2020, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 960 thousand.
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.375 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 634 thousand.
- The mortgage loan ending at 2023, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.950 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 4,67%.

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	31.12.2018	31.12.2017	31.12.2018	31.12.2017
losses from joint ventures	0	0	0	24
Guarantees received	6	6	6	6
Total Other long term liabilities	**6**	**6**	**6**	**30**

4.6.22 FAIR VALUE MEASUREMENT

The financial assets measured by the Group and the Company, at the 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.

During the period, there were no transfers between Levels 1 and 2, nor transfers within and outside Level 3 for the measurement of fair value. The amounts presented in the Financial Statements for cash, trade and other receivables, trade and other short-term liabilities and Bank short-term liabilities approximate their respective fair values due to their short-term maturity.

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.

4.6.23 PERSONELL EMPLOYEED - EMPLOYEE BENEFITS

The personnel employed at 31.12.2018 for the Group have reached 345 persons and for the company has reached 344 persons while as at 31.12.2017 amounted to 292 and 291 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 31.12.2018	Group 31.12.2017	Company 31.12.2018	Company 31.12.2017
Present value of unfunded obligations	804	739	804	739
Not recognized actuarial gains\ losses	0	0	0	0
Reserves to be formed	**804**	**739**	**804**	**739**
Provisions for employers benefits recognized in the income statement				
Current service cost	56	73	56	73
Cost of interest	9	31	9	31
Actuarial loss / (gain)	0	0	0	0
Past service cost	5	34	5	34
Net periodic cost	**70**	**138**	**70**	**138**
Liability recognized in the Statement of financial position				
Net liability – opening balance as at 01.01	739	884	739	884
Benefits paid	-47	-317	-47	-317
Cost recognized in the income statement	70	138	70	138
Gains/Losses recognized in Equity	42	34	42	34
Net liability	**804**	**739**	**804**	**739**
Present value of the liability				
Net liability – opening balance as at 01.01	739	884	739	884
Current service cost	56	73	56	73
Cost of interest	9	31	9	31
Past service cost	5	34	5	34
Benefits paid	-47	-317	-47	-317
Actuarial loss / (gain)	0	0	0	0
Gains/Losses recognized in Equity	42	34	42	34
Present value of the liability	**804**	**739**	**804**	**739**

The assumptions used are the following:

Actuarial assumptions		
1.	Discount interest rate	1,3% as at 31/12/2018
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	31.12.2018
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**	**31.12.2018**
Deferred tax liabilities						
Depreciation rate difference effect	-532		-532	-65	0	-597
Fair value adjustments Property, plant and equipment	-989		-989	0	100	-889
Total Deferred tax liabilities	**-1.521**	**0**	**-1.521**	**-65**	**100**	**-1.486**
Deferred tax assets						
Provisions for Trade and other receivables	516	12	528	-73	0	455
Post-employment and termination benefits	215		215	7	12	234
Impairment of Receivables	22		22	21	0	43
Impairment of Inventories	6		6	0	0	6
Tax deductible previews years' losses	761		761	-438	0	323
Share premium capitalization expenses	0		0	0	0	0
Total Deferred tax assets	**1.520**	**12**	**1.531**	**-483**	**12**	**1.061**
Total Deferred tax	**-2**	**12**	**10**	**-548**	**112**	**-425**

Deferred tax assets are offset against deferred tax liabilities when there is a legal right to set off and both are subject to the same tax authority.

The basic tax rate for Greek limited liability companies for the fiscal year ending 31 December 2018 is the same as for the fiscal year ending 31 December 2017, ie 29%. Pursuant to Article 23 of the recent Law 4579, passed in December 2018, tax rates on corporate earnings are gradually reduced by 1% per year, as follows: 28% for the tax year 2019, 27% for the tax year 2020, 26% for the tax year 2021 and 25% for the tax year 2022 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.

