Financial Report for the Six Month Period From 1st January 2015 to 30th June 2017

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

The Financial Report for the Six Month Period from 1st January to 30th June 2016 has been prepared in accordance with art. 5, Law 3556/2007, has been approved by the Board of Directors at 12th September 2017 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 of SPACE HELLAS SA

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

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

- The financial report for the six month period ended at 30th June 2016, has been prepared according to International Financial Reporting Standards, and 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 of article 5 of L. 3556/2007.

- The enclosed report of the Board of Directors presents in a true manner the progress and the financial position and performance both for the company and the group as well as the disclosure of the risks and uncertainties.

Agia Paraskevi, 12 September 2017

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

2 SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2017 – 30.06.2017

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

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

The most important section of the reports contains the consolidated financial information of the Company and its subsidiaries, with particular reference on the parent company's financial information whenever deemed necessary.

The present report is included unchanged in the interim Financial Report of year 2017, 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 auditor's report.

2.1 FINANCIAL POSITION – PERFORMANCE – OTHER INFORMATION

2.1.1 FINANCIAL FIGURES

In the first half of 2017, the Greek economy is still at a critical turning point in terms of re-launching the growth, and boosting employment and investment. After a prolonged period of recession and stagnation, the completion of the second assessment of the Greek Program in June 2017 is expected to enhance investment, confidence and make a key contribution to improving the economic climate. The conditions for financing the real economy, although improved, are still below the expectation.

SPACE Group moves on a track of stability despite the aforementioned economic conditions. Continuous engagement with a wider range of product solutions to meet our customers' multi-level needs enables us to spread the business and commercial risk. Together with the continuously -improving capital structure the Group's management is able to reduce finance costs and increase profitability.
At the same time, the Group is stepping up its efforts to expand abroad with projects and plans that will not endanger its future, exploiting any favourable business opportunity emerging on the international market.

Management is continually assessing the likely impact of any changes in the macroeconomic and financial environment in Greece so as to ensure that all necessary actions and measures are taken to minimize any impact on the Group's operations in Greece.

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

The following table presents a comparison of the financial results for the periods a' 2017 and a' 2016 respectively.

2.1.1.1 Period's total income

TOTAL INCOME STATEMENT						
	GROUP			COMPANY		
Amounts in € thousand	01.01-30.06.2017	01.01-30.06.2016	VARIATION %	01.01-30.06.2017	01.01-30.06.2016	VARIATION %
Revenue	25.164	25.077	0,34%	23.549	23.377	0,74%
Gross profit/loss	5.875	6.988	-15,93%	5.249	6.337	-17,17%
Gross profit margin	23%	28%		22%	27%	
EBITDA	2.127	2.086	1,97%	1.445	1.500	-3,67%
EBIT	1.609	1.539	4,55%	929	955	-2,72%
Earnings before taxes	849	632	34,34%	995	1.029	-3,30%
Earnings after taxes	548	400	37,25%	854	954	-10,48%

The Group's turnover amounted to € 25.164 thousand compared to € 25.077 thousand of the previews period showing a slight variation.

The Group's Gross profit amounted to € 5.875 thousand compared to € 6.988 thousand of the previews period showing decrease of 5% which is considered temporary.

The Group's EBITDA amounted to € 2.127 thousand compared to € 2.086 thousand of the previews period. The rationalisation of the operating expenses has compensated the gross profit decrease.

The Group's EBIT amounted to € 1.609 thousand compared to € 1.539 thousand of the previews period, following the same pattern as in EBITDA.

The Group's earnings before taxes amounted to € 849 thousand compared to € 632 thousand of the previews period showing an increase of 34,34%.

The Group's earnings after taxes amounted to € 548 thousand compared to € 400 thousand of the previews period showing an increase of 37,25%.

2.1.1.2 Statement of comprehensive income

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

The other comprehensive income after taxes of previews year comprises the comprises the net amount of -61 thousand, of actuarial results (IAS 19) after taxes and the amount of -4 thousand, of currency differences from consolidation of subsidiaries.

2.1.1.3 Assets

BALANCE SHEET (Assets)						
	GROUP			COMPANY		
Amounts in € thousand	01.01-30.06.2017	01.01-31.12.2016	VARIATION %	01.01-30.06.2017	01.01-31.12.2016	VARIATION %
Total Assets	45.386	46.320	-2,02%	45.008	45.450	-0,97%
Total noncurrent receivables	20.215	18.673	8,26%	20.240	18.693	8,28%
Inventories	4.324	3.252	32,96%	4.324	3.252	32,96%
Trade receivables	10.749	12.455	-13,70%	10.128	11.957	-15,30%
Other receivables	10.098	11.940	-15,43%	10.316	11.548	-10,67%

The Group's Total Assets amounts to € 45.386 thousand compared to € 46.320 thousand of year 2016.

The Group's noncurrent receivables' net value, comprising the goodwill after impairments, and the revaluated buildings, amount to € 20.215 thousand compared to € 18.673 thousand of year 2016.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 4.324 thousand compared to 3.252 thousand of year 2016

The Group's Trade receivables amount to € 10.749 thousand compared to € 12.455 thousand of year 2016

The Group's other receivables amount to € 10.098 thousand compared to € 11.940 thousand of year 2016.

2.1.1.4 Liabilites

BALANCE SHEET (Liabilities)						
	GROUP			COMPANY		
Amount in € thousand	01.01-30.06.2017	01.01-31.12.2016	VARIATION %	01.01-30.06.2017	01.01-31.12.2016	VARIATION %
Total Liabilities	45.386	46.320	-2,02%	45.008	45.450	-0,97%
Shareholders' Equity	14.313	13.787	3,82%	14.238	13.401	6,25%
Long term loans	11.801	7.848	50,37%	11.801	7.848	50,37%
Other long term liabilities	861	1.017	-15,34%	883	1.036	-14,77%
Short term loans	6.365	8.117	-21,58%	6.365	8.117	-21,58%
Other short term liabilities	12.046	15.551	-22,54%	11.721	15.048	-22,11%

The Shareholders' equity amounts to € 14.313 thousand compared to € 13.787 thousand.

The Group's long term loans amounts to € 11.801 thousand compared to € 7.848 thousand compared to year 2016. The loans concern:

- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 4.140 thousand.
- The mortgage loan ending at 2019, of initial amount € 1.125 thousand, and after interest and principal payments amounting to € 320 thousand.
- The mortgage loan ending at 2019, of initial amount € 800 thousand, and after interest and principal payments amounting to € 300 thousand.
- The mortgage loan ending at 2019, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 677 thousand.
- The mortgage loan ending at 2018, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 1.012 thousand.
- The mortgage loan ending at 2019, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 600 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 2.507 thousand.
- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.505 thousand.
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 750 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 4,87%.

