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FINANCIAL REPORT FOR THE SIX-MONTH PERIOD

From 1st January 2019 to 30th June 2019

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

The Financial Report for the Six Month Period from 1st January to 30th June 2019 has been prepared in accordance with art. 5, Law 3556/2007, has been approved by the Board of Directors at 25th September 2019 and has been uploaded at the URL address *www.space.gr*.

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

The Members of the Board of Directors

- Spyridon D. Manolopoulos, Chairman of the Board, executive member
- Ioannis A. Mertzanis Chief Executive Officer, executive member
- Ioannis 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 semiannual report of the Group and of company SPACE HELLAS SA, for the financial period from January 1, 2019 to June 30, 2019, 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 5 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, 25 September 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 SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2019 – 30.06.2019

The present report of the Board of Directors of SPACE HELLAS, refers to the financial period from January 1, 2019 to June 30, 2019 and is compliant to the provisions of art. 5 § 6 L.3556/2007 and related HCMC circulars and the relevant IFRS adopted by the European Union as well.

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

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

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

All amounts are expressed in euro unless stated otherwise

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

2.1 FINANCIAL POSITION – PERFORMANCE – OTHER INFORMATION

2.1.1 FINANCIAL FIGURES

In the first half of 2019, the Greek economy continued to follow a path of stabilization and recovery, after a decade of accumulated deep recession. The confidence in the Greek economy has increased and this was reflected in the decline in Greek bond yields, which marks the gradual return to smooth financing.

Nevertheless, growth rates remain low and the economy is still facing major challenges, such as the global economic slowdown and geopolitical tensions as well.

Specifically, in the first quarter of 2019, GDP grew 1.7%, with economic activity primarily attributable to service exports, investment and private consumption. Moreover, in the first half of 2019, the increase in deposits, the suspension of funding of the Greek banking system by the Emergency Liquidity Assistance Facility (ELA), and the relaxation of the restrictions imposed on the banking system, contributed to the increase of banking financing and the improvement of the financial environment.

According to Bank of Greece estimates, economic activity is expected to grow by 1.9% in 2019 as GDP growth relies on private consumption, business investment and exports. Any delays in implementing reforms will have a negative impact on the investment climate and economic activity. In addition, the high stock of non-performing loans, unemployment and low foreign investment as well as geopolitical developments remain the biggest challenges for the Greek economy.

Management continually assesses the potential impact of any changes in the macroeconomic and financial environment to ensure that all necessary actions and measures are taken to minimize any negative impact on the Group's operations. The effort to expand overseas will continue through partnerships as well as tracking and exploiting all the business opportunities that are in line with the Group's philosophy of taking reasonable risks and achieving satisfactory profitability.

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

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

2.1.1.1 Period's total income

Amounts in € thousand	Group			Company		
	01.01-30.06.2019	01.01-30.06.2018	CHANGE %	01.01-30.06.2019	01.01-30.06.2018	CHANGE %
Revenue	29.732	27.641	7,56%	28.450	25.856	10,03%
Gross profit/loss	7.975	8.187	-2,59%	7.487	7.301	2,55%
Gross profit margin	27%	30%		26%	28%	
EBITDA	3.228	3.223	0,16%	2.661	2.351	13,19%
EBIT	2.346	2.629	-10,76%	1.786	1.760	1,48%
Earnings before taxes	1.261	1.141	10,52%	1.152	1.201	-4,08%
Earnings after taxes	783	638	22,73%	802	855	-6,20%

The Group's turnover amounted to € 29.732 thousand compared to € 27.641 thousand of previews period. The increase of 7,56%, is attributed mainly to the Group's efforts to expand in new markets.

The Group's Gross profit amounted to € 7.975 thousand compared to € 8.187 thousand of the previews year showing slight decrease.

The Group's EBITDA amounted to € 3.228 thousand compared to € 3.223 thousands of the previews period as a result of the increased sales.

The Group's EBIT amounted to € 2.346 thousand compared to € 2.629 thousands of the previews period, as a result of the reduction in financial expenses.

The Group's earnings before taxes amounted to € 1.261 thousand compared to € 1.141 thousands of the previews period showing an increase of 10,52%.

The Group's earnings after taxes amounted to € 783 thousand compared to € 638 thousands of the previews period showing an increase of 22,73%.

Statement of comprehensive income

The other comprehensive income after taxes comprises the net amount of 123 thousand, resulted from the effect of the tax rate changes on the deferred tax from the revaluation of property at the fair value, the net amount of €-21 thousand of actuarial results (IAS 19) after taxes and the amount of €-2 thousand, of currency differences from consolidation of subsidiaries.

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

2.1.1.2 Assets

Amounts in € thousand	Group			Company		
	01.01-30.06.2019	01.01-31.12.2018	VARIATION %	01.01-30.06.2019	01.01-31.12.2018	VARIATION %
Total Assets	56.277	58.268	-3,42%	55.290	57.224	-3,38%
Total non-current asstes	22.527	19.944	12,95%	22.498	19.929	12,89%
Inventory	5.699	4.416	29,05%	5.699	4.416	29,05%
Trade receivables	13.923	16.163	-13,86%	13.796	15.933	-13,41%
Other Receivables	14.128	17.745	-20,38%	13.297	16.946	-21,53%

The Group's Total Assets amounts to € 56.277 thousand compared to € 58.268 thousand of year 2018.

The Group's noncurrent receivables' net value, comprising the goodwill after impairments, and the revaluated buildings, amount to € 22.527 thousand compared to € 19.944 thousand of year 2018 attributable mainly to the adoption of IFRS 16 as well as the Group's continuous investing efforts.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 5.699 thousand compared to 4.416 thousand of year 2018, showing an increase attributable to projects with high product complexity, which fall on the second semester of the year.

The Group's Trade receivables amount to € 13.923 thousand compared to € 16.163 thousand of year 2018 showing an decrease of 13,86% attributable to the improvement of collection time.

The Group's other receivables amount to € 14.128 thousand compared to € 17.745 thousand of year 2018.

2.1.1.3 Liabilites

	Group			Company		
Amounts in € thousand	**01.01-30.06.2019**	**01.01-31.12.2018**	**VARIATION %**	**01.01-30.06.2019**	**01.01-31.12.2018**	**VARIATION %**
Total Liabilites	56.277	58.268	-3,42%	55.290	57.224	-3,38%
Equity	16.022	15.139	5,83%	15.320	14.416	6,27%
Long term loans	12.988	12.674	2,48%	12.988	12.674	2,48%
Long term leases	980	0		968	0	
Other long term liabilites	1.571	1.296	21,22%	1.571	1.296	21,22%
Short term loans	11.526	8.606	33,93%	11.526	8.606	33,93%
Short term leases	274	0		268	0	
Other short term liabilites	12.916	20.553	-37,16%	12.649	20.232	-37,48%

IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account without adjusting the comparative amounts for 2018 (note 4.5.3.1).

The Shareholders' equity amounts to € 16.022 thousand compared to € 15.139 thousand.

The Group's long term loans amounts to € 12.988 thousand compared to € 12.674 thousand compared to year 2018. The loans concern:

- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 500 thousand.
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 250 thousand.
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 187 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 1.736 thousand.
- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.240 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 750 thousand.
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.125 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 500 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 667 thousand.
- The mortgage loan ending at 2023, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.890 thousand.

- The mortgage loan ending at 2023, of initial amount € 2.500 thousand, and after interest and principal payments amounting to € 2.143 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 4,59%.

The Group's other long term liabilities amount to € 1.571 thousand compared to € 1.296 thousand of year 2018.

The Group's short-term loans amount to € 11.526 thousand compared to € 8.606 thousand of year 2018

The Group's other short term liabilities amount to € 12.916 thousand compared to € 20.553 thousand of year 2018.

2.1.1.4 Cash Flow

	Group		Company	
Amount ins € thousand	01.01-30.06.2019	01.01-30.06.2018	01.01-30.06.2019	01.01-30.06.2018
Total cash inflow/(outflow) from operating activities	-6.329	-3.860	-6.580	-4.157
Total cash inflow/(outflow) from investing activities	-2.701	-642	-2.602	-222
Total cash inflow/(outflow) from financing activities	3.016	2.537	3.022	2.537

Cash flow from operating activities, is negative amounting to € -6.329 thousand mainly because of significant repayments of operating liabilities except loans. The repayment of suppliers during the first semester of each year creates this trend, which become normalised during the second semester.

Cash flow from investing activities is negative amounting to € -2.701 thousand attributable to the execution of the investment plans

The cash flow from financing activities is positive amounting to € 3.016 thousand. This result provides a confirmation of the Group's ease of access to financial institutions for the financing of its activities and the excellent relations with the banking system.

2.1.1.5 Performance ratios

		Group		Company	
		30.06.2019	30.06.2018	30.06.2019	30.06.2018
A.	**LIQUIDITY RATIOS**				
A1.	CURRENT RATIO	136,55%	132,65%	134,15%	132,03%
A2.	QUICK RATIO	113,49%	114,32%	110,84%	113,41%
A3.	ACID TEST RATIO	28,91%	23,91%	25,50%	22,05%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,27	0,25	0,25	0,24

B.	**CAPITAL STRUCTURE RATIOS)**				
B1.	DEPT TO EQUITY	251,25%	243,45%	260,92%	245,40%
B2.	CURRENT LIABILITIES TO NET WORTH	154,26%	159,74%	159,56%	160,01%
B3.	OWNER'S EQUITY TO TOTAL LIABILITIES	39,80%	41,08%	38,33%	40,75%
C.	**PROFITABILITY RATIOS**				
C1.	GROSS PROFIT MARGIN	26,82%	29,62%	26,32%	28,24%
C2.	NET PROFIT MARGIN	4,24%	4,13%	4,05%	4,64%
D.	**OPERATING EXPENSES RATIOS**				
D1.	OPERATING RATIO	92,36%	87,67%	93,45%	90,22%
D2.	LOANS TO TOTAL ASSETS	43,56%	39,41%	44,34%	39,94%

2.1.1.6 Share Capital

The company's shares are ordinary registerd shares and have been listed in ASE since 29.09.2000

There are no changes during the period.

Number of shares and nominal value	30.06.2019	31.12.2018
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 30-06-2019.

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.

On 24.05.2019 the General Assembly decided the distribution of part of special reserve, for the amount of € 387 thousand, that is € 0,06 per share, setting the Beneficiary Identification Date, Friday 5 July 2019, and Dividend Date, Thursday , July 4, 2019, Distribution Date: Wednesday, July 10, 2019, 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 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					
Web-IQ B.V.	Netherlands	Specialiased applications	32,28%	-	Equity methid
Other investments					
MOBICS S.A	Greece	Software Development	18,10%	-	-

2.1.1.10 Commitments -Guarantees

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

Amounts in € thousand	Group 30.06.2019	Group 31.12.2018	Company 30.06.2019	Company 31.12.2018
Guarantee letters to secure good performance of contract terms	4.604	3.424	4.604	3.424
Total contingent liabilities	**4.604**	**3.424**	**4.604**	**3.424**

On 30.6.2019 and 31.12.2018 as well, there were no outstanding guarantee letters to secure good performance in favor of associates of joint ventures.

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 4.6.29, 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 based on 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 2018 and the tax audit reports were issued without any qualification

Except the above mentioned there are no other contingent liabilities.

2.2 ALTERNATIVE PERFORMANCE MEASURES

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

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

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

Adjusting elements

Figures influencing the adjustment of the indices used by the Group to extract the ALPs according to the first half-financial statements 2019 and the corresponding financial statements of the prior period are the provisions for trade receivables impairment.

The elements affecting the adjustment of the indicators (ALPs) on 30.06.2019 and 30.06.2018 are shown in the table below:

	Group	
Amounts in € thousand	**30.06.2019**	**30.06.2018**
Comprehensive Income Statement		
Provisions for impairment	150	197
Total	**150**	**197**

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

Adjusted EBITDA

The adjusted EBITDA for the current period is 5% higher than EBITDA, while compared to previews period, results to be decreased by 1,23%.

Adjusted EBIT

The adjusted EBIT for the current period is 6% higher than EBIT, while compared to the previews period, results to be decreased by 11,68%.

Adjusted Cash Flows After Investments

The, Adjusted Cash Flows after investments are increased by 2% compared to Cash Flows after investments.

Adjusted Net Borrowing

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

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

2.3 SIGNIFICANT FACTS DURING FIRST SEMESTER 2019 AND THEIR IMPACT ON THE FINANCIAL STATEMENT

Significant facts that took place during the period from 1st January to 30th June 2019 are the following:

- Space Space Hellas establishes the Dimitris Manolopoulos Honorary Fellowship to honor the memory of its visionary and founder, Dimitris Manolopoulos, while also giving young scientists the opportunity to fulfil their ambitions in technology. This initiative, also demonstrates the support to young people who wish to pursue further studies at postgraduate level and to progress through research and innovation, with a focus on IT security, cyber security and artificial intelligence.

- The second phase of Space Hellas' investment in Web-IQ B.V. based in the Netherlands, has been completed, raising its stake from 17.21% to 32.28% for the amount of € 1.1m, through a share capital increase of Web-IQ BV, following the fulfillment of contract that was signed, providing the option for this additional percentage acquisition.