	Group		Company	
Amounts in € thousand	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Trade payables	14.542	10.330	14.253	10.132
Checks payables	824	339	824	339
Customer down payments/advances	909	1.891	909	1.891
Social security	548	476	548	476
Wages and salaries payable	66	147	66	147
Short term liabilities to factors	533	2.282	533	2.282
Other payables	41	83	40	66
Amounts due to related parties	0	0	0	0
Next year's Income	7	5	7	5
Accrued expenses	139	120	118	77
Purchases under arraignment	400	44	400	44
Total Trade and other payables	**18.009**	**15.717**	**17.698**	**15.459**

4.6.26 PROVISIONS

The Group has formed provisions for doubtful trade receivables for the amount of € 5.244 thousand, for doubtful sundry debtors for the amount of € 1.738 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**	**31.12.2018**
Provisions for tax unaudited years	122	0	0	61	61
Provisions for employers benefits	739	112	47	0	804
Other provisions	0	0	0	0	0
Total	**861**	**112**	**47**	**61**	**865**

The Company, using tax audit data from past tax audited fiscal years, reserves an amount of € 61 thousand to cover the possibility of additional taxes being imposed in the event of an audit by the tax authorities.

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	Tax Unaudited Years
SPACE HELLAS (CYPRUS) LTD	2011 – 2018
SPACE HELLAS Doo Beograd-Stari Grad	2012 - 2018
SPACE HELLAS (MALTA) LTD	2012 - 2018
SPACE HELLAS INTEGRATOR SRL	2010 - 2018
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2013 - 2018
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	2013 – 2018

For the unaudited tax years of the Group companies, 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 € 61 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.

There is no statutory tax audit system for subsidiaries based abroad. Audits are carried out exceptionally where appropriate by the tax authorities of each country on the basis of specific criteria. Tax liabilities resulting from the submission of the annual tax return remain under audit of the tax authorities for a certain period of time, in accordance with the tax laws of each country.

From the fiscal year 2011 to the fiscal year 2015, the Greek corporations and the Limited Liability Companies, whose annual financial statements are compulsorily audited, were obliged to receive the "Annual Certificate" provided for in §5 of article 82 of Law 2238 / 1994 and article 65A of N4174 / 2014, issued following 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 firm then submits it electronically to the Ministry of Finance, based on POL 1124/2015, as amended by the POL 1108/2017 by the tenth day of the tenth month following the end of the fiscal year.

For the Company and its Greek subsidiaries, and for the years 2011 to 2017, this audit has been completed with the issuance of the relevant Tax Compliance Reports without reservation.

There is ongoing tax audit of the company for the year 2018 by statutory auditors, from which no significant additional charges are expected to arise.

The basic tax rate for Greek limited liability companies for the fiscal year ending 31 December 2018 is the same as for the fiscal year ending 31 December 2017, ie 29%. Pursuant to Article 23 of the recent Law 4579, passed in December 2018, tax rates on corporate earnings are gradually reduced by 1% per year, as follows: 28% for the tax year 2019, 27% for the tax year 2020, 26% for the tax year 2021 and 25% for the tax year 2022 onwards.
The purpose of the provision is to reduce the tax burden on legal persons and entities, thereby enhancing investment and business competitiveness.

For the years 2011 to 2017 for both the Company and its Greek subsidiaries, this audit has been completed by granting the relevant Annual Certificates and Tax Compliance Reports without qualification.

There is ongoing tax audit of the company for the year 2018 by statutory auditors, from which no significant additional charges are expected to arise.

The Group makes provision when necessary, by case and by company, against possible additional taxes that may be imposed by the tax authorities.

Management estimates that no significant tax liabilities will arise other than those reflected in the financial statements.

4.6.29 CONTIGENT EVENTS

4.6.29.1 Commitments -Guarantees

The Group has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business. No substantial charges are expected to arise from contingent liabilities. No additional payments are expected after the date of preparation of these financial statements.