The Group's other long term liabilities amount to € 861 thousand compared to € 1.017 thousand of year 2016.

The Group's short term loans amount to € 6.365 thousand compared to € 8.117 thousand of year 2016.

The Group's other short term liabilities amount to € 12.046 thousand compared to € 15.551 thousand of year 2016.

2.1.1.5 Cash Flow

CASH FLOW STATEMENT				
	GROUP		COMPANY	
Amount ins € thousand	01.01-30.06.2017	01.01-30.06.2016	01.01-30.06.2017	01.01-30.06.2016
Total cash inflow/(outflow) from operating activities	-2.559	-5.192	-2.791	-5.547
Total cash inflow/(outflow) from investing activities	-1.870	-393	-1.620	372
Total cash inflow/(outflow) from financing activities	2.201	2.540	2.201	2.540

Cash flow from operating activities, is negative amounting to € -2.559 thousand financing the Group's temporary cash needs.

Cash flow from investing activities is negative amounting to € 1.870 thousand. This is attributable to the Group's policy to constantly channel a significant portion of its free cash flows into investment.

The cash flow from financing activities is positive amounting to € 2.201 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.

2.1.1.6 Performance ratios

	RATIOS	GROUP 30/06		COMPANY 30/06	
		2017	2016	2017	2016
A.	LIQUIDITY RATIOS				
A1.	CURRENT RATIO	136,72%	106,08%	136,94%	108,72%
A2.	QUICK RATIO	113,24%	89,83%	113,04%	92,03%
A3.	ACID TEST RATIO	28,45%	7,36%	27,12%	7,29%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,27	0,06	0,27	0,08
B.	CAPITAL STRUCTURE RATIOS				
B1.	DEPT TO EQUITY	217,09%	237,24%	216,11%	222,46%
B2.	CURRENT LIABILITIES TO NET WORTH	128,63%	187,07%	127,03%	174,33%
B3.	OWNER'S EQUITY TO TOTAL LIABILITIES	46,06%	42,15%	46,27%	44,95%
C.	PROFITABILITY RATIOS				
C1.	GROSS PROFIT MARGIN	23,35%	27,86%	22,29%	27,11%
C2.	NET PROFIT MARGIN	3,38%	2,52%	4,23%	4,40%
D.	OPERATING EXPENSES RATIOS				
D1.	OPERATING RATIO	95,45%	88,52%	97,39%	90,19%
D2.	Δ LOANS TO TOTAL ASSETS	40,03%	36,58%	40,41%	36,64%

2.1.1.7 Share Capital

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

Number of shares and nominal value	30.06.2017	31.12.2016
Paid up capital	6.973.052,40	10.395.013,30
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,61 €

2.1.1.8 Own Shares – Cancellation of Stock Option Plan
The company does not possess any own shares as at 30-06-2017.

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

For year 2016 there were no distributable earnings.

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

The above reserve for distribution is part of the dividends received from the subsidiary SPACE HELLAS (CYPRUS) LTD, which after their recognition in the results formed a special reserve, due to their exemption from the income tax under Law 3943/2011, article 14 and law 4172 / 2013 Article 48, in conjunction with POL 1007/2014 and POL 1039/2013.

2.1.1.10 Participating interests and investments

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

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

Contingent Liabilities	Group		Company	
Amounts in € thousand	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Guarantee letters to secure good performance of contract terms *	2.238	2.555	2.238	2.555
Total contingent liabilities	**2.238**	**2.555**	**2.238**	**2.555**

** The guarantee letters to secure good performance issued to joint ventures amounted to € 326 thousand as at 30.06.2017 and € 402 thousand as at 31.12.2016.*

2.1.1.12 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.

2.1.1.13 Other contigent liabilities

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

For the years 2009 and 2010, the Company has been notified by the Greek Tax Authorities for the beginning of a partial audit, while for the years 2011 to 2015 the parent has been audited by the Certified Public Accountants as provided by para. 5, art. 82, N2238 / 1994, the provisions of the Law 1159 / 26-7-2011 as well as the article 65A of N4174 / 2013 regarding the receipt of a tax certificate from the statutory Auditors and Audit Offices. From the year 2016 onwards, the tax certificate is optional. Upon completion of the tax audit, the statutory auditor or audit firm issues to the company a "Tax Compliance Report". There is ongoing tax audit of the company for the year 2016 by the statutory auditors, from which no significant additional charges are expected to arise.

The same provisions apply to its subsidiaries in Greece. The other domestic companies of the Group (note 4.6.27) have been subject to the tax finalization process under Law 3888/2010 up to 2009.

Except the above mentioned there are no other contingent liabilities.

2.2 ALTERNATIVE PERFORMANCE MEASURES

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

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

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

Adjusting elements

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

The elements affecting the adjustment of the indicators (ALPs) on 30.06.2017 and 30.06.2016 are shown in the table below:

Amounts in € thousand	Group	
	30.06.2017	30.06.2016
Comprehensive Income Statement		
Provisions for impairment	193	303
Total	**193**	**303**

Based on the above adjustment table, the ALPs used by the Group are formed as follows:

Adjusted EBITDA

In the first half of 2017, the adjusted EBITDA increased by 9% compared to EBITDA, while compared to the first half of 2016 the adjusted EBITDA is down by 2.89%.

Adjusted EBIT

In the first half of 2017, adjusted EBIT is 12% higher than EBIT, compared with the first half of 2016, adjusted EBIT is down by 2.17%.

Adjusted Cash Flows After Investments
In the first half of 2017, Adjusted Cash Flows after investments are increased by 4% compared to Cash Flows after investments, while compared with the first half of 2016 adjusted Cash Flows after investments appear to be increased by 5%.

Adjusted Net Borrowing
In both the first half of 2017 and the corresponding period of 2016, the adjusted net borrowing is marginalally reduced by 0.10% compared to the Net Borrowing.