- 33rd Ordinary General Meeting of Shareholders of 24-05-2019: Agenda issues discussed and decided as follows:

  - Issue 1: Submission and Approval of the Annual Financial Report (Group and Company), in accordance with International Financial Reporting Standards, for the fiscal year 01/01/2018 - 31/12/2018 which includes the Annual Financial Statements after the relevant Reports and Statements of the Board of Directors and the Certified Auditor. The Annual Financial Report (Group and Company) in accordance with International Financial Reporting Standards for the fiscal year 01/01/2018 - 31/12/2018, including the Annual Financial Statements with the relevant Reports and Statements of the Board of Directors and the Independent Auditor’s Report, was approved.
  - Issue 2: Approval of year-end results. The result was approved without any changes to it.
  - Issue 3: Distribution of part of Reserve Law 3943/2011 article 14, Law 4172/2013 article 48 in conjunction with POL 1007/2014 and POL 1039/2013. The distribution of part of the reserve amounting to EUR 387,391.80, ie EUR 0.06 per share, was approved.
  - Issue 4: Approval of overall management that took place during the year 1/1/2018 - 31/12/2018, according to article 108 Law 4548/2018, and discharge of auditors of any responsibility for the year 1/1/2018 - 31 / 12/2018 according to article 117 par. 1 c) Law 4548/2018. The overall management that took place during the year 1/1/2018 - 31/12/2018 was approved, according to article 108 of Law 4548/2018 and the auditors were discharged for any responsibility for the year 1/2018 - 31/12/2018 according to the article 117 par. 1 c) Law 4548/2018.
  - Issue 5: Selection of the statutory auditors for the auditing of the financial statements (corporate and consolidated) for the fiscal year 2019, in accordance with international financial reporting standards and the determination of their remuneration. The Company's auditors for the fiscal year 01-01-2019 - 31-12-2019 were elected, from the audit firm PKF Euroauditing SA, and their remuneration was approved.
  - Issue 6: Setting a remuneration policy. The remuneration policy adopted by the company in accordance with the provisions of Law 4548/2018 has been approved for a period of four (4) years after its approval.
  - Issue 7: Approval of the Board of Directors' Payments and Allowances for the fiscal year from 1/1/2018 to 31/12/2018 and preapproval of fees and allowances for the financial year from 1/1/2019 to 31/12/2019. The Fees for both dates were approved.
  - Issue 8: Amendment of Article 3 of the Company's Articles of Association. The amendment of Article 3 of the Company's Articles of Association was approved.
  - Issue 9: Adjustment of the Company's Articles of Association in accordance with the provisions of Law 4548/2018 - Amendment of Articles 1, 4 - 40 of the Company's Articles of Association. Adoption of the Articles of Association was approved to the provisions of Law 4548/2018, which was attached, and the Board of Directors of the company was authorized to take all necessary steps to complete the process of amending / adapting the Articles of Association and subsequently codifying it.
  - First Additional Issue: Election and audit of the Audit Company by the Public Registry for the audit of the annual and interim financial statements (corporate and consolidated) for the current fiscal year 2019 (01.01.2019 - 31.12.2019) and determination of this fee. The first additional item on the agenda was rejected.
  - Second Additional Issue: Approval of the Company's share buyback plan through the Athens Stock Exchange pursuant to article 49 of Law 4548/2018, as applicable, and the provision of relevant authorizations. The second additional item on the agenda was rejected.
  - Third Additional Issue: Appointment of an Audit Committee, in accordance with the provisions of article 44 of Law 4449/2017, as in force today, consisting solely of independent non-members of the Board of Directors. The third additional item on the agenda was rejected.

- Fourth additional issue: Increase the total number of shares (split) from 6,456,530 common registered shares to 25,826,120 common registered shares, with a replacement ratio of 4 new shares for every 1 old, with a corresponding decrease in the Company's nominal value from 1.08 Euro to 0.27 Euro and corresponding amendment to the relevant Article (5) of the Articles of Association. The fourth additional item on the agenda was rejected.
- Issue 10: Various announcements.

2.4 BUSINESS PROSPECTICES FOR THE SECOND HALF OF YEAR 2019

Having gone through the first half of 2019 with three campaigns and significant changes in the political landscape, the course of the Greek economy shows signs of improvement and optimism inspires the business community due to the achievement of government stability and the announcement of new big government investment plans and adoption of structural measures, expected to boost entrepreneurship and productivity in the economy.

SPACE HELLAS continues its steady growth in the first semester 2019, despite delays in the signature and implementation of public sector projects due to elections and the consequent changes in public administration structures, including the appointment of new key-public officers.

In the **private sector**, projects are progressing without any change from those mentioned in the 2018 Annual Financial Report (paragraph 2.4). Moreover, for the second half of the year, the most important are:

- Athens Medical: Upgrading data center.
- HEDNO: Contract signed as a member of the Union of Companies for the project: Provision of Operations Implementation and Maintenance of Communications Network Contract for a contract price of € 14.9 million
- 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: 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.

Furthermore, a significant number of bids of around € 15 million were submitted to private sector entities such as NBG, Alpha Bank, Piraeus Bank, OTE, OPAP, Forthnet, WIND, Athens Medical, Vodafone, Intralot, Digea, ADMIE, PPC, ELTA etc. are either under evaluation and expected results within the 2nd half of 2019 or their implementation will take place in whole or in part within the 2nd half of 2019.

Complex projects and maintenance contracts in the **public sector** that continue to run in second half of 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.

Public projects – new contracts

- Civil Aviation Authority: Supply of Communication and Voice Recording System, budget of **€ 3.79 million plus VAT and Public administration expenses**.
- Ministry of Public Order and Citizen Protection: Signing of a contract for the project "Creation of a Business Center as a Single Point of Contact (S.P.O.C)", with a contractual price of EUR **654 thousand plus VAT and Public administration expenses.**
- Coast Guard: Signing of contract for the project "Supply of a Communication System for Research, Rescue and Navigation Safety" with a contractual **€ 2,044 million plus VAT and Public administration expenses.**
- 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 **€ 16.2 million plus VAT and Public administration expenses.**
- 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 **€ 1.04 million, plus VAT and Public administration expenses.**
- Ministry of Education: Signing of a contract for the project "Supply and installation of ICT equipment for primary and secondary schools in the Region of Western Macedonia", **€ 3.2 million plus VAT and Public administration expenses.**
- GRNET: Signing of contract for the project "Upgrading DWDM Infrastructure," contract price, **269 thousand € plus VAT and Public administration expenses.**

Public projects for the public sector in the contracting stage:

- Ministry of Public Order and Citizen Protection in Joint venture: Extension of an automated border surveillance system on the coastal part of the Greek-Turkish border in the Evros region and interconnection of the Regional Integrated Border Management and Migration Centers , with a budget of **€ 12 million**.
- Ministry of Foreign Affairs: "Appointment of Visa Support Consular Officer or Consular Officer in the Visa Procedure" the company is the only company to continue in Group 3 that includes Turkey, Egypt, Israel, Lebanon , Saudi Arabia, Kuwait, Bahrain, Qatar, Iran, Algeria, Tunisia, Morocco, Oman, Yemen

Complex projects under evaluation:

- Civil Aviation Authority: Supply of air navigation systems to relocate Athens's approach from KEPATH to AIA, of a budget **€ 3 million.**
- Ministry of Economy and Development: Framework Agreement for the Supply of Desktops and Flat Panel LEDs for the Needs of 19 Entities, Budget of **€ 6.8 million**.
- Ministry of Public Order and Citizen Protection: Supply of IT, Software, Printers, Scanners, Supplies and Other IT**, € 411 thousand.**
- Ministry of Economy and Development: Framework Agreement for the Supply of Desktop Computers to meet the Needs of the Contracting Authorities / Agencies GEF, OHIM, OHIM and APS, with a budget of **€ 1,295 million.**
- Ministry of Defense: Upgrading and Extending NATO Coding System for a budget of **€ 235 thousand**.
- Participation as subcontractors for IT and ICT projects in the tender for the construction of Athens Metro Line 4.
- Ministry of Education: "Supply and Installation of ICT Equipment for Primary and Secondary School Units in the Region of Western Greece", with a budget of **€ 2,508 million.**
- EETT: Spectrum Management IPS, budgeted at **€ 2,106 million**.
- Ministry of Education: "Supply and Installation of ICT Equipment for Primary and Secondary School Units in the Region of Crete", with a budget of € 2,106 million.
- EUMETSAT: Provision of technical services (framework agreement).

With regard to co-financed R&D projects, ten projects are under way, with a total funding of more than € 3 million for the company. Specifically:

- Has a key role in the implementation of the HEIMDALL project (Multi-Hazard cooperative management tool for data exchange, response planning and scenario building) in the area of security and crisis management.
- Has a key role in the **5GENESIS** project (5th Generation End-to-end Network, Experimentation, System Integration, and Showcasing) to develop pan-European 5G pilot infrastructures. Space Hellas, in conjunction with its subsidiary Space Hellas (Cyprus) Ltd., is coordinating the development of a complex 5G pilot platform in Limassol, Cyprus.
- Actively contributes to the **TRESSPASS** project (robusT Risk basEd Screening and Alert System for PASSengers and luggage), where is responsible for developing and integrating Web intelligence technologies for passenger control and risk assessment at the Border Checkpoints, based on the Voyager platform of Web-IQ.
- Participates in a key role in the **EVOLVE** project (HPC and Cloud-enhanced Testbed for Extracting Value from Diverse Data at Large Scale), where she coordinates the development of integrated applications on innovative High Performance Computing platforms.
- Participates in ESA's **Satcom Pooling and Sharing System project**, studying and designing a pan-European satellite communications network resource and services system.
- Particiates in the **PREVISION** (Prediction and Visual Intelligence for Security Information) project, launched in September 2019. Space Hellas contributes to the development of a complex information mining and information security management system based on the Web-IQ Voyager platform, among others.
- Under contracting stage is also the the Be Secure Feel Secure project funded by EU regional programs through the European Innovative Actions for Urban Development (UIA) program. The project involves the implementation of a series of innovative actions to enhance the sense of security in the city of Piraeus, utilizing the results of the H2020 City.Risks project coordinated by Space Hellas.

In national research projects, Space Hellas participates in four projects launched in 2018, namely:

- Coordinates the **NEREAS** project, which deals with the integrated supervision and optimization of energy management in merchant ships, with the development of a large data processing platform and a user interface.
- Coordinates the **EMISSION** project, which involves the development of an integrated air pollution-monitoring platform using IoT networks. Space Hellas is responsible for the development of the Central Platform for the collection, processing and presentation information system.
- Coordinates the **e-Polymorphisms** project, co-funded by the region of Epirus. The project is an e-health platform for the care of patients with chronic kidney disease, while Space Hellas focuses on the development of the central software and database platform.
- Actively participates in the **AVINT** project, which involves the integration of automobiles into the urban transport web. The object of Space Hellas is the Network Infrastructure and Control Center that will support the operation of the 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 32.28%, participates in international conferences, presentations and bids addressed to the global Cyber security market and applications for Real Time Web Intelligence. Special emphasis will be given to the launch of the new Web-IQ platform dedicated exclusively to the banking and insurance market for risk recognition and combating financial fraud.

Complex projects from international markets are described in detail in the 2018 Annual Financial Report (paragraph 2.4) and no significant changes are expected for the second half of 2019.

In summary, for the second semester of 2019, it is expected that the growth and strengthening of the financial position of the SPACE HELLAS group is expected to continue. Signing very important contracts and launching in 2019 projects such as Couple II, Civil Aviation Communications and Voice Recording System, HEDD Network MPLS, the Evros surveillance system for the Ministry of Public Order etc. creates a significant amount of backlog and revenue prospects for the coming years. For the preparation and implementation of these projects in 2019 the company continues to invest in both human resources and know-how with the aim of successfully completing the projects.

From the signed contracts and those that are in the tender process, but which have a significant potential for a positive development, it is expected that, as already mentioned, the share of public sector revenue will increase compared to that of the private sector recorded in previous years.

The SPACE HELLAS group, however, remains committed to the technological needs of large businesses and organizations in the private sector and continues to invest in developing innovative solutions and services in collaboration with all leading international ICT manufacturers.

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	30.06.2019		30.06.2018	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit
	7%	-400	10%	-680
	-7%	400	-10%	680

- **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:

Currency	30.06.2019		30.06.2018	
euro	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
	1%	-230	1%	-200
	-1%	230	-1%	200

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

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 30.6.2019 and 31.12.2018 respectively.

Group								
Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Borrowings	24.514	21.280	11.526	8.606	9.748	9.169	3.240	3.505
Trade and other payables	12.927	20.559	12.916	20.553	-	-	11	6
Lease liabilites	1.254	-	274	-	980	-	-	-

Company								
Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Borrowings	24.514	21.280	11.526	8.606	9.748	9.169	3.240	3.505
Trade and other payables	12.660	20.238	12.649	20.232	-	-	11	6
Lease liabilites	1.236	-	268	-	968	-	-	-

IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account without adjusting the comparative amounts for 2018 (note 4.5.3.1).

- **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	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Short term Borrowings	11.526	8.606	11.526	8.606
Long term Borrowings	12.988	12.674	12.988	12.674
Less: cash and cash equivalents	-7.144	-13.158	-6.234	-12.394
Net Debt	**17.370**	**8.122**	**18.280**	**8.886**
Equity	16.022	15.139	15.320	14.416
Total capital employed	**33.392**	**23.261**	**33.600**	**23.302**
Gearing ratio	**52,02%**	**34,92%**	**54,40%**	**38,13%**

Significant cash flow to suppliers led operating cash flows to a negative sign in the first half and was covered by both cash and borrowing. This, while largely explains the increase in the leverage ratio from 34.92% to 52.02%, did not affect the acid liquidity ratio. It is noted that the leverage ratio is constantly showing an improvement every second half of the year.