The contingent liabilities for letters of guarantee for the Company and the Group in the ordinary course of business are:

	Group		Company	
Amounts in € thousand	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Guarantee letters to secure good performance of contract terms	3.424	3.050	3.424	3.050
Total Contingent Liabilities	**3.424**	**3.050**	**3.424**	**3.050**

At 31.12.2018 there were no outstanding letters of guarantee issued in favour of joint ventures. At 31.12.2017 the letters of guarantee issued in favour of joint ventures amounted to € 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

The tax framework and tax practices in Greece, which determine the tax base for the transactions of Group companies, may give rise to uncertainties inherent in their complexity and the fact that they are subject to changes and alternative interpretations by the competent authorities at different times. Therefore, there may be categories of costs or handling of various issues for which a company may have evaluate on a different basis from that applied during the preparation of the tax returns or the preparation of the financial statements. It is customary for tax inspections to be carried out by Tax Authorities, on average 5-7 years after filing the tax return. All of this leads to inherent difficulties in identifying and accounting for tax liabilities. As a result, the management aims to define its policy based on the legislation available at the time of accounting for a transaction, by obtaining specialized legal and tax advice.

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 € 61 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 31.12.2018, the Group's leases concerned motor vehicles as well as buildings. The minimum future payments based on valid contracts as at 31 December 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 vehicles	428	481	-	428	481	-
Buildings	77	254	-	65	242	-
Total	**505**	**735**	**0**	**493**	**723**	**0**

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

4.6.29.5 Capital comittements

At 31.12.2018 there were no capital commitments for the Group and the Company.

4.6.30 CASH FLOWS

	Group		Company	
Amount ins € thousand	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Total cash inflow/(outflow) from operating activities	3.811	1.251	2.372	599
Total cash inflow/(outflow) from investing activities	-1.409	-2.628	-82	-2.278
Total cash inflow/(outflow) from financing activities	3.062	1.606	3.062	1.606

Cash flow from operating activities, is positive amounting to € 3.811 thousand. This result is reaffirms the Group's capability of generating cash from turnover.

Cash flows from investing activities, presented in a negative € -1.409 thousand as a result of the Group's continuing investing activity.

The cash flow from financing activities amounted to € 3.062 thousand reaffirming its trustworthy position acknowledged investing choices from the domestic banking system.

4.6.31 CONTINGENT EVENTS - TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES (IAS 24) FROM 01-01-2018 TO 31-12-2018

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.

Amounts in € thousand	Revenue from dividends		Sales		Income from investment property		Total income-Parent company		Total income-Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
SPACE HELLAS (CYPRUS) LTD	926	824	1	120	-	-	**927**	**944**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	2	2	-	-	**2**	**2**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	3	3	-	-	**3**	**3**	**-**	**-**
Subsidiaries	**926**	**824**	**6**	**125**	**0**	**0**	**932**	**949**	**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	-	-	-	-	2	2	**2**	**2**	**2**	**2**
Joint Ventures	**0**	**0**	**0**	**0**	**2**	**2**	**2**	**2**	**2**	**2**
MOBICS S.A.	-	-	0	-	-	-	**0**	**0**	**0**	**0**
SPACE CONSULTING S.A.	-	-	-	-	1	1	**1**	**1**	**1**	**1**
Web-IQ B.V.	-	-	46	-	-	-	**46**	**0**	**46**	**0**
Associates	**0**	**0**	**46**	**0**	**1**	**1**	**47**	**1**	**47**	**1**
	926	**824**	**52**	**125**	**3**	**3**	**981**	**952**	**49**	**3**

Amounts in € thousand	Total expenses Group and Company	
	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	22	4
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	13	1
Joint Ventures	**35**	**5**
MOBICS L.T.D.	-	-
SPACE CONSULTING S.A.	-	5
Web-IQ B.V.	40	-
Total related parties	**40**	**5**
	75	**10**

Amounts in € thousand	Total Receivables - Company		Total Receivables Group		Total Liabilities Group and Company	
	2018	2017	2018	2017	2018	2017
SPACE HELLAS (CYPRUS) LTD	99	474	-	-	-	-
SPACE HELLAS (MALTA) LTD	2	-	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	3	-	-	-	-	-
Subsidiaries	**104**	**474**	**0**	**0**	**0**	**0**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	13	32	13	32	-	13
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	-	1.481
Joint Ventures	**13**	**32**	**13**	**32**	**0**	**1.494**
MOBICS L.T.D.	-	-	-	-	3	3
SPACE CONSULTING S.A.	10	10	10	10	2	2
Web-IQ B.V.	309	300	309	300	0	-
Total related parties	**319**	**310**	**319**	**310**	**5**	**5**
	436	**816**	**332**	**342**	**5**	**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	
	2018	2017	2018	2017
Salaries and other employee benefits	1.264	1.238	1.264	1.238
Receivables from executives and members of the Board	2	1	2	1
Payables to executives and member of the Board	5	26	5	26