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

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

Significant facts that took place during the period from 1st January to 30th June 2017 are the following:

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

  1. Submission and approval of the annual financial report, the annual financial statements and condensed financial information (balance sheet, income statement items, Statement of Changes in Equity Manual, Statement of Cash Flow Statement, additional data and information) of the company and the Group for the year from 1/1/2016 - 31/12/2016, the management report and the additional report of the Management Board on the financial statements and as well as the auditors' report.
  2. Approval of the distribution of results
  3. Share Capital Decrease with offsetting of previews year's losses
  4. Partial distribution of the special dividends reserve of Law 3943/2011, article 14 and law 4172 / 2013 Article 48, in conjunction with POL 1007/2014 and POL 1039/2013.
  5. Discharge of the Board and Auditors from any liability for the year ended as at 31/12/2015.
  6. Approval of the remuneration and allowances of Members of the Board of Directors for the period from 1/1/2016 to 31/12/2016 and preapproval of remuneration and allowances for the period from 1/1/2017 to 31/12 / 2017.
  7. Election of the statutory auditors of the Company and the Group for the year 1/1/2017 - 31/12/2017 and determination of their remuneration
  8. Approval of all contracts of the company's for the period of 1/1/2016 - 31/12/2016.
  9. Approval of the contracts according to art. 23a of L 2190/1920
  10: Announcement of the election of the new independent non executive member of the Board of Directors, replacing the resigned independent non executive member, according to art. 18 of L 2190/1920

  11. Decrease of the number of the members of the Board of Directors to 7 members in compliance with the para 1, art.10 of the Articles of Association, and election of new members of the Board of Directors. The issue has not been discussed.
  12. Appointment of a new independent non executive member of the Board. The issue has not been discussed.
  13. New members designation in the Audit Committee.
  Announcement relevant to the 28th General Assembly's Decision held on 24.06.201 with regard to the purchase of own shares, according to art. 16 of L 2190/1920
  14. Permission according to article 23 par. 1 of Law 2190/1920 to members of the Board of Directors and the Company's directors.
  15. Various announcements.
- **Share Capital decrease** with offsetting of previews years losses and modification of art. 5 of the Articles of Association.

2.4 BUSINESS PROSPECTICES FOR THE SECOND HALF OF YEAR 2017

The Group's financial information as resulted in the first half of 2016 allows us to maintain our optimism for a steady and positive performance of the group. Targeting to a healthy and developing private sector clientele, compensates for any loss of revenue from large public IT projects. As we had already predicted from the start of the year, the restart of large IT projects, in which the company is claiming a significant share, will begin gradually in 2016, although the invoicing will be shifted to the second half of 2016. According to the current picture, delays continue to exist and the billings for public works will be shifted in 2017. This is expected to affect only the year's turnover but will not affect the positive image and strengthening of other fundamental financial areas of the Group. The Group's strategic choice to expand the market share of the private sector of the wider field of ICT (information technology, telecommunications and security) and the gradual growth made of careful steps and outward-looking are now become rewarding making us one of the strongest players in the our industry.

The first half of 2017 was characterized by relative stability in the business environment, which is expected to gradually strengthen as the evaluation of the Greek economy is completed in a positive way. Large development projects are still in a queue, but there is optimism about investment prospects in key areas.

SPACE HELLAS, following a positive first half, faithfully follows the targets set by the beginning of the year regarding its commercial performance and the financial strength of the group.

For the second half of 2017, the Group's management anticipates an even better revenue path as large and important private client projects such as OPAP, FRAPORT, OTE, WIND, PIRAEUS, NATIONAL, ALPHA, ELPE and other projects are in progress. covering a wide range of technologies and services that have been steadily investing in recent years.

Based on the data of the Greek market and the positioning of the company in certain international markets, an increase in revenues is projected for the second half of 2017 compared to 2016.

An important contribution to corporate turnover is expected from all core product lines, mainly from the private sector, with particular emphasis on the company's activity in systems, applications and IT services. The company continues to be one of the most trusted partner-suppliers in the most dynamically growing businesses.

For the company's activity in complex public sector projects note the following:

Assigned Complex Projects or under contract signing process:

- HELLENIC POLICE HEADQUARTERS: Conclusion of the Framework Agreement for the years 2016 - 2018 for the procurement of computers, software and other materials, with a total budget of € 2.1 million.
- HELLENIC POLICE HEADQUARTERS: Bid for the procurement of hardware, software and services for the installation, customization and activation of the Common Search Engine (CISE), as part of the UMF 3.0 standard information exchange program setting for the needs of Information Division of the Hellenic Police Force ", with a budget of 34.5 thousand euros.
- HELLENIC POLICE HEADQUARTERS: Supply of Maintenance Services for subproject 8 - "Remote Access Service for Hellenic Police Users" for the period from 28.7.2017 to 31.12.2017, budget of 41.9 thousand euros.

Complex Projects under evaluation:

- HELLENIC POLICE HEADQUARTERS: Extension of an automated border surveillance system to the border crossing of the Greek-Turkish border in the region of Evros and interconnection of the Regional Centers for Integrated Border Management and Immigration (PEKIDIS), with a total budget of 12 million EUR.
- AVIATION POLICY SERVICE: Supply of air navigation systems for the relocation of the Athens approach by K.E.P.ATH to AIA, with a budget of 3 million Euros.
- HELLENIC POLICE HEADQUARTERS: Upgrading the existing IT systems of Hellenic Police for the registration procedure for Non EU nationals, with a budget of 3 million Euros.
- INFORMATION SOCIETY: Syzefxis II,
- Sub-Action 3: Security / Telephony / Teleconferencing / Wiring Infrastructure,
- Subproject 4: Central Network Interconnection Infrastructure (SIX) and Data Center Infrastructures,
- Sub-Action 5: ISP & SLA Central Services with a total budget of approximately € 170 million.

All three sub-projects of Syzefxis II, in which the company has submitted a bid as a member of a joint venture, are in the final evaluation stage.

- MINISTRY OF FOREIGN AFFAIRS: "Promotion of Support Services for Consular Authorities or Consular Offices of Diplomatic Missions in the Visa Process", the company is the only company of the contestants to continue in Group 3 which includes the countries Turkey, Egypt, Israel, Lebanon, Jordan , Saudi Arabia, Kuwait, Bahrain, Qatar, Iran, Algeria, Tunisia, Morocco, Oman, Yemen and awaits its proclamation as a temporary contractor.