- **Business Long term Risk**

The Greek economy continues to follow a path of stabilization and recovery after a decade of recession. The emergence of a stable government reinforces expectations for the future of the Greek economy in the coming period.

Strengthening market confidence was reflected in the decline in Greek bond yields, which marks the gradual smoothing of the country's financing.

The Economic Sentiment Indicator (ESI) in Greece saw a major improvement in August, according to a European Commission survey of businesses and consumers, while the corresponding euro area index registered a slight improvement and that of the European Union deteriorated.

The basis for the growth of the economy in the coming years will be both the re-launch of major investment projects, the implementation of structural changes, the ability to relax certain fiscal targets agreed with international creditors, and the complete liberalization of the restriction on the movement of capital, in combination with reducing over taxation.

As the country's debt remains high, there remains the risk of the economy failing to meet the goals of reducing unemployment and economic growth, which have improved significantly compared to previous years.

In addition, global developments affecting both the US and Great Britain are affecting Europe's overall economic environment in combination with geopolitical risks.
In particular, Turkey's financial crisis in the wider region needs to be evaluated. It is particularly difficult to assess the interactions of all of the above and to express an appreciation of their degree of influence in the Greek business environment. As a result, SPACE has opted for a sensible risk-taking policy that breaks down into different product strategies and geographical areas. More specifically, we are trying to expand our know-how in areas essential for today's event and spread the risk geographically as we expand to overseas markets. The banking system is aiding us in this endeavor through the excellent relationships we maintain. Specifically, the Group's seamless collaboration with financial institutions in combination with the banking system's risk-taking policy allows us to cope with both capital constraints and the continued improvement of relationships with our core 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*.

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.

In addition, SPACE HELLAS has started its certification process with ISO 20000 which is the international standard for IT services management. The certification is expected to be completed within the second half of 2019.

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.

This year the management of the company established two annual Honorary Fellowships in memory of its visionary and founder Dimitris Manolopoulos in order to support the young and those belonging to vulnerable economic and social groups, who do not have the financial means to move forward. In a difficult time, this program aims to give young scientists with the skills and talents the opportunity to pursue their ambitions in technology to pursue their postgraduate studies and to evolve through research and innovation. The grants totaling € 6,000 each are awarded to graduates of public higher education institutions in Greece, or equivalent higher education institutions abroad, who are enrolled per academic year in specific postgraduate programs of Greek Universities - Information and communication technologies and preferably in areas related to telecommunications, networks, IT security, cyber security (Cyber Security) and artificial intelligence (AI).

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 RESEARCH AND DEVELOPMENT

Space Hellas is active in R&D at both European and national level, recognizing the importance of knowledge in specialized areas of science and technology, and exploiting technological advances and new opportunities to create innovative solutions and meeting new requirements.

The R&D sector aims to strengthen this position by analyzing current market requirements to anticipate long-term opportunities. With the participation of Space Hellas in pilot and research projects, both national, European and self-funded, the company adopts and develops new technologies, products and services while expanding its network of partners.

At the same time, the R&D sector has been showcasing a number of successful projects, which have been recognized at a European level and are increasing with proposals for cooperation from European companies and high-quality academic institutions. But what Space Hellas seeks is to integrate knowledge and know-how into its projects, solutions and services to ensure a strong competitive advantage.

By engaging in pilot and research projects both National and European but also in-house projects, the company adopts and develops new technologies, products and services, while expanding its network of partners. The knowledge and know-how gained from these projects offers, inter alia, the potential of the R&D sector to contribute to both Integration projects and commercial and military projects, thus being an important sector for Space Hellas.

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

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

2.10 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

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

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

The tables below summarize the transactions and the account balances with related parties carried out during a' 2019 and a' 2018 respectively:

Amounts in € thousand	Revenue from dividends		Sales of goods and services		Income from investment property		Total income-Parent company		Total income-Group	
	30.06		30.06		30.06		30.06		30.06	
Subsidiaries	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
SPACE HELLAS (CYPRUS) LTD	449	926	-	-	-	-	**449**	**926**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-	**0**	**0**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-	**0**	**0**	**-**	**-**
Total Subsidiaries	**449**	**926**	**0**	**0**	**0**	**0**	**449**	**926**	**0**	**0**
Web-IQ B.V.	-	-	55	-	-	-	**55**	**0**	**55**	**0**
Associates	**0**	**0**	**55**	**0**	**0**	**0**	**55**	**0**	**55**	**0**
MOBICS S.A	-	-	-	-	-	-	**0**	**0**	**0**	**0**
SPACE CONSULTING S.A.	-	-	-	-	-	-	**0**	**0**	**0**	**0**
Total associates	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	449	**926**	**55**	**0**	**0**	**0**	**504**	**926**	**55**	**0**

Amounts in € thousand	Total expenses Group and Company	
	30.06	
	2019	**2018**
SPACE HELLAS (CYPRUS) LTD	-	-
SPACE HELLAS (MALTA) LTD	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-
Total Subsidiaries	**0**	**0**
Web-IQ B.V.	5	
Associates	**5**	**0**
MOBICS S.A.	11	-
SPACE CONSULTING S.A.	-	-
Total associates	**11**	**0**
	16	**0**

Amounts in € thousand	Total Receivables - Company		Total Receivables Group		Total Liabilities Group and Company	
	30.06		30.06		30.06	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
SPACE HELLAS (CYPRUS) LTD	569	979	-	-	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-
Total Subsidiaries	**569**	**979**	**0**	**0**	**0**	**0**
Web-IQ B.V.	11	300	11	300	-	-
Associates	**11**	**300**	**11**	**300**	**0**	**0**
MOBICS S.A.	-	-	-	-	17	3
SPACE CONSULTING S.A.	11	10	11	10	2	2
Total associates	**11**	**10**	**11**	**10**	**19**	**5**
	591	**1.289**	**22**	**310**	**19**	**5**

- Both the services from and towards the related parties as well as the sales and purchase of goods are contracted with the same trade terms and conditions as for the non-related parties.

- From the above table the transactions between the Company and related parties have been eliminated from the consolidated financial statements.

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Salaries and other employee benefits	659	642	659	642
Receivables from executives and members of the Board	2	1	2	1
Payables to executives and member of the Board	47	38	47	38

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

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Guarantees to third parties on behalf of subsidiaries and joint ventures	34	41	34	41
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	34	41	34	41

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

2.11 SIGNIFICANT POST-BALANCE SHEET EVENTS

- The cash distribution to shareholders took place of part of the reserve of Law 3943/2011 article 14, Law 4172/2013 article 48 in combination with POL 1007/2014 and POL 1039/2013, , according to the 24-05-2019 decision of the Ordinary General Meeting of Shareholders. The amount of the distributed reserve amounts to € 387 thousand, ie € 0.06 per share, with Beneficiaries designated: Friday 5 July 2019, Cut-off date: Thursday 4 July 2019, Dividend payday: July 10, 2019 and Payer Bank Alpha Bank.

- In addition, SPACE HELLAS has begun its ISO 20000-certification process, which is the international standard for IT services management. Certification is expected to be completed within the second half of 2019.

Agia Paraskevi, 25 September 2019

The Chairman of Board

S. MANOLOPOULOS

The Board of Directors

3 INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Shareholders of SPACE HELLAS S.A»

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of "SPACE HELLAS S.A." as at 30 June 2019 and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes comprising the interim condensed financial information, which is an integral part of the six-month financial report of article 5 L. 3556/2007.

Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

Report on other legal and regulatory requirements

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

Athens, 25 September 2019

PKF EUROAUDITING S.A.
Certified Public Accountants

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

Certified Public Accountant

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

4 FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2019 TO 30th JUNE 2019

4.1 TOTAL COMPREHENSIVE INCOME STATEMENT

4.1.1 INCOME STATEMENT

Amounts in € thousand	NOTES	Group		Company	
		01.01-30.06.2019	01.01-30.06.2018	01.01-30.06.2019	01.01-30.06.2018
Revenue	4.6.1	29.732	27.641	28.450	25.856
Cost of sales		-21.757	-19.454	-20.963	-18.555
Gross profit		**7.975**	**8.187**	**7.487**	**7.301**
Other income	4.6.2	681	718	522	569
Administrative expenses	4.6.3	-2.815	-2.729	-2.748	-2.653
Research and development cost	4.6.3	-580	-235	-580	-235
Selling and marketing expenses	4.6.3	-2.612	-2.563	-2.595	-2.553
Other expenses	4.6.4	-303	-749	-300	-669
Earnings before taxes, investing and financial results		**2.346**	**2.629**	**1.786**	**1.760**
Interest & other similar income		1	36	1	36
Interest and other financial expenses		-1.086	-1.218	-1.084	-1.215
Profit/(loss) from revaluation of investments in subsidiaries - associated companies	4.6.5	0	-306	449	620
Profit/(loss) before taxes		**1.261**	**1.141**	**1.152**	**1.201**
Less: Taxes	4.6.6	-478	-503	-350	-346
Profit after taxes (A)		**783**	**638**	**802**	**855**
- Equity holders of the parent		783	638	802	855
- Minority Interests in subsidiaries		0	0	-	-
Earnings per share - basic (in €)		0,1213	0,0988	0,1242	0,1324

SUMMARY OF INCOME STATEMENT

	Group 01.01-30.06.2019	Group 01.01-30.06.2018	Company 01.01-30.06.2019	Company 01.01-30.06.2018
Profit before interest, taxes, depreciation and amortization (EBITDA)	**3.228**	**3.223**	**2.661**	**2.351**
Less depreciation	882	594	875	591
Profit before interest and taxes, (EBIT)	**2.346**	**2.629**	**1.786**	**1.760**
Profit before taxes	**1.261**	**1.141**	**1.152**	**1.201**
Profit after taxes	**783**	**638**	**802**	**855**

4.1.2 OTHER COMPREHENSIVE INCOME STATEMENT

Amounts in € thousand	NOTES	Group		Company	
		01.01-30.06.2019	01.01-30.06.2018	01.01-30.06.2019	01.01-30.06.2018
Profit after taxes (A)		**783**	**638**	**802**	**855**
- Company Shareholders		783	638	802	855
- Minority Interests in subsidiaries		0	0	-	-
Other comprehensive income after taxes					
Items that might be recycled subsequently					
Currency exchange differences from consolidation of subsidiaries		-2	1	0	0
Total Items that might be recycled subsequently		**-2**	**1**	**0**	**0**
Items that will not be recycled subsequently					
Revaluation of Buldings		0	-345	0	-345
Deffered tax from revaluation of buldings		0	100	0	100
Effect from change in income tax rate on revaluation deffered tax		123	0	123	0
Actuarial losses due to accounting policy change (IAS19)		-29	-45	-29	-45
Actuarial loss taxes		8	13	8	13
Total Items that will not be recycled subsequently		**102**	**-277**	**102**	**-277**
Other comprehensive income after taxes (B)		**100**	**-276**	**102**	**-277**
Total comprehensive income after taxes (A) + (B)		**883**	**362**	**904**	**578**
- Company Shareholders		883	362	904	578
- Minority Interests in subsidiaries		0	0	-	-

SUMMARY OF OTHER COMPREHENSIVE INCOME STATEMENT

Profit after taxes	**783**	**638**	**802**	**855**
Other comprehensive income after taxes	**100**	**-276**	**102**	**-277**
Total comprehensive income after taxes	**883**	**362**	**904**	**578**

Note:

Current year

- The amount of € 123 thousand posted directly to equity comprises the effect of the change in the income tax rate of the revaluation of property, the net amount after tax of € 21 thousand of actuarial results (IAS 19), and the amount of -2 thousand. € from currency conversion differences to euro.