- 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	
	2018	2017	2018	2017
Guarantees to third parties on behalf of subsidiaries and joint ventures	41	1.837	41	1.837
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	41	1.837	41	1.837

- 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 annual financial statements of 2018 and the corresponding financial statements of the prior period are the provisions of doubtfulness.

The data that affect the adjustment of the indicators (SEMCs) on 31.12.2018 and 31.12.2017 are shown in the table below:

	Group	
Amounts in € thousand	**31.12.2018**	**31.12.2017**
Comprehensive Income Statement		
Provisions for impairment	256	372
Total	**256**	**372**

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).

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

EBITDA adjusted = EBITDA - Adjusting elements

	Group		
	31.12.2018	**31.12.2017**	**Divergence %**
EBITDA	**5.942**	**4.838**	22,82%
Provisions for impairment	256	372	
EBITDA adjusted	**6.198**	**5.210**	18,96%
Divegence %	4%	8%	

The adjusted EBITDA of the current period increased by 4% compared to EBITDA, while compared to the previews period the adjusted EBITDA is increased by 18,95%.

Adjusted EBIT

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

EBIT adjusted	=	EBIT	-	Adjusting elements

Amounts in € thousand	Group		
	31.12.2018	**31.12.2017**	**Divergence %**
EBIT	**4.720**	**3.772**	25,13%
Provisions for impairment	256	372	
EBIT adjusted	**4.976**	**4.144**	20,08%
Divergence %	5%	10%	

The adjusted EBIT of the current period is 5% higher than EBIT, while compared to the previews period the adjusted EBIT is increased by 20,08%

Adjusted Cash Flows After Investments

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

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

Amounts in € thousand	Group		
	31.12.2018	**31.12.2017**	**Divergence %**
Net Cash flow from operating activities	3.811	1.251	204,64%
Net Cash flow from investing activity	-1.409	-2.628	-46,39%
Cash Flows After Investments	**2.402**	**-1.377**	-274,44%
Provisions for impairment	256	372	-31,18%
Cash Flows After Investments adjusted	**2.658**	**-1.005**	-364,48%
Divergence %	11%	-27%	

Adjusted Cash Flows from Investments in the current year are increased by 11% compared to Cash Flows after investments, while compared to the previous year, adjusted Cash Flows after investments decreased by 364.48% due to an increase in investment activities of the Group.

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		
	31.12.2018	31.12.2017	Divergence %
Long term loans	12.674	9.800	29,33%
Shor term loans	8.606	7.965	8,05%
Cash and Cash equivalents	-13.158	-7.694	71,02%
Net Borrowing	**8.122**	**10.071**	-19,35%
Other financial Assets	-13	-13	0,00%
Adjusted Net Borrowing	**8.109**	**10.058**	-19,38%
Divergence %	-0,16%	-0,13%	