Implementation of complex projects:

- Completion of the HEDNO project for the design, construction and maintenance of the Data Center. The implementation of the project "Supply of the AFTN / CIDIN / AMHS Aircraft Transmission System of the Civil Aviation Authority, is in progress

- Continuation of the maintenance contracts, NVIS of the Ministry of Foreign Affairs, concerning the automation of the issuance of a VISA license to 135 embassies and consulates of our country abroad, and the "Remote Access" project of Hellenic Police.
- Projects:
- "Electronic Identification and Identification Services (e-TAF)"
- "Electronic Crime Prevention Services for the Protection of Citizens' Security and E-Crime" for the Ministry of Public Order and Citizen Protection
  and
- The "National Electromagnetic Field Observatory" for the Hellenic Atomic Energy Commission are in the completion stage of the warranty period after which a maintenance contract is expected to be signed.

For the second half of 2017, the company is preparing to participate in projects to be proclaimed by Hellenic Police, the Coast Guard, various Municipalities, Regions and other public organizations. As mentioned in the Annual Bulletin, the company focuses on projects where it has significant know-how and funding is secured.

In the field of **Research & development programs**, in 2017 Space Hellas participates as a Coordinator in the implementation of two projects funded by the European Union **Horizon 2020** program in the Security Area:

- City Risks (Avoiding and mitigating safety risks in urban environments)
- SHIELD (Securing against intruders and other threats through an NFV-enabled environment).

It also plays a key role in the implementation of the HEIMDALL (Multi-Hazard) project in the field of security and crisis management.

In 2017, the company participated actively in the invitations of the European **Horizon 2020** program in areas such as Physical and Digital Security, Earth Observation and Big Data (8 proposals in total are under evaluation with total funding for the company 3 million Euros).

The company also participated in a wide range of proposals in the actions of the national program "Research - Create - Innovate" with emphasis on Internet of things and Big Data (11 proposals in total are under evaluation, with total funding for the company of 1,7 million Euro).

Finally, Space Hellas qualified for the second phase of the open call for the European Pre-Operational Validation (POV) on land borders (EWISA) for an integrated pre-operational land border surveillance system, worth € 2.7 million.

In 2017 the Group's operations in **international markets** continue in Cyprus, Albania, Malta, Serbia and Romania. In Jordan, SPACE ARAB LEVANT TECHNOLOGIES COMPANY was established and preparations for the establishment of a subsidiary in Qatar are in progress.

At the same time, Space Hellas participated in the share capital of the Dutch company Web-IQ, where SPACE HELLAS now holds 17.21%. Web-IQ is actively working with many global security authorities to combat cybercrime and now, together with SPACE HELLAS, offer a reliable, integrated and fully customizable solution to the growing market of "Digital Risk Management" and e-crime .
The technological expertise of Web-IQ combined with the Company's capability of implementing Systems Integration and applications in the field of ICT gives the two companies a competitive advantage in the area of Big Data Analytics utilizing Space Hellas's existing infrastructure and service hub in Frankfurt.

Projects in international markets:

- In **Cyprus**,
- the company completed the installation of the second Meteorological Radar for the project "Provision of Meteorological Radar Services" for the Government of the Republic of Cyprus, Ministry of Agriculture, Rural Development and Environment and started a 13-year service to the Department of Meteorology.
- an offer for the project "Governmental Integrated Network of the Ministry of Transport, Communications and Works of Cyprus (GUN)" was submitted for a total budget of 16 million euros
- a tender was submitted during the pre-selection phase for the project "Provision of Installation and Maintenance of Electronic Surveillance Systems at National Guard CYPRUS" for a total budget of 10 million Euros.
- The company expects to re-submit the project "Supply, Implementation and Management of Systems and Equipment with the PPP (Public-Private Partnership) Method for the Prevention and Combating of Violence in Sports Facilities" to the Cyprus Organization for Sport (COM). The project is expected to be re-announced within September through a restricted tender procedure.

- In **Jordan**,
- The company became a contractor for the creation of a telecommunication hub for British Telecom and within 2017, the launch of the provision of telecommunications services and the interconnection of the first customers is expected.

- In **Qatar**, bids were submitted for:
- CCTV and access control work of the Qatar Foundation Stadium.
- for the AL Rayyan power station security system.

In the field of **financial management**, the Group aims to maintain its strategy focusing on the simultaneous improvement of the economic indicators with the increase in turnover and profits. Commitment to the objective of commercial and treasury robustness enables the continuation of a sound financial path in both short and medium-term time frames. The credit rating of the group continues to help with both our banks and our suppliers.

In particular, the effort is identified in the following axes:

- Forecast and continuous assessment of future investment and operational needs
- Assessing the risks and opportunities arising from the international financial environment
- Strategies to address these risks
- Liquidity management as a tool to achieve the commercial goal
- Optimal utilization of the credit lines available to the Group

To sum up, for the second half of 2017, the group is expected to strengthen the steady profitable path of the first half and to substantially improve revenue despite the stagnation of large public works. The contribution of government projects to total corporate revenue is expected to be higher than in the corresponding half-year in 2016 but is not projected to exceed 6% of total turnover. Also in the second half of 2017, more private sector mobilization is expected, especially by large groups with the potential to carry out long-term investment plans. Equally balanced are expected all the other basic financial figures of the group.

2.5 RISK MANAGEMENT AND HEADGING POLICY

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

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

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

The Group is exposed to the following:

- **Financial Risk Factors**

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

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

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

- **Foreign Exchange Risk**

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

The main transaction currencies are Euro and USD.

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

sensitivity analysis due to currency exchange rate changes	Currency	Exchange rate variation	Effect on profit before tax
Amounts of a' 2017 in € thousand	USD	8%	-450
		-8%	450
Amounts of a' 2016 in € thousand	USD	5%	-300
		-5%	300

- **Price Risk**

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

- **Interest Rate Risk**

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

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

Nevertheless, in case the capital markets will continue to be instable with liquidity restrictions, the result will be an increased risk to incur higher interest rates and financing expenses or even to have limited funding sources, with negative consequences in the Groups' adaptation ability to the changing economic environment as well as the ability to finance its activities and to provide a sufficient growth rate and performance for its shareholders.

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

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

Sensitivity analysis of Group's borrowings due to interest rate changes	Currency	Interest rate variation	Effect on profit before tax
Amounts of a' 2017 in € thousand	EURO	1%	-150
		-1%	150
Amounts of a' 2016 in € thousand	EURO	1%	-140
		-1%	140

- **Credit Risk**

Credit risk arises from cash and cash equivalents, deposits with banks, derivatives, as well as credit exposure to customers. 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. Taking into account the Group's customer base and the relevant liquidity risk, the exposure at the credit risk will be moderate.