- *IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account without adjusting the comparative amounts for 2018 (note 4.5.3.1).*

Previews year

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

4.2 FINANCIAL POSITION STATEMENT

Amounts in € thousand	notes	Group 30.06.2019	Group 31.12.2018	Company 30.06.2019	Company 31.12.2018
ASSETS					
Non-current assets					
Property, plant & equipment	4.6.7	15.928	15.913	15.883	15.864
Rights of use	4.6.9	1.237	0	1.219	0
Investment properties	4.6.10	0	0	0	0
Goodwill	4.6.11	597	597	597	597
Intangible assets	4.6.8	2.630	2.099	2.630	2.099
Investments in subsidiaries	4.6.13	0	0	34	34
Investments in associates	4.6.13	2.104	1.004	2.104	1.004
Other long term receivables	4.6.14	31	331	31	331
Deffered tax assets	4.6.25	0	0	0	0
Total Non-current assets		**22.527**	**19.944**	**22.498**	**19.929**
Current assets					
Inventories	4.6.15	5.699	4.416	5.699	4.416
Trade debtors	4.6.16	13.923	16.163	13.796	15.933
Other debtors	4.6.17	5.945	4.179	6.078	4.157
Financial assets		13	13	13	13
Advanced payments	4.6.18	1.026	395	972	382
Cash and cash equivalents	4.6.19	7.144	13.158	6.234	12.394
Total Current assets		**33.750**	**38.324**	**32.792**	**37.295**
TOTAL ASSETS		**56.277**	**58.268**	**55.290**	**57.224**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital	4.6.20	6.973	6.973	6.973	6.973
Share premium	4.6.20	53	53	53	53
Fair value reserves		2.299	2.176	2.299	2.176
Other Reserves		922	924	978	978
Retained earnings		5.773	5.011	5.017	4.236
Equity attributable to equity holders of the parent		**16.020**	**15.137**	**15.320**	**14.416**
Minority interests		**2**	**2**	**-**	**-**
Total equity		**16.022**	**15.139**	**15.320**	**14.416**
Non-current liabilities					
Other non-current liabilities	4.6.22	11	6	11	6
Long term loans	4.6.21	12.988	12.674	12.988	12.674
Long term leases		980	0	968	0
Provisions	4.6.27	61	61	61	61
Retirement benefit obligations	4.6.24	855	804	855	804
Deferred income tax liability	4.6.25	644	425	644	425
Total Non-current liabilities		**15.539**	**13.970**	**15.527**	**13.970**
Current liabilities					
Trade and other payables	4.6.26	10.953	18.009	10.686	17.698
Income tax payable		1.963	2.544	1.963	2.534
Short-term borrowings		11.526	8.606	11.526	8.606
Short term leases		274	0	268	0
Total Current liabilities		**24.716**	**29.159**	**24.443**	**28.838**
Total Equity and Liabilities		**56.277**	**58.268**	**55.290**	**57.224**

IFRS 16 was applied recognizing the overall impact on the 'Retained Earnings Balance Sheet' account, without adjusting the comparative figures for 2018 (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 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 (IFRS)	**6.973**	**53**	**2.421**	**0**	**978**	**3.734**	**14.159**
Profit for the year	0	0	0	0	0	855	**855**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Other reserves	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Revaluation of 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	-45	**-45**
Actuarial loss tax	0	0	0	0	0	13	**13**
Balance at 30 June 2018 (IFRS)	**6.973**	**53**	**2.176**	**0**	**978**	**4.557**	**14.737**
Balance at 31 December 2018 (IFRS)	**6.973**	**53**	**2.176**	**0**	**978**	**4.236**	**14.416**
Accounting policy change	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 1 January 2019 (IFRS)	**6.973**	**53**	**2.176**	**0**	**978**	**4.236**	**14.416**
Profit for the year	0	0	0	0	0	802	**802**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Other reserves	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Other changes	0	0	123	0	0	0	**123**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-29	**-29**
Actuarial loss tax	0	0	0	0	0	8	**8**
Balance at 30 June 2019 (IFRS)	**6.973**	**53**	**2.299**	**0**	**978**	**5.017**	**15.320**

Note:

Current period

- *The amount of € 123 thousand posted directly to equity comprises the effect of the change in the income tax rate of the revaluation of property.*
- *The net amount after tax of € 21 thousand of actuarial results (IAS 19).*

Previews period

- *The amount of € -30 thousand concerns the impact from the adoption of IFRS 9 and 15, directly to the opening balance of retained earnings (note 4.5.3.1).*
- *The amount of €-345 thousand charged directly to Equity concerns the revaluation of buildings performed by independent valuators, together with the charge of deferred tax of € 101 thousand.*
- *The amount of € -32 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income (IAS 19).*

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 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 (IFRS)	**6.973**	**53**	**2.421**	**0**	**915**	**4.275**	**14.637**	**2**	**14.639**
Profit for the year	0	0	0	0	0	638	**638**	0	**638**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**	0	**0**
Net income recognized directly in equity	0	0	-345	0	1	0	**-344**	0	**-344**
Revaluation of buildings	0	0	100	0	0	0	**100**	0	**100**
Deferred tax of revaluation of buildings	0	0	0	0	0	0	**0**	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-45	**-45**	0	**-45**
Actuarial loss tax	0	0	0	0	0	13	**13**	0	**13**
Balance at 30 June 2018 (IFRS)	**6.973**	**53**	**2.176**	**0**	**916**	**4.881**	**14.999**	**2**	**15.001**
Balance at 1 January 2018 as previously reported (IFRS)	**6.973**	**53**	**2.176**	**0**	**924**	**5.011**	**15.137**	**2**	**15.139**
Accounting policy change	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 1 January 2019 as previously reported (IFRS)	**6.973**	**53**	**2.176**	**0**	**924**	**5.011**	**15.137**	**2**	**15.139**
Profit for the year	0	0	0	0	0	783	**783**	0	**783**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**	0	**0**
Net income recognized directly in equity	0	0	0	0	-2	0	**-2**	0	**-2**
Other changes	0	0	123	0	0	0	**123**	0	**123**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-29	**-29**	0	**-29**
Actuarial loss tax	0	0	0	0	0	8	**8**	0	**8**
Balance at 30 June 2019 (IFRS)	**6.973**	**53**	**2.299**	**0**	**922**	**5.773**	**16.020**	**2**	**16.022**

Note:
Current period
- *The amount of € 123 thousand posted directly to equity comprises the effect of the change in the income tax rate of the revaluation of property.*
- *The net amount after tax of € 21 thousand of actuarial results (IAS 19)*
- *The amount of €--2 thousand charged, net of taxes, directly to the equity, concerns currency exchange differences.*

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

4.4 CASH FLOW STATEMENT

Amounts in € thousand	Group		Company	
	01.01-30.06.2019	**01.01-30.06.2018**	**01.01-30.06.2019**	**01.01-30.06.2018**
Cash flows from operating activities				
Profit/(Loss) Before Taxes	1.261	1.141	1.152	1.201
Adjustments for:				
Depreciation & amortization	882	594	875	591
Impairment of assets	0	594	0	594
Provisions	188	155	188	155
Foreign exchange differences	-79	388	-75	386
Net (profit)/Loss from investing activities	-4	31	-454	-894
Interest and other financial expenses	1.087	1.218	1.084	1.215
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-1.283	-814	-1.283	-814
Decrease/(increase) in Receivables	75	-2.615	-320	-3.143
(Decrease)/increase in Payables (excluding banks)	-7.415	-3.295	-6.909	-2.408
Less:				
Interest and other financial expenses paid	-841	-1.043	-838	-1.040
Taxes paid	-200	-214	0	0
Total cash inflow/(outflow) from operating activities (a)	**-6.329**	**-3.860**	**-6.580**	**-4.157**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.100	0	-1.100	0
Purchase of tangible and intangible assets	-1.623	-683	-1.623	-683
Proceeds from sale of tangible and intangible assets	22	5	22	5
Interest received	0	36	0	36
Dividends received	0	0	99	420
Total cash inflow/(outflow) from investing activities (b)	**-2.701**	**-642**	**-2.602**	**-222**
Cash flow from Financing Activities				
Proceeds of share capital of subsidiary	4.118	4.411	4.118	4.411
Proceeds from Borrowings	-883	-1.874	-883	-1.874
Proceeds from leases	-219	0	-213	0
Payments of Borrowings	0	0	0	0
Total cash inflow/(outflow) from financing activities (c)	**3.016**	**2.537**	**3.022**	**2.537**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**-6.014**	**-1.965**	**-6.160**	**-1.842**
Cash and cash equivalents at beginning of period	**13.158**	**7.694**	**12.394**	**7.042**
Cash and cash equivalents at end of period	**7.144**	**5.729**	**6.234**	**5.200**

IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account without adjusting the comparative amounts for 2018 (note 4.5.3.1).

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/B/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.

Its clientele include the largest banks and private companies, industries, retail chains, telecoms providers, government departments and ministries, and the Armed Forces.

Space Hellas is constantly expanding and its main activities include the design and implementation of wired and wireless communications networks, the design and implementation of IT solutions, the development of telephony solutions, the development and implementation of IT and security systems applications, the provision of audio & video solutions conference, OSS-BSS and telematics, as well as structured cabling, computer rooms and infrastructure projects. It also offers state-of-the-art telecommunications services at national and international level, technical support services, training and know-how transfer, mobile and fixed telephony services and Internet connections.

The company is active in the following market segments:

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

4.5.1.3 Board of Directors

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, 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 30.06.2019 is presented below:

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					
Web-IQ B.V.	Netherlands	Specialiased applications	32,28%	-	Equity method
Other investments					
MOBICS S.A.	Greece	Software Development	18,10%	-	-

4.5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.5.2.1 Basis of Preparation

The interim financial statements of the first semester 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying financial statements do not include all the information and notes required in the annual financial statements and should be read in conjunction with the financial statements of the Group and the Company as at 31 December 2018. Nevertheless, the financial statements include selected notes for an explanation of events and transactions that are important to understand the changes in the financial position of the Group and the Company in relation to the latest annual published financial statements.

The accounting policies used for the preparation of the interim condensed financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended December 31 2018, except for the new standards and interpretations adopted, the application of which became mandatory for periods after 1 January 2019.

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

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

The preparation of financial statements was made in accordance with International Financial Reporting Standards, and the Group Management is required to make assumptions and accounting estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of preparation financial statements as well as the reported revenues and expenses during the reporting period. Although these estimates are based on the best knowledge of management with respect to the circumstances and the current conditions, actual results may differ from these estimates.

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

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

4.5.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

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 impact of applying the Standard to the Group and the Company is described in note 4.5.3.1.

IFRS 9 (Amendments) "Early Repayment Rights with Negative Redemption" (effective for annual periods beginning on or after 1 January 2019). The amendments allow companies, if they meet a specific condition, to measure financial assets with the right to early repayment and the payment of negative compensation at amortized cost or at fair value through other comprehensive income rather than at fair value through profit or loss. The amendments do not have an impact on the Financial Statements of the Group and the Company.

IAS 28 (Amendments) "Long-term interests in associates and joint ventures" (effective from annual accounting periods beginning on or after 1 January 2019). The amendments specify that entities shall account for their long-term interests in an associate or joint venture - to which the equity method does not apply - under IFRS 9. The amendments have no impact on the Group's and Company's Financial Statements.

IFRIC 23 "Uncertainty about the handling of income tax issues" (applied to annual accounting periods beginning on or after 1 January 2019). The Interpretation provides explanations for the recognition and measurement of current and deferred income tax when there is uncertainty about the tax treatment of certain items. IFRIC 23 applies to all aspects of income tax accounting when there is such uncertainty, including taxable profit / loss, the tax base of assets and liabilities, tax profits and tax losses and tax rates.

IAS 19 (Amendments) "Schedule Amendment, Cut or Settlement" (effective for annual periods accounting periods beginning on or after 1 January 2019). The amendments specify how entities should determine retirement expenses when changes to defined benefit pension plans occur. The amendments do not have a material impact on the financial statements of the Group and the Company.

Annual Improvements to IFRSs (Cycle 2015 - 2017) (effective for annual periods beginning on or after 1 January 2019). The amendments listed below include changes to four IFRSs.

IFRS 3 "Business Combinations". The amendments specify that an entity revalues the percentage previously held in a jointly controlled activity when it acquires control of that entity.

IFRS 11 "Joint arrangements". The amendments specify that an entity does not revalue the percentage previously held in a jointly controlled activity when it jointly obtains control of that entity.

IAS 12 “Income Taxes”. The amendments specify that an entity accounts for all the effects of dividend payments in the same way.

IAS 23 “Borrowing Costs”. The amendments specify that an entity handles as part of the general lending any loan specifically committed to the development of an asset when that asset is ready for its intended use or sale.

The above amendments did not have an impact on the Financial Statements of the Group and the Company.

Standards and interpretations required for subsequent periods:

The following new Standards, Interpretations and Amendments to Standards have been issued by the International Accounting Standards Board (IASB), but have either not yet entered into force or have been adopted by the European Union.

Amendments to IFRS 3: "Definition of a Business" (effective for annual periods beginning on or after 01/01/2020). The new definition focuses on the concept of rendering a business in the form of providing goods and services to customers as opposed to the previous definition which focused on returns in the form of dividends, lower costs or other financial benefits to investors and other parties. The amendments have not yet been endorsed by the European Union. The adoption of these amendments is not expected to have an impact on the Financial Statements of the Group and the Company.

Amendments to IAS 1 and IAS 8: "Definition of Substantive" (effective for annual periods beginning on or after 01/01/2020). The amendments clarify the definition of material and how it should be used, supplementing the definition with guidance that has been provided elsewhere in IFRSs. In addition, the clarifications that accompany the definition have been improved. Finally, the amendments ensure that the definition of material is consistently applied to all IFRSs. The amendments have not yet been endorsed by the European Union. The adoption of these amendments is not expected to have an impact on the Financial Statements of the Group and the Company.

IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021). IFRS 17 was issued in May 2017 and replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement and presentation of insurance policies that are within the scope of the standard and related disclosures. The purpose of the standard is to ensure that an entity provides relevant information that gives a fair view of these contracts. The new standard solves the comparability problems created by IFRS 4 as it requires all insurance policies to be accounted for in a consistent manner. Insurance liabilities will be measured at fair value rather than historical cost. The standard has not yet been endorsed by the European Union. The above standard does not apply to the Financial Statements of the Group and the Company.