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

4.8 REVISIONS AND RECLASSIFICATIONS

CASH FLOW STATEMENT

Amounts in € thousand	Group 01.01-31.12.2017	Group Reclassification	Group 01.01-31.12.2017 revised	Company 01.01-31.12.2017	Company Reclassification	Company 01.01-31.12.2017 revised
Cash flows from operating activities						
Profit/(Loss) Before Taxes	1.652		1.652	1.257		1.257
Adjustments for:						0
Depreciation & amortization	1.066		1.066	1.062		1.062
Impairment of assets	0		0	0		0
Provisions	510		510	510		510
Foreign exchange differences	-157		-157	-152		-152
Net (profit)/Loss from investing activities	-23		-23	-839		-839
Interest and other financial expenses	2.166		2.166	2.160		2.160
Plus or minus for Working Capital changes:						0
Decrease/(increase) in Inventories	-327		-327	-327		-327
Decrease/(increase) in Receivables	-2.731		-2.731	-3.386		-3.386
(Decrease)/increase in Payables (excluding banks)	391	-960	1.351	1.107	-960	2.067
Less:						0
Interest and other financial expenses paid	-1.760		-1.760	-1.753		-1.753
Taxes paid	464	960	-496	960	960	0
Total cash inflow/(outflow) from operating activities (a)	**1.251**	**0**	**1.251**	**599**	**0**	**599**
Cash flow from Investing Activities						
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.003		-1.003	-1.003		-1.003
Purchase of tangible and intangible assets	-1.702		-932	-1.702		-1.702
Proceeds from sale of tangible and intangible assets	26		14	26		26
Interest received	51		51	51		51
Dividends received	0		0	350		350
Total cash inflow/(outflow) from investing activities (b)	**-2.628**	**0**	**-1.870**	**-2.278**	**0**	**-2.278**
Cash flow from Financing Activities						
Proceeds from Borrowings	4.194		4.170	4.194		4.194
Payments of Borrowings	-2.394		-1.969	-2.394		-2.394
Dividends paid to shareholders of the Company	-194		0	-194		-194
Total cash inflow/(outflow) from financing activities (c)	**1.606**	**0**	**2.201**	**1.606**	**0**	**1.606**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**229**	**0**	**1.582**	**-73**	**0**	**-73**
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	**7.694**	**0**	**9.047**	**7.042**	**0**	**7.042**

The above reclassification of the € 960 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

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 31th DECEMBER 2018

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

Financial statement and information for the period 1 January 2018 to 31 December 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	12 March 2019
	Board of Directors Decisions No 3.453
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

(consolidated and non consolidated) Amounts in € thousand	GROUP 31.12.2018	GROUP 31.12.2017	COMPANY 31.12.2018	COMPANY 31.12.2017
ASSETS				
Property, plant and equipment	15.913	16.319	15.864	16.292
Investment properties	0	0	0	0
Intangible assets	2.099	1.751	2.099	1.749
Other non current assets	1.932	2.239	1.966	2.297
Inventory	4.416	3.578	4.416	3.578
Receivables (trade debtors)	16.163	14.295	15.933	13.831
Other current assets	17.745	12.517	16.946	12.211
TOTAL ASSETS	**58.268**	**50.699**	**57.224**	**49.958**
EQUITY AND LIABILITIES				
Share capital	6.973	6.973	6.973	6.973
Other components of equity	8.164	7.695	7.443	7.216
Total equity attributable to owners of the parent (a)	**15.137**	**14.668**	**14.416**	**14.189**
Non controlling interests (b)	2	2	-	-
Total Equity (c) = (a)+(b)	**15.139**	**14.670**	**14.416**	**14.189**
Long term borrowings	12.674	9.800	12.674	9.800
Long term provisions / Non current liabilities	1.296	869	1.296	893
Short term borrowings	8.606	7.965	8.606	7.965
Other current liabilities	20.553	17.395	20.232	17.111
Total Liabilities (d)	**43.129**	**36.029**	**42.808**	**35.769**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**58.268**	**50.699**	**57.224**	**49.958**

1.3 STATEMENT OF CHANGES IN EQUITY

(consolidated and non consolidated) Amounts in € thousand	GROUP 31.12.2018	GROUP 31.12.2017	COMPANY 31.12.2018	COMPANY 31.12.2017
Total equity in the beginning of the year (1/1/2018 and 1/1/2017 accordingly)	14.670	13.787	14.189	13.401
Impact from the adoption of IFRS 9 and 15	-31	0	-30	0
Total comprehensive income after taxes (continued and discontinued operations)	952	1.077	709	982
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
Dividends to Shareholders of the parent	-452	-194	-452	-194
Non controlling interests	0	0	0	0
Total equity at the end of the year Total equity at the end of the period (31.12.2018 and 31.12.2017)	**15.139**	**14.670**	**14.416**	**14.189**