With particular regard to credit risk related to public sector's receivables, this risk is significantly decreased as most if these receivables have been collected. Furthermore, several legislation changes currently made, allow the offsetting of liabilities towards PS with overdue PS receivables. 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**

The increased turnover creates the need of stable financing from both the collection of receivables and ban loans as well (with preference on the project basis funding). The Group maintains excellent relationships with the Banking institutions and thus ensures adequate funding for the execution of the Group's business plans.
The excellent relationships with the major suppliers offer the capability to manage the cash flow. The recent developments in the Greek economy with the capital controls took place in the second half of the year and had no significant impact on the aforementioned relations.

The table below summarizes the maturity profile of financial liabilities as at 30 June 2017 and 31 December 2016.

Group								
	Total		Less than 1 Year		1 to 5 years		>5years	
Amounts in € thousand	30-06-2017	31-12-2016	30-06-2017	31-12-2016	30-06-2017	31-12-2016	30-06-2017	31-12-2016
Borrowings	**18.166**	**15.965**	6.365	8.117	2.899	3.483	8.902	4.365
Trade and other payables	**12.052**	**15.662**	12.046	15.551	-	-	6	11

Company								
	Total		Less than 1 Year		1 to 5 years		>5years	
Amounts in € thousand	30-06-2017	31-12-2016	30-06-2017	31-12-2016	30-06-2017	31-12-2016	30-06-2017	31-12-2016
Borrowings	**18.166**	**15.965**	6.365	8.117	2.899	3.483	8.902	4.365
Trade and other payables	**11.749**	**15.078**	11.721	15.048	22	19	6	11

- **Capital Management**

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

The group's policy is to maintain leverage targets in line with an investment grade profile

Gearing ratio	Group		Company	
Amounts in € thousand	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Short term Borrowings	6.365	8.117	6.365	8.117
Long term Borrowings	11.801	7.848	11.801	7.848
Less: cash and cash equivalents	-5.237	-7.465	-4.905	-7.115
Net Debt	**12.929**	**8.500**	**13.261**	**8.850**
Equity	14.313	13.787	14.238	13.401
Total capital employed	**27.242**	**22.287**	**27.499**	**22.251**
Gearing ratio	**47,50%**	**38,10%**	**48,30%**	**39,70%**

The high levels of turnover, still existing in the first half of 2017, required increased financing needs, which led to an increase of the net debt for approximately € 4 millions. This is a temporary condition, led to an increase of the leverage ratio from 38,10% to 47,50%, and at the same time provides a confirmation of the Group's ease of access to financial institutions for the financing of its activities.

- **Business Long term Risk**

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

2.6 CORPORATE GOVERNANCE STATEMENT

2.6.1 Corporate Governance Practices Applied

The Company's Corporate Governance Code (CGC) complies with the relevant regulation prescribed by L 2190/1920, L 30167/2002, L 3873/2010 and L 3884/2010 and 4403/2016. The Code is a structured text, updated upon decision of the Board of Directors.
The company's CGC is approved by the Company's Board of Directors. After the approval, the CGC is uploaded to the internet to the corporate website in protected format and be found at *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 organisations

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

The Company's Quality Management System, established since 1996, and contributes significantly in the accomplishment of the above mentioned aims, through the use of design and monitoring methods for quality performance and standards in all the business processes.

These goals are pursued through the effective contribution of the Quality Management System applied by Space Hellas since 1996 (among the first companies certified with ISO 9001 in Greece) using efficient design and quality monitoring methods at all stages of product procurement and service provision. Space Hellas's Quality Management System is ISO 9001: 2015 certified for all company activities in Athens and Thessaloniki offices.

Also, Space Hellas is ISO 27001: 2013 certified for the Information Security Management System, which has been designing and maintaining since 2009, at the corporation level and for all its activities, branches in Greece, its subsidiary in Cyprus and its subsidiaries in Malta, Serbia and Romania. Achieving this important goal gives Space Hellas a clear distinction over all Greek companies and competition. The Company's Information Security Department offers a wide range of Compliance and Certification products and services including ISO / IEC 27001: 2013, Hellenic Authority for Communication Security and Privacy, Business Continuity Management, PCI DSS Standard, Banking Instructions Greece and SOX.

In the context of implementing the Group's commitment to an environmentally responsible operation, we have developed and implemented an Environmental Management System in accordance with the ISO14001: 2004 international standard with which we have been certified in 2015 by independent internationally accredited certification bodies in Athens and Thessaloniki.

Space Hellas considers its Health and Safety Strategy as its top strategic priority in the performance of its tasks. For this reason, it monitors the relevant legislation and ensures that it is fully respected. In addition, he developed and maintains a Safety and Health Management System at Work, certified by OHSAS 18001: 2007 in 2016, in Athens and Thessaloniki.

2.8 CORPORATE SOCIAL RESPONSABILITY

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

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

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

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

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

2.9 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The transactions below relate to transactions with related parties as defined in IAS 24, cumulatively for the start of the financial period to the end of the period, as well as the balances of the receivables and payables of the company and the group at the end of the current period, in relation to the specific transactions with the 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’ 2017 and a’ 2016 respectively.

	Dividends received		Sales of goods and services		Rentals		Total company income		Total Group income	
	30/6		30/6		30/6		30/6		30/6	
Amounts in € thousand	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
SPACE HELLAS (CYPRUS) LTD	823	979	60	-	-	-	**883**	**979**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	-	2	-	-	**-**	**2**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	3	-	-	**-**	**3**	**-**	**-**
Subsidiaries	**823**	**979**	**60**	**5**	**-**	**-**	**883**	**984**	**-**	**-**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	-	-	-	125	-	-	**-**	**125**	**-**	**125**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	1	1	**1**	**1**	**1**	**1**
Joint Ventures	**-**	**-**	**-**	**125**	**1**	**1**	**1**	**126**	**1**	**126**
MOBICS S.A	-	-	-	-	-	-	**-**	**-**	**-**	**-**
SPACE CONSULTING S.A.	-	-	-		0	1	**0**	**1**	**0**	**1**
Associates	**-**	**-**	**-**	**-**	**0**	**1**	**0**	**1**	**0**	**1**
Total related parties	**823**	**979**	**60**	**125**	**1**	**2**	**884**	**1.111**	**1**	**127**