4.5.3.1 Accounting Methods and Changes

There are no changes in the accounting policies applied in relation to those used in the preparation of the financial statements as at 31 December 2018, except for the new standards and interpretations adopted, which became mandatory for the periods after 1 January 2019:

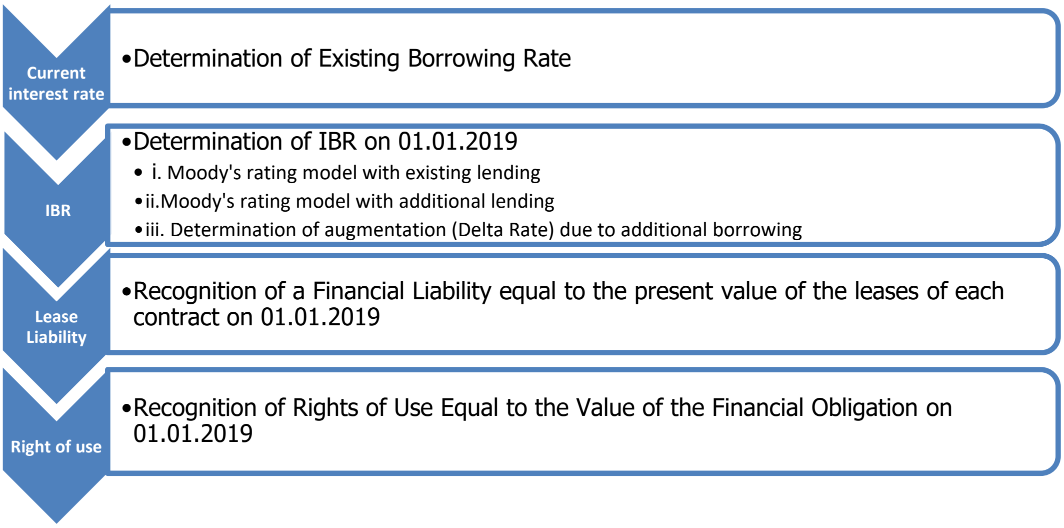
IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2019. IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that tenants and lessors provide useful information presenting it reasonably.
Essence of leasing transactions. IFRS 16 introduces a single model for accounting treatment by the lessee that requires the lessee to recognize assets and liabilities for all leases with a maturity of more than 12 months, unless the underlying asset is of non-significant value. . With regard to the lessor's accounting treatment, IFRS 16 substantially incorporates the requirements of IAS 17. Therefore, the lessor continues to categorize the leases into operating and financial leases, followed by a different accounting treatment for each type of contract. The Group and the Company were not affected by the adoption of IFRS 16 in the case of lessors.

SPACE Group has decided as the most appropriate method for the initial application of IFRS 16, the retrospective application by adjusting the balance of the start-up balance at the transition date. According to this method, it has recognized a financial liability at the present value of the residual lease, discounted at an Incremental borrowing rate on the date of first application, namely 1/1/2019 and a Right to Equity Loan.

A key component in calculating the present value of the remaining lease payments was the use of the Increase Rate. The Incremental Borrowing Rate (I.B.R.) calculated the interest rate that the company could receive in order to acquire assets corresponding to those to which the operating leases concerned relate.

Schematically the methodological approach for the first application of the standard on 1/1/2019 is as follows:

i. Moody's rating model with existing lending
ii. Moody's rating model with additional lending
iii. Determination of augmentation (Delta Rate) due to additional borrowing



- $IBR = \text{Existing Borrowing Rate} + \text{Incremental spread}$
  =4.67% + 0.13% =4.80%

The Group recognizes use of rights and lease obligations for most leases other than short-term leases (less than one-year lease) and leases for which the underlying asset is of low value (less than approximately € 4,500).

The right to use and the obligation to lease are recognized at the date of commencement of the lease. The right to use is initially measured at cost and subsequently at cost less any accumulated depreciation, impairment losses and adjustments for certain leases. The recognized rights of use relate to the following asset classes:

	Rights of Use	
Amounts in € thousand	**Group**	**Company**
Vehicle leases	717	717
Bulding leases	346	322
Total as at 01.01.2019	**1.063**	**1.039**

The main implications of adopting the above standard are the following:

STATEMENT OF FINANCIAL POSITION

Amounts in € thousand	Group			Company		
	31.12.2018	**IFRS 16 Adjustmens**	**01.01.2019**	**31.12.2018**	**IFRS 16 Adjustmens**	**01.01.2019**
ASSETS						
Non-current assets						
Property, plant & equipment	15.913		15.913	15.864		15.864
Rights of Use	0	1.063	1.063	0	1.039	1.039
Investment properties	0		0	0		0
Goodwill	597		597	597		597
Intangible assets	2.099		2.099	2.099		2.099
Investments in subsidiaries	0		0	34		34
Investments in associates	1.004		1.004	1.004		1.004
Other long term receivables	331		331	331		331
Deffered tax assets	0		0	0		0
Total Non-current assets	**19.944**	**1.063**	**21.007**	**19.929**	**1.039**	**20.968**
Current assets						
Inventories	4.416		4.416	4.416		4.416
Trade debtors	16.163		16.163	15.933		15.933
Other debtors	4.179		4.179	4.157		4.157
Financial assets	13		13	13		13
Advanced payments	395		395	382		382
Cash and cash equivalents	13.158		13.158	12.394		12.394
Total Current assets	**38.324**	**0**	**38.324**	**37.295**	**0**	**37.295**
TOTAL ASSETS	**58.268**	**1.063**	**59.331**	**57.224**	**1.039**	**58.263**
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	2.176		2.176	2.176		2.176
Other Reserves*	924		924	978		978
Retained earnings*	5.011		5.011	4.236		4.236
Equity attributable to equity holders of the parent	**15.137**	**0**	**15.137**	**14.416**	**0**	**14.416**
Minority interests	**2**		**2**	**-**		**-**
Total equity	**15.139**	**0**	**15.139**	**14.416**	**0**	**14.416**
Non-current liabilities						
Other non-current liabilities	6		6	6		6
Long term loans	12.674		12.674	12.674		12.674
Long term leases	0	643	643	0	631	631
Provisions	61		61	61		61
Retirement benefit obligations	804		804	804		804
Deferred income tax liability	425		425	425		425
Total Non-current liabilities	**13.970**	**643**	**14.613**	**13.970**	**631**	**14.601**
Current liabilities						
Trade and other payables	18.009		18.009	17.698		17.698
Income tax payable	2.544		2.544	2.534		2.534
Short-term borrowings	8.606		8.606	8.606		8.606
Short term leases	0	420	420	0	408	408
Total Current liabilities	**29.159**	**420**	**29.579**	**28.838**	**408**	**29.246**
Total Equity and Liabilities	**58.268**	**1.063**	**59.331**	**57.224**	**1.039**	**58.263**

As already stated, the lease liability is initially measured at the present value of the payments of such leases that have not been repaid at the start date, discounted, using the IBR Growth Rate.

Subsequently the lease liability is increased by the interest expense calculated on the lease liability and reduced by the payment of rents.

During the period ended 30.06.2019, the Group and the Company have recognized in the income statement expenses, depreciation and interest expense rather than operating lease expense. At Group level, depreciation expense recognized amounted to € 236 thousand and interest expense amounted to € 28 thousand.

At Company level, depreciation expense recognized amounted to € 230 thousand and interest expense amounted to € 28 thousand.

The impact on Earnings before Taxes, Interest and Depreciation (EBITDA) from the application of IFRS 16 was positive by € 264 thousand for the Group and € 258 thousand for the Company due to the recognition of depreciation expense and interest instead of expense from rentals.

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

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 amounts to € 6.973.052,40 and is divided to 6.456.530 ordinary nominal voting shares of nominal value 1,08 € each and its fully paid up.

4.5.3.12 Revenue and Expense Recognition

Revenue:

The Group and the Company recognize income, excluding interest income, dividends and any other source arising from financial instruments (which are recognized under IFRS 9), to the extent that they reflect the price the Company is entitled to from the transfer of goods and services based on a five-step approach:

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

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

Interest income: This income is recognized proportionally according to maturity and using the effective rate.
Dividends: Dividends are recognized according to the maturity for collection rights.

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

4.5.3.13 Grants

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

4.5.3.14 Financial instruments – Fair Value

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

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

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

Techniques used to measure the financial assets include:

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

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

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

4.5.3.15 Provisions

Provisions, according to IAS 37, are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example

under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.
The Group recognizes a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.
Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognized in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance.
Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

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

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

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

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

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

4.5.3.18 Leases
Determining whether or not a transaction involves a lease is based on the substance of the transaction at the date of the contract, that is, whether the transaction depends on the use of one or more assets or whether the transaction grants rights to use the asset. As of 1.1.2019 the new IFRS 16 “on Leases” applies.

Group as lessee:
Cases of third party leases where the Group does not assume all of the risks and rewards of ownership of the asset are treated as operating and the leases are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease. The Group's leases under the new IFRS 16, as of 1.1.2019, are treated using retrospective application by adjusting the opening balance of retained earnings to be reclassified without adjusting the comparative amounts of 2018 at the transition date. (note 4.5.3.1).

Group as lessor:
Cases of leases of assets to third parties where the Group does not transfer all the risks and rewards of ownership of an asset are treated as operating and the leases are recognized as income in the statement of comprehensive income on a straight-line basis over the lease. Initial direct costs incurred by lessors in negotiating an operating lease are added to the carrying amount of the leased asset and are recognized during the lease on the same basis as the lease income. The Company and the Group lease office space. These leases are treated as operating leases.

4.5.3.19 Income Tax & 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 based on the tax rates at the balance sheet date. Deferred tax assets are recognized for all tax deductible temporary differences and tax losses transferred to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference may be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is unlikely that taxable profits will be available for which part or all of the deferred tax assets may be used.

4.5.3.20 Foreign Currency Transactions

Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. The consolidated financial statements are presented in Euros, which is the functional, and presentation currency of the Company and the presentation currency of the Group.
Gains or losses resulting from foreign currency re-measurements are reflected in the accompanying statements of income. Gains or losses resulting from transactions are also reflected in the accompanying statements of income.
Exchange differences arising from conversion of financial statements in foreign subsidiaries are recognized in equity reserve through the statement of other comprehensive income.

4.5.3.21 Fincancial instruments

Financial instruments at fair value

The financial assets and liabilities reflected on the statement of financial position include cash and cash equivalents, trade and other accounts receivable, investments, trade accounts payable, short, and long-term liabilities.
These accounts are presented as assets, liabilities or equity components based on the substance and the contents of the related contractual agreements from which they are derived. Interest, dividends, profit o losses which result from financial assets or liabilities are recognized as income or expenses, respectively.

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

4.5.3.22 Fincancial Risk Management

- **Financial Risk Factors**

The Group's activities give rise to a variety of financial risks, including foreign exchange, interest rate, credit and liquidity risks. The Group's overall risk management program focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group as a whole.
Risk management is carried out by the Group's management, which evaluates the risk associated to the Group's activities and functions, and designs the policy by using the appropriate financial tools in order to mitigate the risk.
The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, and trade accounts receivable and payable.

- **Foreign Exchange Risk**

The Group's foreign exchange exposure arises from actual or anticipated cash flows (exports/ imports) in currencies other than its base currency. Exposures related to future trade agreements and recognized elements of assets and liabilities are managed through the use of forward exchange contracts when needed. The main transaction currencies are USD and the Euro.

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

Currency	30.06.2019		30.06.2018	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit
	7%	-400	10%	-680
	-7%	400	-10%	680

- **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	**30.06.2019**		**30.06.2018**	
euro	**Interest rate variation**	**Effect on profit before tax**	**Interest rate variation**	**Effect on profit before tax**
	1%	-230	1%	-200
	-1%	230	-1%	200

- **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. At the end of year 2015 the there is no material credit risk exposure that is not already covered with appropriate doubtful debt provision.
Taking into account the Group's customer base and the relevant liquidity risk, the exposure at the credit risk will be moderate. The post-dated collection of receivables is an important issue but is not related to our customers credit ability. To minimize this credit risk, the Group operates within an established counterparty policy approved by the Board of Directors, which limits the amount of credit exposure to any one financial institution. Also, as regards money market instruments, the Group only deals with well-established financial institutions of high credit standing.

- **Liquidity Risk**

Liquidity risk is addressed both by the steady stream of receipts and by providing sufficient cash resources from bank financing (focusing on funding on project basis), which is based on the excellent relationship we have with the largest credit institutions in the country and provides sufficient credit lines to finance our business plans.
In addition, excellent relationships with our suppliers, which are based on long-lasting, reliable and stable relationship, provide us with significant help in trying to smooth cash flow. Capital control restrictions did not materially affect the aforementioned relationships.
The table below summarizes the maturity profile of financial liabilities for current period and 2018 respectively:

Group

Amounts in € thousand	**Total**		**Less than 1 Year**		**1 to 5 years**		**>5years**	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**	**30.06.2019**	**31.12.2018**	**30.06.2019**	**31.12.2018**
Borrowings	24.514	21.280	11.526	8.606	9.748	9.169	3.240	3.505
Trade and other payables	12.927	20.559	12.916	20.553	-	-	11	6
Long and short term leases	1.254	-	274	-	980	-	-	-

Amounts in € thousand	Company Total		Less than 1 Year		1 to 5 years		>5years	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Borrowings	24.514	21.280	11.526	8.606	9.748	9.169	3.240	3.505
Trade and other payables	12.660	20.238	12.649	20.232	-	-	11	6
Long and short term leases	1.236	-	268	-	968	-	-	-

Capital Management

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

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

	Group		Company	
Amounts in € thousand	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Short term Borrowings	11.526	8.606	11.526	8.606
Long term Borrowings	12.988	12.674	12.988	12.674
Less: cash and cash equivalents	-7.144	-13.158	-6.234	-12.394
Net Debt	**17.370**	**8.122**	**18.280**	**8.886**
Equity	16.022	15.139	15.320	14.416
Total capital employed	**33.392**	**23.261**	**33.600**	**23.302**
Gearing ratio	**52,02%**	**34,92%**	**54,40%**	**38,13%**

Significant cash flow to suppliers led operating cash flows to a negative sign in the first half and was covered by both cash and increased lending. This, while largely justifying the increase in the leverage ratio from 34.92% to 52.02%, did not affect the instantaneous liquidity ratio. It is noted that the leverage ratio has historically improved in the second half of the year.