1.4 CASH FLOW STATEMENT FOR THE YEAR

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-31.12.2018	GROUP 01.01-31.12.2017	COMPANY 01.01-31.12.2018	COMPANY 01.01-31.12.2017
Operating Activities :				
Profit before taxes (continued operations)	2.081	1.652	1.532	1.257
Plus/Less adjustments for :				
Depreciation	1.222	1.066	1.216	1.062
Impairment of tangible and intangible assets	595	0	595	0
Provisions	387	510	387	510
Foreign exchange differences	296	-157	292	-152
Net (profit)/Loss from investing activities	14	-23	-918	-839
Interest and other financial expenses	2.385	2.166	2.378	2.160
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-838	-327	-838	-327
Decrease/(increase) in Receivables	-2.084	-2.731	-2.361	-3.386
(Decrease)/increase in Payables (excluding banks)	1.998	1.351	2.065	2.067
Less:				
Interest and other financial expenses paid	-1.983	-1.760	-1.976	-1.753
Taxes paid	-262	-496	0	0
Total cash inflow/(outflow) from operating activities (a)	**3.811**	**1.251**	**2.372**	**599**
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	-1.528	-1.702	-1.501	-1.702
Proceeds from sale of tangible and intangible assets	15	26	15	26
Interest received	104	51	104	51
Dividends received	0	0	1.300	350
Total cash inflow/(outflow) from investing activities (b)	**-1.409**	**-2.628**	**-82**	**-2.278**
Cash flow from Financing Activities				
Proceeds from Borrowings	6.101	4.194	6.101	4.194
Payments of Borrowings	-2.587	-2.394	-2.587	-2.394
Dividends paid to shareholders of the Company	-452	-194	-452	-194
Total cash inflow/(outflow) from financing activities (c)	**3.062**	**1.606**	**3.062**	**1.606**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	5.464	229	5.352	-73
Cash and cash equivalents at beginning of period	7.694	7.465	7.042	7.115
Cash and cash equivalents at end of period	**13.158**	**7.694**	**12.394**	**7.042**

1.2 STATEMENT OF COMPREHENSIVE INCOME

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-31.12.2018	GROUP 01.01-31.12.2017	COMPANY 01.01-31.12.2018	COMPANY 01.01-31.12.2017
Turnover	66.112	59.658	62.819	56.559
Gross Profit	15.887	14.155	14.298	12.933
Profit before taxes, financing and investing activity	4.720	3.772	3.238	2.548
Profit before taxes	**2.081**	**1.652**	**1.532**	**1.257**
Profit after taxes (A)	1.218	1.114	984	1.006
- *Owners of the parent*	1.218	1.114	984	1.006
- *Non controlling interests*	0	0		
	1.218	1.114	984	1.006
Other comprehensive income after taxes (B)	-266	-37	-275	-24
Total comprehensive income after taxes (A)+(B)	952	1.077	709	982
- *Owners of the parent*	952	1.077	709	982
- *Non controlling interests*	0	0		0
Earnings (after taxes) per share - basic in €	0,1886	0,1725	0,1524	0,1558
Profit before taxes, financing and investing activity and depreciation	**5.942**	**4.838**	**4.454**	**3.610**

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 Annual 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 Annual financial report of 2018.
4. The company has formed a provison for the tax unaudited years in order to cover the possibility of additional taxes (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 31.12.2018 for the Group amounted to 345 persons and for the Company amounted to 344 while as at 31.12.2017 amounted to 292 and 291 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 (note 4.5.3.1).
9. Note 4.3 of the Annual 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 31 December 2018 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	49	981
b) Purchases of goods and services	75	75
c) Receivables from related parties	332	436
d) Payables to related parties	5	5
e) Key management compensations	1.264	1.264
f) Receivables from key management	2	2
g) Payables to key management included in above	5	5

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, 8 March 2019

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

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

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

We certify that the attached annual financial report, from pages 1 to 86, includes the annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2018 to December 31, 2018, which have been approved by the Board of Directors of SPACE HELLAS SA on March 8th , 2019 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
SPYRIDON MANOLOPOULOS	**IOANNIS MERTZANIS**	**IOANNIS DOULAVERIS**	**ANASTASIA PAPARIZOU**