	Total expenses for Company and Group	
	30/6	
Amounts in € thousand	**2017**	**2016**
SPACE HELLAS (CYPRUS) LTD	**-**	**-**
SPACE HELLAS (MALTA) LTD	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	**-**	**-**
Subsidiaries	**-**	**-**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	**-**	**-**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	**1**	**1**
Joint Ventures	**1**	**1**
MOBICS S.A	**-**	**-**
SPACE CONSULTING S.A.	**5**	**-**
Associates	**5**	**-**
Total related parties	**6**	**1**

	Receivables Company		Receivables Group		Total liabilities company and Group	
	30/6		30/6		30/6	
Amounts in € thousand	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
SPACE HELLAS (CYPRUS) LTD	**694**	**375**	**-**	**-**	**-**	**-**
SPACE HELLAS (MALTA) LTD	**-**	**-**	**-**	**-**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	**-**	**-**	**-**	**-**	**-**	**-**
Subsidiaries	**694**	**375**	**-**	**-**	**-**	**-**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	**109**	**185**	**109**	**185**	**9**	**9**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA (DORY)	**-**	**1**	**-**	**1**	**1.480**	**1.478**
Joint Ventures	**109**	**186**	**109**	**186**	**1.489**	**1.487**
MOBICS S.A	**-**	**-**	**-**	**-**	**3**	**3**
SPACE CONSULTING S.A.	**9**	**9**	**9**	**9**	**5**	**-**
Associates	**9**	**9**	**9**	**9**	**8**	**3**
Total related parties	**812**	**570**	**118**	**195**	**1.497**	**1.490**

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	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Salaries and other employee benefits	**611**	**676**	**611**	**676**
Receivables from executives and members of the Board	**11**	**1**	**11**	**1**
Payables to executives and member of the Board	**29**	**14**	**29**	**14**

- 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	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Guarantees to third parties on behalf of subsidiaries and joint ventures	**1.850**	**1.926**	**1.850**	**1.926**
Used guarantees to third parties on behalf of subsidiaries	**0**	**0**	**0**	**0**
Bank guarantee letters	**1.850**	**1.926**	**1.850**	**1.926**

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

2.10 SIGNIFICANT POST-BALANCE SHEET EVENTS

- According to the decision of the Annual General Meeting of 13.6-2017 Shareholders it was decided the distribution of part of the reserve of Law 3943/2011 article 14, Law 41172/2013 article 48 in combination with POL 1007/2014 and POL 1039/2013. This Annual General Meeting decision authorized the Board of Directors to announce the Beneficiary's Date of Determination: Thursday July 20, 2017, Cut-off Date: Wednesday July 19, 2017, Dividend Start Date: Wednesday 26 July 2017 and Alpha Bank Paying Bank.

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

- On the 30th of August 2017, the company's Board of Directors and was assigned of its responsibilities and powers.

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

Agia Paraskevi, 12 September 2017

The Chairman of Board

S. MANOLOPOULOS

The Board of Directors

3 AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

PKF Ευρωελεγκτική Α.Ε.
Ορκωτοί Ελεγκτές Λογιστές

Audit Tax &
Business advisory

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

To the Shareholders of SPACE HELLAS S.A.

Introduction
We have reviewed the accompanying condensed separate and consolidated statement of financial position of "SPACE HELLAS S.A." as at 30 June 2017 and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes comprising the interim condensed financial information, which is an integral part of the six-month financial report of article 5 L. 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

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

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

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

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

Athens, 13 September 2017

DIMOS N. PITELIS
Certified Public Accountant
S.O.E.L. Reg. No. 14481

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4 FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2017 TO 30th JUNE 2017

4.1 TOTAL COMPREHENSIVE INCOME STATEMENT

4.1.1 INCOME STATEMENT

Amounts in € thousand	NOTES	GROUP		COMPANY	
		01.01-30.06.2017	01.01-30.06.2016	01.01-30.06.2017	01.01-30.06.2016
Revenue	4.6.1	25.164	25.077	23.549	23.377
Cost of sales		-19.289	-18.089	-18.300	-17.040
Gross profit		**5.875**	**6.988**	**5.249**	**6.337**
Other income	4.6.2	1.086	237	921	230
Administrative expenses	4.6.3	-2.649	-2.544	-2.558	-2.487
Research and development cost	4.6.3	-237	-206	-237	-206
Selling and marketing expenses	4.6.3	-2.155	-2.147	-2.142	-2.135
Other expenses	4.6.4	-311	-789	-304	-784
Earnings before taxes, investing and financial results		**1.609**	**1.539**	**929**	**955**
Interest & other similar income		51	81	51	81
Interest and other financial expenses		-808	-987	-805	-985
Profit/(loss) from revaluation of investments in subsidiaries - associated companies	4.6.5	-3	-1	820	978
Profit/(loss) before taxes		**849**	**632**	**995**	**1.029**
Less: Taxes	4.6.6	-301	-232	-141	-75
Profit after taxes (A)		**548**	**400**	**854**	**954**
- Company Shareholders		548	400	854	954
- Minority Interests in subsidiaries		0	0	-	-
Earnings per share - basic (in €)		0,0849	0,0620	0,1323	0,1478
SUMMARY OF INCOME STATEMENT					
Profit before interest, taxes, depreciation and amortization (EBITDA)		**2.127**	**2.086**	**1.445**	**1.500**
Less depreciation		**518**	**547**	**516**	**545**
Profit before interest and taxes, (EBIT)		**1.609**	**1.539**	**929**	**955**
Profit before taxes		**849**	**632**	**995**	**1.029**
Profit after taxes		**548**	**400**	**854**	**954**

4.1.2 OTHER COMPREHENSIVE INCOME STATEMENT

Amounts in € thousand	NOTES	GROUP		COMPANY	
		01.01-30.06.2017	01.01-30.06.2016	01.01-30.06.2017	01.01-30.06.2016
Profit after taxes (A)		**548**	**400**	**854**	**954**
- Company Shareholders		548	400	-	-
- Minority Interests in subsidiaries		0	0	-	-
Other comprehensive income after taxes					
Items that might be recycled subsequently					
Currency exchange differences from consolidation of subsidiaries		-5	-4	0	0
Total Items that might be recycled subsequently		**-5**	**-4**	**0**	**0**
Items that will not be recycled subsequently					
Revaluation of buildings		-24	-86	-24	-86
Deffered tax		7	25	7	25
Total Items that will not be recycled subsequently		**-17**	**-61**	**-17**	**-61**
Other comprehensive income after taxes (B)		**-22**	**-65**	**-17**	**-61**
Total comprehensive income after taxes (A) + (B)		**526**	**335**	**837**	**893**
- Company Shareholders		526	335	-	-
- Minority Interests in subsidiaries		0	0	-	-
SUMMARY OF OTHER COMPREHENSIVE INCOME STATEMENT					
Profit after taxes		**548**	**400**	**854**	**954**
Other comprehensive income after taxes		**-22**	**-65**	**-17**	**-61**
Total comprehensive income after taxes		**526**	**335**	**837**	**893**