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 Greek economy continues to follow a path of stabilization and recovery after a decade of recession. The emergence of a stable government reinforces expectations for the future of the Greek economy in the coming period.
Strengthening market confidence was reflected in the decline in Greek bond yields, which marks the gradual smoothing of the country's financing.
The Economic Sentiment Indicator (ESI) in Greece saw a major improvement in August, according to a European Commission survey of businesses and consumers, while the corresponding euro area index registered a slight improvement and that of the European Union deteriorated.
The basis for the growth of the economy in the coming years will be both the re-launch of major investment projects, the implementation of structural changes, the ability to relax certain fiscal targets agreed with international creditors, and the complete liberalization of the restriction on the movement of capital, in combination with reducing over taxation.
As the country's debt remains high, there remains the risk of the economy failing to meet the goals of reducing unemployment and economic growth, which have improved significantly compared to previous years.

In addition, global developments affecting both the US and Great Britain are affecting Europe's overall economic environment in combination with geopolitical risks.
In particular, Turkey's financial crisis in the wider region needs to be evaluated. It is particularly difficult to assess the interactions of all of the above and to express an appreciation of their degree of influence in the Greek business environment. As a result, SPACE has opted for a sensible risk-taking policy that breaks down into different product strategies and geographical areas. More specifically, we are trying to expand our know-how in areas essential for today's event and spread the risk geographically as we expand to overseas markets. The banking system is aiding us in this endeavor through the excellent relationships we maintain. Specifically, the Group's seamless collaboration with financial institutions in combination with the banking system's risk-taking policy allows us to cope with both capital constraints and the continued improvement of relationships with our core suppliers.

4.6 NOTES TO THE INTERIM FINANCIAL STATEMENTS OF FIRST SEMESTER 2019

4.6.1 Operating Segments

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

- **Primary segment – Business segments**

The Group organizes its activities in three segments:

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

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

Group												
	Technology Solutions and Services			Integration projects			Mobile telecommunications			Total		
	30.06			30.06			30.06			30.06		
Amounts in € thousand	2019	2018	+/-%	2019	2018	+/-%	2019	2018	+/-%	2019	2018	+/-%
Revenue	26.010	25.176	3,31%	3.021	1.785	69,24%	701	680	3,09%	**29.732**	**27.641**	7,56%
Gross profit	6.850	7.188	-4,70%	895	771	16,08%	230	228	0,88%	**7.975**	**8.187**	-2,59%
EBIT	2.746	2.910	-5,64%	395	235	68,09%	87	78	11,54%	**3.228**	**3.223**	0,16%
Earnings before taxes	-	-	-	-	-	-	-	-	-	**1.261**	**1.141**	10,52%
Earnings after taxes	-	-	-	-	-	-	-	-	-	**783**	**638**	22,73%

- **Secondary segment – Geographical segment**

The Group's main geographical space is Greece, where the parent company's registed office is lovated.
The subsidiary company «SPACE HELLAS CYPRUS LTD», has its registered offices in Cyprus and is a parent of subsidiaries

- SPACE HELLAS SYSTEM INTEGRATOR SRL headquartered in Romania,
- SPACE HELLAS HELLAS Doo Beograd-Stari Grad based in Serbia,
- SPACE HELLAS (MALTA) LTD based in Malta,
- SPACE AAB LEVANT TECHNOLOGIES COMPANY headquartered in Jordan

with growing activities, though not significant in relation to the totality of the Group.

4.6.2 OTHER OPERATING INCOME

Amounts in € thousand	Group		Company	
	01.01-30.06.2019	01.01-30.06.2018	01.01-30.06.2019	01.01-30.06.2018
Service provision	2	1	2	1
Income from property leases	30	28	30	28
Income from technical equipment leases	313	468	313	468
Government Grants	155	150	2	1
Other extraordinary income	5	1	5	1
Other extraordinary gains	155	58	149	58
Currency exchange gains	21	12	21	12
Total other operating income	**681**	**718**	**522**	**569**

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 8,68%

Amounts in € thousand	Group			Company		
	01.01-30.06.2019	01.01-30.06.2018	+/-%	01.01-30.06.2019	01.01-30.06.2018	+/-%
Payroll expenses	3.373	3.169	6,44%	3.373	3.169	6,44%
Third parties' fees and expenses	635	606	4,79%	594	558	6,45%
Third parties' utilities and services	554	644	-13,98%	554	633	-12,48%
Taxes and dues	114	106	7,55%	101	92	9,78%
Sundry expenses	636	580	9,66%	614	568	8,10%
Depreciations	657	386	70,21%	649	385	68,57%
Provisions	38	36	5,56%	38	36	5,56%
Total operating expenses	**6.007**	**5.527**	**8,68%**	**5.923**	**5.441**	**8,86%**

4.6.4 OTHER OPERATING EXPENSES

amounts in € thousand	Group		Company	
	01.01-30.06.2019	01.01-30.06.2018	01.01-30.06.2019	01.01-30.06.2018
Extraordinary expenses	13	95	13	95
Loss from currency exchange	77	446	74	444
Provisions for receivables of doubtful collection	150	197	150	119
Extraordinary losses	63	11	63	11
Total other operating expenses	**303**	**749**	**300**	**669**

4.6.5 FINANCIAL RESULTS

amounts in € thousand	Group		Company	
	01.01-30.06.2019	01.01-30.06.2018	01.01-30.06.2019	01.01-30.06.2018
Gain/Loss from affiliated companies	0	-2	0	-2
Impairment of goodwill	0	-304	0	-304
Dividends	0	0	449	926
Total financial results	**0**	**-306**	**449**	**620**

In the current period as well as in the previous period, the company distributed earnings as a dividend from its subsidiary SPACE HELLAS CYPRUS LTD.

In addition, goodwill was impaired for the amount of € 250 thousand during the previous period (note 4.6.11), impairment of the participation of the associate Mobics S.A. by € 40 thousand and the remaining amount relates to impairment of the holdings of the Joint Ventures which were under liquidation.

4.6.6 Income Tax

The income tax expense imputed the results as following:

		Group		Company	
Amounts in € thousand	**note**	**01.01-30.06.2019**	**01.01-30.06.2018**	**01.01-30.06.2019**	**01.01-30.06.2018**
Current Income Tax		-128	-157	0	0
Deferred tax imputed to results	4.6.25	-350	-346	-350	-346
Total income tax charge to income statement (a)		**-478**	**-503**	**-350**	**-346**
Deferred tax recognized directly in equity (b)	4.6.25	131	113	131	113
Total tax (a+b)		**-347**	**-390**	**-219**	**-233**

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 2018, this audit has been completed with the issuance of the relevant Tax Compliance Reports without reservation.

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, i.e. 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.

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	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
	Group					
Opening Balance 01.01.2018	**7.086**	**4.526**	**10.104**	**65**	**2.759**	**24.540**
Plus: Additions	0	35	334	0	79	**448**
Revaluation	-151	-1.289	0	0	0	**-1.440**
Minus: Disposals	0	0	20	11	4	**35**
Ending balance 30.06.2018	**6.935**	**3.272**	**10.418**	**54**	**2.834**	**23.513**
Depreciation at 01.01.2018	**0**	**1.317**	**4.418**	**40**	**2.446**	**8.221**
Plus: Additions	0	73	240	2	41	**356**
Revaluation	0	-1.094	0	0	0	**-1.094**
Minus: Disposals	0	0	14	2	4	**20**
Depreciation at 30.06.2018	**0**	**296**	**4.644**	**40**	**2.483**	**7.463**
Ending balance 30.06.2018	**6.935**	**2.976**	**5.774**	**14**	**351**	**16.050**
Opening Balance 01.01.2019	**6.935**	**3.271**	**10.545**	**68**	**2.909**	**23.728**
Plus: Additions	0	52	197	27	133	**409**
Minus: Disposals	0	0	2	24	4	**30**
Ending balance 31.12.2019	**6.935**	**3.323**	**10.740**	**71**	**3.038**	**24.107**
Depreciation at 01.01.2019	**0**	**365**	**4.881**	**43**	**2.526**	**7.815**
Plus: Additions	0	70	255	3	50	**378**
Minus: Disposals	0	0	1	9	4	**14**
Depreciation at 30.06.2019	**0**	**435**	**5.135**	**37**	**2.572**	**8.179**
Ending balance 30.06.2019	**6.935**	**2.888**	**5.605**	**34**	**466**	**15.928**

Amounts in € thousand	Company					
	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	**Total**
Opening Balance 01.01.2018	**7.086**	**4.526**	**10.065**	**65**	**2.759**	**24.501**
Plus: Additions	0	35	334	0	79	**448**
Revaluation	-151	-1.289	0	0	0	**-1.440**
Minus: Disposals	0	0	20	11	4	**35**
Ending balance 30.06.2018	**6.935**	**3.272**	**10.379**	**54**	**2.834**	**23.474**
Depreciation at 01.01.2018	**0**	**1.317**	**4.406**	**40**	**2.446**	**8.209**
Plus: Additions	0	73	237	2	41	**353**
Revaluation	0	-1.094	0	0	0	**-1.094**
Minus: Disposals	0	0	14	2	4	**20**
Depreciation at 30.06.2018	**0**	**296**	**4.629**	**40**	**2.483**	**7.448**
Ending balance 30.06.2018	**6.935**	**2.976**	**5.750**	**14**	**351**	**16.026**
Opening Balance 01.01.2019	**6.935**	**3.271**	**10.480**	**68**	**2.909**	**23.663**
Plus: Additions	0	52	197	27	133	**409**
Minus: Disposals	0	0	2	24	4	**30**
Ending balance 31.12.2019	**6.935**	**3.323**	**10.675**	**71**	**3.038**	**24.042**
Depreciation at 01.01.2019	**0**	**365**	**4.865**	**43**	**2.526**	**7.799**
Plus: Additions	0	70	251	3	50	**374**
Minus: Disposals	0	0	1	9	4	**14**
Depreciation at 30.06.2019	**0**	**435**	**5.115**	**37**	**2.572**	**8.159**
Ending balance 30.06.2019	**6.935**	**2.888**	**5.560**	**34**	**466**	**15.883**

4.6.8 INTANGIBLE ASSETS

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

Amounts in € thousand	Group			
	Software	Other intangibles	Software development Cost	**Total Intangibles**
Opening Balance 01.01.2018	**4.266**	**714**	**0**	**4.980**
Plus: Additions	77	0	159	**236**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2018	**4.343**	**714**	**159**	**5.216**
Depreciation at 01.01.2018	**2.928**	**301**	**0**	**3.229**
Plus: Depreciation expense	238	1	0	**239**
Minus: Depreciation of disposed elements	0	0	0	**0**
Depreciation at 30.06.2018	**3.166**	**302**	**0**	**3.468**
Ending balance 30.06.2018	**1.177**	**412**	**159**	**1.748**
Opening Balance 01.01.2019	**5.128**	**714**	**0**	**5.842**
Plus: Additions	577	0	226	**803**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2019	**5.705**	**714**	**226**	**6.645**
Depreciation at 01.01.2019	**3.440**	**303**	**0**	**3.743**
Plus: Depreciation expense	271	1	0	**272**
Minus: Depreciation of disposed elements	0	0	0	**0**
Depreciation at 30.06.2019	**3.711**	**304**	**0**	**4.015**
Ending balance 30.06.2019	**1.994**	**410**	**226**	**2.630**

Amounts in € thousand	Company			
	Software	Other intangibles	Software development Cost	**Total Intangibles**
Opening Balance 01.01.2018	**4.256**	**714**	**0**	**4.970**
Plus: Additions	77	0	159	**236**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2018	**4.333**	**714**	**159**	**5.206**
Depreciation at 01.01.2018	**2.920**	**301**	**0**	**3.221**
Plus: Depreciation expense	237	1	0	**238**
Minus: Depreciation of disposed elements	0	0	0	**0**
Depreciation at 30.06.2018	**3.157**	**302**	**0**	**3.459**
Ending balance 30.06.2018	**1.176**	**412**	**159**	**1.747**
Opening Balance 01.01.2019	**5.118**	**714**	**0**	**5.832**
Plus: Additions	577	0	226	**803**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2019	**5.695**	**714**	**226**	**6.635**
Depreciation at 01.01.2019	**3.430**	**303**	**0**	**3.733**
Plus: Depreciation expense	271	1	0	**272**
Minus: Depreciation of disposed elements	0	0	0	**0**
Depreciation at 30.06.2019	**3.701**	**304**	**0**	**4.005**
Ending balance 30.06.2019	**1.994**	**410**	**226**	**2.630**

4.6.9 RIGHTS OF USE

Amounts in € thousand	Group		
	Buldings	Transportation vehicles	**Total rights of use**
Opening Balance 01.01.2019	**346**	**717**	**1.063**
Plus: Additions	0	410	**410**
Minus: Disposals	0	0	**0**
Ending balance 30.06.2019	**346**	**1.127**	**1.473**
Depreciation at 01.01.2019	**0**	**0**	**0**
Plus: Depreciation expense	46	190	**236**
Minus: Depreciation of disposed elements	0	0	**0**
Depreciation at 30.06.2019	**46**	**190**	**236**
Ending balance 30.06.2019	**300**	**937**	**1.237**

Amounts in € thousand	Company		
	Buldings	Transportation vehicles	**Total rights of use**
Opening Balance 01.01.2019	**322**	**717**	**1.039**
Plus: Additions	0	410	**410**
Minus: Disposals	0	0	**0**
Ending balance 30.06.2019	**322**	**1.127**	**1.449**
Depreciation at 01.01.2019	**0**	**0**	**0**
Plus: Depreciation expense	40	190	**230**
Minus: Depreciation of disposed elements	0	0	**0**
Depreciation at 30.06.2019	**40**	**190**	**230**
Ending balance 30.06.2019	**282**	**937**	**1.219**

IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account without adjusting the comparative amounts for 2018 (note 4.5.3.1).