Note

Current year

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

Previews year

- *The amount of €-65 thousand charged, net of taxes, directly to the equity, comprises the net amount of € -61 thousand of actuarial results and € -4 thousand, currency exchange differences*

4.2 FINANCIAL POSITION STATEMENT

Amounts in € thousand	Note	GROUP		COMPANY	
		30.06.2017	31.12.2016	30.06.2017	31.12.2016
ASSETS					
Non-current assets					
Property, plant & equipment	4.6.7	16.163	15.876	16.135	15.847
Investment properties	4.6.9	0	0	0	0
Goodwill	4.6.10	847	847	847	847
Intangible assets	4.6.8	1.708	1.614	1.705	1.610
Investments in subsidiaries	4.6.12	0	0	34	34
Investments in associates	4.6.12	1.072	72	1.094	91
Other noncurrent receivables		321	25	321	25
Deffered tax assets		104	239	104	239
Total Non-current assets		**20.215**	**18.673**	**20.240**	**18.693**
Current assets					
Inventories	4.6.13	4.324	3.252	4.324	3.252
Trade debtors	4.6.14	10.749	12.455	10.128	11.957
Other debtors	4.6.15	4.390	3.821	4.958	3.816
Financial assets		13	13	13	13
Advanced payments	4.6.16	458	641	440	604
Cash and cash equivalents	4.6.17	5.237	7.465	4.905	7.115
Total Current assets		**25.171**	**27.647**	**24.768**	**26.757**
TOTAL ASSETS		**45.386**	**46.320**	**45.008**	**45.450**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital	4.6.18	6.973	10.395	6.973	10.395
Share premium	4.6.18	53	53	53	53
Fair value reserves		2.421	2.421	2.421	2.421
Other Reserves		923	982	978	1.032
Retained earnings		3.941	-66	3.813	-500
Equity attributable to equity holders of the parent		**14.311**	**13.785**	**14.238**	**13.401**
Minority interests		**2**	**2**	**-**	**-**
Total equity		**14.313**	**13.787**	**14.238**	**13.401**
Non-current liabilities					
Other non-current liabilities	4.6.20	6	11	28	30
Long term loans	4.6.19	11.801	7.848	11.801	7.848
Provisions	4.6.25	122	122	122	122
Retirement benefit obligations	4.6.22	733	884	733	884
Deferred income tax liability	4.6.23	0	0	0	0
Total Non-current liabilities		**12.662**	**8.865**	**12.684**	**8.884**
Current liabilities					
Trade and other payables	4.6.24	10.983	14.735	10.753	14.356
Income tax payable		1.063	816	968	692
Short-term borrowings		6.365	8.117	6.365	8.117
Total Current liabilities		**18.411**	**23.668**	**18.086**	**23.165**
Total Equity and Liabilities		**45.386**	**46.320**	**45.008**	**45.450**

- *The company's previews year amounts have been reclassified (note 4.8) . The reclassification have no impact on the company's results and Equity*

4.3 STATEMENT OF CHANGES IN EQUITY

4.3.1 STATEMENT OF CHANGES IN COMPANY'S EQUITY:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Retained earnings	Amounts in € thousand
Changes in the Shareholders equity for the period 01/01-30/06/2016							
Balance at 1 January 2016 as previously reported	**10.395**	**53**	**2.421**	**0**	**3.546**	**-3.412**	**13.003**
Profit for the year	0	0	0	0	0	954	**954**
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	979	-979	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Impact from tax rate increase (26% to 29%)	0	0	-156	0	0	0	**-156**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-86	**-86**
Actuarial loss taxes	0	0	0	0	0	25	**25**
Balance at 30 June 2016	**10.395**	**53**	**2.421**	**0**	**4.525**	**-3.498**	**13.896**
Changes in the Shareholders equity for the period 01/01-30/06/2017							
Balance at 1 January 2017 as previously reported	**10.395**	**53**	**2.421**	**0**	**3.546**	**-3.412**	**13.003**
Reclassification	**0**	**0**	**0**	**0**	**-2.976**	**2.976**	**0**
Balance at 1 January 2017 as revised	**10.395**	**53**	**2.421**	**0**	**1.032**	**-500**	**13.401**
Profit for the year	0	0	0	0	0	854	**854**
Share Capital increase/ (decrease)	-3.422	0	0	0	-54	3.476	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Other reserves	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	979	-979	**0**
Revaluation of assets	0	0	0	0	0	0	**0**
Tax effect of revaluation of assets	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-24	**-24**
Actuarial loss taxes	0	0	0	0	0	7	**7**
Balance at 30 June 2017	**6.973**	**53**	**2.421**	**0**	**978**	**3.813**	**14.238**

Note

Current period

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

Previews period

- *The amount of € -61 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the period 30.6.2016.*
- *The amount € 979 thousand disclosed to Other Reserves, concerns the dividends received for the subsidiary SPACE HELLAS CYPRUS which after its initial recognition to the profit and loss, was transferred to special reserves as is tax exempted, according to art. 14 L 3943/2011, in combination to POL 1007/2014*

4.3.2 STATEMENT OF CHANGES IN GROUP'S EQUITY:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Accumulated profit / (loss)	Total Parent company	Non controlling interests	Total equity*
Changes in the Shareholders equity for the period 01/01-30/06/2016									
Revised Balance as at 1 January 2016 in accordance with IFRS	**10.395**	**53**	**2.421**	**0**	**979**	**-889**	**12.959**	**2**	**12.961**
Profit for the year	0	0	0	0	0	400	**400**	0	**400**
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	-4	0	**-4**	0	**-4**
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	-86	**-86**	0	**-86**
Actuarial loss taxes	0	0	0	0	0	25	**25**	0	**25**
Balance at 30 June 2016	**10.395**	**53**	**2.421**	**0**	**975**	**-550**	**13.294**	**2**	**13.296**
Changes in the Shareholders equity for the period 01/01-30/06/2017									
Revised Balance as at 1 January 2017 in accordance with IFRS	**10.395**	**53**	**2.421**	**0**	**982**	**-66**	**13.785**	**2**	**13.787**
Profit for the year	0	0	0	0	0	548	**548**	0	**548**
Share Capital increase/ (decrease)	-3.422	0	0	0	-54	3.476	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**	0	**0**
Net income recognized directly in equity	0	0	0	0	-5	0	**-5**	0	**-5**
Revaluation of assets	0	0	0	0	0	0	**0**	0	**0**
Tax effect of revaluation of assets	0	0	0	0	0	0	**0**	0	**0**
Impact from tax rate increase	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	-24	**-24**	0	**-24**
Actuarial loss taxes	0	0	0	0	0	7	**7**	0	**7**
Balance at 30 June 2017	**6.973**	**53**	**2.421**	**0**	**923**	**3.941**	**14.311**	**2**	**14.313**