4.6.10 INVESTMENT PROPERTIES

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

4.6.11 GOODWILL

The Goodwill, amounting to € 597 thousand, comprised among the noncurrent assets, resulted from the following operations:

Amounts in € thousand	Group- Company		
	SPACEPHONE S.A.	SPACE TECHNICAL CONSTRUCTION BUILDING SA	**Total**
Opening Balance 01.01.2018	**428**	**419**	**847**
Additions	0	0	0
Imapairments	0	-250	-250
Ending balance 31.12.2018	**428**	**169**	**597**
Opening Balance 01.01.2019	**428**	**169**	**597**
Additions	0	0	0
Imapairments	0	0	0
Ending balance 30.06.2019	**428**	**169**	**597**

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.

4.6.12 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.

4.6.13 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The company's shareholding in subsidiaries, associates and Joint venture as at 30.06.2019, is disclosed at their acquisition cost less provisions for impairment:

Corporate name	Ownership percentage		Ownership percentage		Consolidation method
	Direct	Indirect	Direct	Indirect	
Subsidiaries	**30.06.2019**		**31.12.2018**		
SPACE HELLAS (CYPRUS) LTD	100%	-	100%	-	Ολική
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	-	99,45%	-	99,45%	Ολική
SPACE HELLAS Doo Beograd-Stari Grad	-	100%	-	100%	Ολική
SPACE HELLAS (MALTA) LTD	-	99,98%	-	99,98%	Ολική
SPACE ARAB LEVANT TECHOLOGIES COMPANY	-	100%	-	100%	Ολική
Associates					
Web-IQ B.V.	32,28%	-	17,21%	-	Καθαρή θέση
Other investments					
MOBICS S.A.	18,10%	-	18,10%	-	-

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.

- 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 after the share capital increase that took place on 13.6.2019, consists of 284.137 shares. The second phase of Space Hellas' investment in Web-IQ B.V. based in the Netherlands, has been completed, raising its stake from 17.21% to 32.28% for the amount of € 1.1m, through a share capital increase of Web-IQ BV, following the fulfillment of contract that was signed, providing the option for this additional percentage acquisition.

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

4.6.14 Other Long Term Receivables

	Group		Company	
Amounts in € thousand	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Rental guarantees	31	31	31	31
Long term receivables from related paties	0	300	0	300
Total Other Long term receivables	**31**	**331**	**31**	**331**

Long-term claims against affiliates (Web-IQ B.V) decreased by € 300 thousand as part of the implementation of the agreement to increase SPACE HELLAS's stake in the company from 17.21% to 32.28%.

4.6.15 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 € 43 thousand, charged in the results of the Group and the Company. The amount of inventory reflects the company's strategy to achieve the goal of proper warehouse management without degrading the customer's trustworthy service.

	Group		Company	
Amounts in Euro thousands	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Goods	3.882	3.106	3.882	3.106
Materials	1.129	736	1.129	736
Consumables	688	574	688	574
Total inventories	**5.699**	**4.416**	**5.699**	**4.416**

4.6.16 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	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Trade receivables	19.324	21.407	19.197	21.175
Less: Provisions for doubtful liquidation	5.401	5.244	5.401	5.242
Total trade receivables	**13.923**	**16.163**	**13.796**	**15.933**

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

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

In the context of working capital management, the Group uses factoring services for the earliest collection of receivables from its customers in Greece.

The trade receivables accounts are not bearing any interest and are usually arranged as following: Group 1 - 180 Days, Company 1 - 180 days. The collection of receivables related to projects depends on the completion stage.

	Group		Company	
Amounts in Euro thousands	30.06.2019	31.12.2018	30.06.2019	31.12.2018
1 - 90 days	10.730	11.814	10.603	11.717
91 - 180 days	1.301	1.610	1.301	1.490
181 - 360 days	1.140	757	1.140	744
> 360 days	752	1.982	752	1.982
Total trade receivables	**13.923**	**16.163**	**13.796**	**15.933**

Receivables from related parties:

	Group		Company	
Amounts in Euro thousands	30.06.2019	31.12.2018	30.06.2019	31.12.2018
1 - 90 days	11	0	131	0
91 - 180 days	0	0	0	0
181 - 360 days	0	0	0	0
> 360 days	0	0	0	0
Total trade receivables	**11**	**0**	**131**	**0**

4.6.17 OTHER RECEIVABLES

Other receivables of the group and company:

	Group		Company	
Amounts in Euro thousands	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Cheques receivable	272	567	272	567
Cheques overdue*	1.709	1.709	1.709	1.709
Deducted Taxes & other receivables	652	358	487	298
Salary prepayments	4	6	4	6
Advances to account for	27	6	27	6
Amounts owed by affiliated undertakings	5	18	454	117
Deferred charges	3.100	1.869	3.100	1.869
Income earned	1.120	869	1.120	869
Other receivables**	794	515	643	454
Total other receivables	**7.683**	**5.917**	**7.816**	**5.895**
Less: provisions for doubtful liquidation	1.738	1.738	1.738	1.738
Total other receivables	**5.945**	**4.179**	**6.078**	**4.157**

** For the account in the "Checks overdue" an equivalent provision of default has been made.*
*** For the amount appearing in the Group's Other Receivables, "Other Debtors" amounting to € 794 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

4.6.18 PREPAYMENTS

Analysis of prepayments:

	Group		Company	
Amounts in Euro thousands	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Orders placed abroad	625	208	625	208
Prepayments to other creditors	401	187	347	174
Total prepayments	**1.026**	**395**	**972**	**382**

4.6.19 CASH AND CASH EQUIVALENTS

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

	Group		Company	
Amounts in Euro thousands	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Cash on hand	15	28	15	28
Short term Bank deposits	7.129	13.130	6.219	12.366
Total Cash and Cash equivalents	**7.144**	**13.158**	**6.234**	**12.394**

4.6.20 Share Capital

The company's shares are ordinary registerd shares and have been listed in ASE since 29.09.2000
No changes have occurred during the current period.

Number of shares and nominal value	30.06.2019	31.12.2018
Paid up capital	6.973.052,40	6.973.052,40
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,08 €

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

4.6.21 Long term loans

The Group's long term loans amounts to € 12.988 thousand compared to € 12.674 thousand compared to year 2018. The loans concern:

- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 500 thousand.
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 250 thousand.
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 187 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 1.736 thousand.
- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.240 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 750 thousand.
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.125 thousand.
- The mortgage loan ending at 20.22, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 500 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 667 thousand.
- The mortgage loan ending at 2023, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.890 thousand.
- The mortgage loan ending at 2023, of initial amount € 2.500 thousand, and after interest and principal payments amounting to € 2.143 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 4,59%.

4.6.22 Other Long Term Liabilites

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

	Group		Company	
Amounts in Euro thousands	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Guarantees received	11	6	11	6
Total Other long term liabilities	**11**	**6**	**11**	**6**

4.6.23 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.

4.6.24 PERSONELL EMPLOYEED - EMPLOYEE BENEFITS

The personnel employed at 30.06.2019 for the Group have reached 356 persons and for the company has reached 355 persons while as at 30.06.2018 amounted to 330 and 329 respectively.

4.6.24.1 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.

	Group		Company	
Amounts in Euro thousands	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Present value of unfunded obligations	855	804	855	804
Not recognized actuarial gains\ losses	0	0	0	0
Reserves to be formed	**855**	**804**	**855**	**804**
Provisions for employers benefits recognized in the income statement				
Current service cost	28	56	28	56
Cost of interest	5	9	5	9
Actuarial loss / (gain)	0	0	0	0
Past service cost	5	5	5	5
Net periodic cost	**38**	**70**	**38**	**70**
Liability recognized in the Statement of financial position				
Net liability – opening balance as at 01.01	804	739	804	739
Benefits paid	-16	-47	-16	-47
Cost recognized in the income statement	38	70	38	70
Gains/Losses recognized in Equity	29	42	29	42
Net liability	**855**	**804**	**855**	**804**
Present value of the liability				
Net liability – opening balance as at 01.01	804	739	804	739
Current service cost	28	56	28	56
Cost of interest	5	9	5	9
Past service cost	5	5	5	5
Benefits paid	-16	-47	-16	-47
Actuarial loss / (gain)	0	0	0	0
Gains/Losses recognized in Equity	29	42	29	42
Present value of the liability	**855**	**804**	**855**	**804**

The assumptions used are the following:

Actuarial assumptions		
1.	Discount interest rate	1,3% as at 30/06/2019
2.	Average annual long term inflation rate	2% (according to EU, Lisbon convention).
3.	Average annual long term salary growth	2,00%
4.	Valuation date	30.06.2019
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)

4.6.25 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 for 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	**31.12.2018**	**Amounts recognised through income statement**	**Amounts recognised through equity**	**30.06.2019**
Deferred tax liabilities				
Depreciation rate difference effect	-597	41	0	-556
Fair value adjustments Property, plant and equipment	-889	0	123	-766
Total Deferred tax liabilities	**-1.486**	**41**	**123**	**-1.322**
Deferred tax assets				
Provisions for Trade and other receivables	455	-28	0	427
Post-employment and termination benefits	234	-28	8	214
Impairment of Lond term receivables	43	-10	0	33
Rights of Use	0	4	0	4
Impairment of Inventories	6	-6	0	0
Tax deductible previews years' losses	323	-323	0	0
Total Deferred tax assets	**1.061**	**-391**	**8**	**678**
Total Deferred tax	**-425**	**-350**	**131**	**-644**

IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account, without adjusting the comparative amounts for 2018 (note 4.5.3.1).

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.

4.6.26 TRADE AND OTHER PAYABLES

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

Amounts in € thousand	Group		Company	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Trade payables	9.023	14.542	8.860	14.253
Checks payables	628	824	628	824
Customer down payments/advances	225	909	225	909
Social security	279	548	279	548
Wages and salaries payable	33	66	33	66
Short term liabilities to factors	436	533	436	533
Other payables	107	41	90	40
Amounts due to related parties	19	0	19	0
Next year's Income	5	7	5	7
Accrued expenses	122	139	35	118
Purchases under arraignment	76	400	76	400
Total Trade and other payables	**10.953**	**18.009**	**10.686**	**17.698**

4.6.27 PROVISIONS

The Group has formed provisions for doubtful trade receivables for the amount of € 5.401 thousand, for doubtful sundry debtors for the amount of € 1.738 thousand. The provisions are disclosed compensated among the trade and other receivables respectively.

Amounts in € thousand	Group - Company				
	31.12.2018	New Provisions	Used Provisions	Decreases	30.06.2019
Provisions for tax unaudited years	61	0	0	0	61
Provisions for employers benefits	804	67	16	0	855
Other provisions	0	0	0	0	0
Total	**865**	**67**	**16**	**0**	**916**

4.6.28 DISPUTED CLAIMS

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

4.6.29 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 based on 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 2018, this audit has been completed with the issuance of the relevant Tax Compliance Reports without reservation.

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.

4.6.30 CONTIGENT EVENTS

4.6.30.1 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	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Guarantee letters to secure good performance of contract terms	4.604	3.424	4.604	3.424
Total Contingent Liabilities	**4.604**	**3.424**	**4.604**	**3.424**

At 30.06.2019 as well as at 31.12.2018 there were no outstanding letters of guarantee issued.

4.6.30.2 Excess clause provisions and Disputed claims

There are no cases (note. 4.6.28) that might have significant impact on the financial position both of the Group and the Company.

4.6.30.3 Other contigent liabilities

For the unaudited tax years of the Group companies as mentioned in note 4.6.29, 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.

4.6.30.4 Capital comittements

At 30.06.2019, there were no capital commitments for the Group and the Company.

4.6.31 Cash Flows

Amount ins € thousand	Group 01.01-30.06.2019	Group 01.01-30.06.2018	Company 01.01-30.06.2019	Company 01.01-30.06.2018
Total cash inflow/(outflow) from operating activities	-6.329	-3.860	-6.580	-4.157
Total cash inflow/(outflow) from investing activities	-2.701	-642	-2.602	-222
Total cash inflow/(outflow) from financing activities	3.016	2.537	3.022	2.537

Cash flow from operating activities, is negative amounting to € -6.329 thousand mainly because of significant repayments of operating liabilities except loans. The repayment of suppliers during the first semester of each year creates this trend, which become normalised during the second semester.

Cash flow from investing activities is negative amounting to € -2.701 thousand attributable to the execution of the investment plans.

The cash flow from financing activities is positive amounting to € 3.016 thousand. This result provides a confirmation of the Group's ease of access to financial institutions for the financing of its activities and the excellent relations with the banking system.

4.6.32 Contingent Events - Transactions Between The Company And Related Parties (IAS 24) from 01-01-2019 to 30-06-2019

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 involves 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 of goods and services		Income from investment property		Total income-Parent company		Total income-Group	
	30.06		30.06		30.06		30.06		30.06	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
SPACE HELLAS (CYPRUS) LTD	449	926	-	-	-	-	**449**	**926**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-	**0**	**0**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-	**0**	**0**	**-**	**-**
Subsidiaries	**449**	**926**	**0**	**0**	**0**	**0**	**449**	**926**	**0**	**0**
Web-IQ B.V.	-	-	55	-	-	-	**55**	**0**	**55**	**0**
Associates	**0**	**0**	**55**	**0**	**0**	**0**	**55**	**0**	**55**	**0**
MOBICS S.A	-	-	-	-	-	-	**0**	**0**	**0**	**0**
SPACE CONSULTING S.A.	-	-	-	-	-	-	**0**	**0**	**0**	**0**
Total other related parties	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	449	**926**	**55**	**0**	**0**	**0**	**504**	**926**	**55**	**0**

Amounts in € thousand	Total expenses for Group and Company	
	30.06	
	2019	**2018**
SPACE HELLAS (CYPRUS) LTD	-	-
SPACE HELLAS (MALTA) LTD	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-
Subsidiaries	**0**	**0**
Web-IQ B.V.	5	
Associates	**5**	**0**
MOBICS S.A	11	-
SPACE CONSULTING S.A.	-	-
Total other related parties	**11**	**0**
	16	**0**

Amounts in € thousand	Total Receivables - Company		Total Receivables Group		Total Liabilities Group and Company	
	30.06		30.06		30.06	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
SPACE HELLAS (CYPRUS) LTD	569	979	-	-	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-
Subsidiaries	**569**	**979**	**0**	**0**	**0**	**0**
Web-IQ B.V.	11	300	11	300	-	-
Associates	**11**	**300**	**11**	**300**	**0**	**0**
MOBICS S.A.	-	-	-	-	17	3
SPACE CONSULTING S.A.	11	10	11	10	2	2
Total other related parties	**11**	**10**	**11**	**10**	**19**	**5**
	591	**1.289**	**22**	**310**	**19**	**5**

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

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
Salaries and other employee benefits	659	642	659	642
Receivables from executives and members of the Board	2	1	2	1
Payables to executives and member of the Board	47	38	47	38

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

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Guarantees to third parties on behalf of subsidiaries and joint ventures	34	41	34	41
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	34	41	34	41

- The company has granted guarantees to banks in favor of the subsidiary SPACE HELLAS (CYPRUS) LTD, amounting to € 34 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, Compensation for damages or legal claims.

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

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

Elements Affecting Adaptation

Figures influencing the adjustment of the indices used by the Group to extract the SNAUs according to the first half-financial statements 2019 and the corresponding financial statements of the prior period are the provisions of doubtfulness.

The data that affect the adjustment of the indicators (SEMCs) on 30.06.2019 and 30.06.2018 are shown in the table below:

Amounts in € thousand	Group	
	30.06.2019	30.06.2018
Comprehensive Income Statement		
Provisions for impairment	150	197
Total	**150**	**197**

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		
	30.06.2019	**30.06.2018**	**Divergence %**
EBITDA	**3.228**	**3.223**	0,16%
Provisions for impairment	150	197	
EBITDA adjusted	**3.378**	**3.420**	-1,23%
Divergence %	5%	6%	

The adjusted EBITDA of the current period increased by 5% compared to EBITDA, while compared to the previews period the adjusted EBITDA is increased by 1,23%.

Adjusted EBIT

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

EBIT adjusted = EBIT - Adjusting elements

Amounts in € thousand	Group		
	30.06.2018	**30.06.2018**	**Divergence %**
EBIT	**2.346**	**2.629**	-10,76%
Provisions for impairment	150	197	
EBIT adjusted	**2.496**	**2.826**	-11,68%
Divergence %	6%	7%	

The adjusted EBIT of the current period is 6% higher than EBIT, while compared to the previews period the adjusted EBIT is increased by 11,68%.

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 Cash flow - Adjusting elements - Net Cash flow from investing activity

Amounts in € thousand	Group		
	30.06.2019	30.06.2018	Divergence %
Net Cash flow from operating activities	-6.329	-3.860	63,96%
Net Cash flow from investing activity	-2.701	-642	320,72%
Cash Flows After Investments	**-9.030**	**-4.502**	100,58%
Provisions for impairment	150	197	-23,86%
Cash Flows After Investments adjusted	**-8.880**	**-4.305**	106,27%
Divergence %	2%	4%	

Adjusted Cash Flows from Investments in the current year are increased by 2% compared to Cash Flows after investments.

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

Adjusted Net Borrowing = Net Borrowing - Other financial Assets

Amounts in € thousand	Group		
	30.06.2019	30.06.2018	Divergence %
Long term loans	12.988	11.424	13,69%
Shor term loans	11.526	8.879	29,81%
Cash and Cash equivalents	-7.144	-5.729	24,70%
Net Borrowing	**17.370**	**14.574**	19,18%
Other financial Assets	-13	-13	0,00%
Adjusted Net Borrowing	**17.357**	**14.561**	19,20%
Divergence %	-0,07%	-0,09%	

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

4.8 SIGNIFICANT POST-BALANCE SHEET EVENTS

- The cash distribution to shareholders took place of part of the reserve of Law 3943/2011 article 14, Law 4172/2013 article 48 in combination with POL 1007/2014 and POL 1039/2013, according to the 24-05-2019 decision of the Ordinary General Meeting of Shareholders. The amount of the distributed reserve amounts to € 387 thousand, ie € 0,06 per share, with Beneficiaries designated: Friday 5 July 2019, Cut-off date: Thursday 4 July 2019, Dividend payday: July 10, 2019 and Payer Bank Alpha Bank.

- In addition, SPACE HELLAS has begun its ISO 20000 certification process, which is the international standard for IT services management. Certification is expected to be completed within the second half of 2019.

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

5 FIGURES AND INFORMATION FROM 1ST JANUARY TO 30th JUNE 2019

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

Financial statement and information for the period 1 January 2019 to 30 June 2019

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 Independent Auditor's Review Report.

Prefecture	Ministry of Development, Department of Commerce
Company's web site	http://www.space.gr
Date of approval by the Board of Directors	25 September 2019
	Board of Directors Decisions No 3.577
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 30.06.2019	GROUP 31.12.2018	COMPANY 30.06.2019	COMPANY 31.12.2018
ASSETS				
Property, plant and equipment	15.928	15.913	15.883	15.864
Rights of Use	1.237	0	1.219	0
Investment properties	0	0	0	0
Intangible assets	2.630	2.099	2.630	2.099
Other non current assets	2.732	1.932	2.766	1.966
Inventory	5.699	4.416	5.699	4.416
Receivables (trade debtors)	13.923	16.163	13.796	15.933
Other current assets	14.128	17.745	13.297	16.946
TOTAL ASSETS	**56.277**	**58.268**	**55.290**	**57.224**
EQUITY AND LIABILITIES				
Share capital	6.973	6.973	6.973	6.973
Other components of equity	9.047	8.164	8.347	7.443
Total equity attributable to owners of the parent (a)	**16.020**	**15.137**	**15.320**	**14.416**
Non controlling interests (b)	2	2	-	-
Total Equity (c) = (a)+(b)	**16.022**	**15.139**	**15.320**	**14.416**
Long term borrowings	12.988	12.674	12.988	12.674
Long term provisions / Non current liabilities	2.551	1.296	2.539	1.296
Short term borrowings	11.526	8.606	11.526	8.606
Other current liabilities	13.190	20.553	12.917	20.232
Total Liabilities (d)	**40.255**	**43.129**	**39.970**	**42.808**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**56.277**	**58.268**	**55.290**	**57.224**

1.3 STATEMENT OF CHANGES IN EQUITY

(consolidated and non consolidated) Amounts in € thousand	GROUP 30.06.2019	GROUP 30.06.2018	COMPANY 30.06.2019	COMPANY 30.06.2018
Total equity in the beginning of the year (1/1/2019 and 1/1/2018 accordingly)	15.139	14.639	14.416	14.159
Total comprehensive income after taxes (continued and discontinued operations)	883	362	904	578
Increase / (Decrease) of Share Capital	0	0	0	0
Cancellation of own shares	0	0	0	0
Other Changes	0	0	0	0
Non controlling interests	0	0	0	0
Total equity at the end of the period (30.06.2019 and 30.06.2018 accordingly)	**16.022**	**15.001**	**15.320**	**14.737**

1.4 CASH FLOW STATEMENT FOR THE YEAR

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-30.06.2019	GROUP 01.01-30.06.2018	COMPANY 01.01-30.06.2019	COMPANY 01.01-30.06.2018
Operating Activities :				
Profit before taxes (continued operations)	1.261	1.141	1.152	1.201
Plus/Less adjustments for :				
Depreciation	882	594	875	591
Impairment of tangible and intangible assets	0	594	0	594
Provisions	188	155	188	155
Foreign exchange differences	-79	388	-75	386
Net (profit)/Loss from investing activities	-4	31	-454	-894
Interest and other financial expenses	1.087	1.218	1.084	1.215
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-1.283	-814	-1.283	-814
Decrease/(increase) in Receivables	75	-2.615	-320	-3.143
(Decrease)/increase in Payables (excluding banks)	-7.415	-3.295	-6.909	-2.408
Less:				
Interest and other financial expenses paid	-841	-1.043	-838	-1.040
Taxes paid	-200	-214	0	0
Total cash inflow/(outflow) from operating activities (a)	**-6.329**	**-3.860**	**-6.580**	**-4.157**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.100	0	-1.100	0
Purchase of tangible and intangible assets	-1.623	-683	-1.623	-683
Proceeds from sale of tangible and intangible assets	22	5	22	5
Interest received	0	36	0	36
Dividends received	0	0	99	420
Total cash inflow/(outflow) from investing activities (b)	**-2.701**	**-642**	**-2.602**	**-222**
Cash flow from Financing Activities				
Proceeds from Borrowings	4.118	4.411	4.118	4.411
Payments of Borrowings	-883	-1.874	-883	-1.874
Dividends paid to shareholders of the Company	-219	0	-213	0
Total cash inflow/(outflow) from financing activities (c)	**3.016**	**2.537**	**3.022**	**2.537**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	-6.014	-1.965	-6.160	-1.842
Cash and cash equivalents at beginning of period	13.158	7.694	12.394	7.042
Cash and cash equivalents at end of period	**7.144**	**5.729**	**6.234**	**5.200**

1.2 STATEMENT OF COMPREHENSIVE INCOME

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-30.06.2019	GROUP 01.01-30.06.2018	COMPANY 01.01-30.06.2019	COMPANY 01.01-30.06.2018
Turnover	29.732	27.641	28.450	25.856
Gross Profit	7.975	8.187	7.487	7.301
Profit before taxes, financing and investing activity	2.346	2.629	1.786	1.760
Profit before taxes	**1.261**	**1.141**	**1.152**	**1.201**
Profit after taxes (A)	783	638	802	855
- *Owners of the parent*	783	638	802	855
- *Non controlling interests*	0	0		
	783	638	802	855
Other comprehensive income after taxes (B)	100	-276	102	-277
Total comprehensive income after taxes (A)+(B)	883	362	904	578
- *Owners of the parent*	883	362	904	578
- *Non controlling interests*	0	0		0
Earnings (after taxes) per share - basic in €	0,1213	0,0988	0,1242	0,1324
Profit before taxes, financing and investing activity and depreciation	**3.228**	**3.223**	**2.661**	**2.351**

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 Six-month financial report of 2019.
3. The tax un-audited years of the Company and the Group are disclosed in note 4.6.29 of the six-month financial report of 2019.
4. The company has formed a provison for the tax unaudited years, for the amount of 61 thousand, 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 30.06.2019 for the Group amounted to 356 persons and for the Company amounted to 355 while as at 30.06.2018 amounted to 330 and 329 respectively.
8. The same Accounting Policies have been followed as for the financial statements as at 31.12.2018 except for new standards and interpretations of mandatory application after 1st January 2019 (note 4.5.3.1).
9. Note 4.3 of the Six-month financial report of 2019 refers to the comprehensive income after taxes for the company and the Group.
10. Intercompany transactions for the period from 1 January 2019 to 30 June 2019 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	55	504
b) Purchases of goods and services	16	16
c) Receivables from related parties	22	591
d) Payables to related parties	19	19
e) Key management compensations	659	659
f) Receivables from key management	2	2
g) Payables to key management included in above	47	47

The company has guaranteed to financial institutions for bank credit limits for the subsidiary SPACE HELLAS (CYPRUS) Lt.d.up to the amount of € 34 thousand, through the issuance of letters of guaranty.

Agia Paraskevi, 25 September 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

We certify that the attached annual financial report, from pages 1 to 69, includes the annual financial statements of the Group and of company SPACE HELLAS SA for the period from January 1, 2019 to June 30, 2019, which have been approved by the Board of Directors, of SPACE HELLAS SA, on September 25th, 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 AND MEMBER OF THE BOARD
SPYRIDON MANOLOPOULOS	**IOANNIS MERTZANIS**	**IOANNIS DOULAVERIS**	**ANASTASIA PAPARIZOU**