Note

Current period

- *The amount of €-5 thousand charged, net of taxes, directly to the equity, concerns currency exchange differences from the consolidation of the subsidiary SPACE SYSTEM INTEGRATOR S.R.L.*
- *The amount of € -17 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the period 30.6.2017*

Previews period

- *The amount of €-4 thousand charged, net of taxes, directly to the equity, concerns currency exchange differences from the subsidiaries*
- *The amount of € -61 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income for the period 30.6.2016.*

4.4 CASH FLOW STATEMENT

Amounts in € thousand	GROUP 01.01-30.06.2017	GROUP 01.01-30.06.2016	COMPANY 01.01-30.06.2017	COMPANY 01.01-30.06.2016
Cash flows from operating activities				
Profit/(Loss) Before Taxes	849	632	995	1.029
Adjustments for:				
Impairment of assets	518	547	516	545
Depreciation & amortization	0	0	0	0
Provisions	287	354	287	354
Foreign exchange differences	-399	-36	-395	-34
Net (profit)/Loss from investing activities	-31	233	-853	-745
Interest and other financial expenses	808	987	805	984
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-1.072	-341	-1.072	-341
Decrease/(increase) in Receivables	952	-5.471	423	-5.544
(Decrease)/increase in Payables (excluding banks)	-3.879	-1.858	-3.097	-1.551
Less:				
Interest and other financial expenses paid	-678	-875	-675	-872
Taxes paid	86	636	275	628
Total cash inflow/(outflow) from operating activities (a)	**-2.559**	**-5.192**	**-2.791**	**-5.547**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.003	0	-1.003	0
Acquisition of tangible and intangible assets	-932	-506	-932	-506
Proceeds from sale of tangible and intangible assets	14	32	14	32
Interest received	51	81	51	81
Collection of Dividends	0	0	250	765
Total cash inflow/(outflow) from investing activities (b)	**-1.870**	**-393**	**-1.620**	**372**
Cash flow from Financing Activities				
Proceeds from Borrowings	4.170	3.888	4.170	3.888
Payments of Borrowings	-1.969	-1.348	-1.969	-1.348
Total cash inflow/(outflow) from financing activities (c)	**2.201**	**2.540**	**2.201**	**2.540**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**-2.228**	**-3.045**	**-2.210**	**-2.635**
Cash and cash equivalents at beginning of period	**7.465**	**4.875**	**7.115**	**4.401**
Cash and cash equivalents at end of period	**5.237**	**1.830**	**4.905**	**1.766**

4.5 NOTES ON SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

4.5.1 INFORMATION ON SPACE HELLAS S.A.

4.5.1.1 General Information

The company operating under the corporate name "SPACE HELLAS S.A", by virtue of the revised Deed of Association (revision date 08.07.2007) and approved by the Ministry of Development (decision K2-10518), was founded in 1985, (Deed of Association, upon power of attorney n.86369/15.07.1985, approved by the Prefecture of Attiki, EM 4728/1.8.85, and published in the Official Gazzete of Greece, ΦΕΚ 2929/8.8.85 ΤΑΕ & ΕΠΕ).The company's duration has been set to 100 years, its legal address is Mesogion Ave 312, Agia Paraskevi, Attica, Greece. On 30.06.2008, the descision of the General Meeting, approved by the Ministerial Decision K2 9624/1-9-2008 (registerd in the Societers Anonymes Register at 01.09.2008) and published in the Official Gazette of Greece (ΦΕΚ 10148/3.9.2008 ΤΑΕ & ΕΠΕ), has extended the company's up to year 2049.
The company's S.A. Register Number (ΑΡ.Μ.Α.Ε.) is 13966/06/Β/86/95 and the Tax Register Number (ΑΦΜ) is 094149709. The 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, IT and security. It offers integrated solutions certified according to quality standards ISO 9001: 2008 and the ISO / IEC 27001: 2005 ensuring that the procedures followed comply with all controls and requirements for confidentiality, integrity and availability of information, protecting data and resources involved in any trade transaction. Its clientele includes the biggest banks and private companies, industries, retail chains, telecom operators, ministries and government agencies, and the Armed Forces as well.

The company is active in the following market segments
- Network infrastructure and data networking (cabling, wireless, satellite)
- Telecomunication services at national and international level
- IT Applications and Services for organisations
- Enterprise telephony (call centers, netoworks and services)
- Information and network security systems.Assessments, implementation and certifiation
- Electromechanical and network infrastructure -computer rooms
- Structured cabling
- Safety, Security and surveillance systems
- Telecom network infrastructures for ICT providers
- System Integration
- Mobile telephony selling network
- Research and Development projects at national and international level.

4.5.1.3 Board of Directors

By virtue of the company's decision, as 30-08-2017, registered in the GE.MI. (1156249/06-09-2017), the Board of Directors is composed of the following members:

- Spiridon D. Manolopoulos, Chairman of the Board, executive member.
- Ioannis A. Mertzanis Chief Executive Officer, executive member.
- M Christos P. Mpellos, Vicepreseident, indipendent non executive member.
- Ioannis A. Doulaveris, executive member
- Panagiotis C. Mpellos, executive member.
- Anastasia K. Paparizou, executive member.
- Georgios P. Lagogiannis, executive member
- Patssouras N. Athanasios indipendent non-executive member.
- Xatzistamatiou T. Irini, indipendent non-executive member.

The incumbency of the Board od Directors will end at 30.06.2020.

4.5.1.4 Group Structure

SPACE HELLAS is the parent company of the group. The following table shows the group's companies, which are included in the consolidated financial statements, the ownership percentage and the consolidation method:

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

4.5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.5.2.1 Basis of Preparation of the interim financial statements

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Accounting Standard (IAS) 34 "Interim Financial Reporting", as issued by the International Accounting Standards Board (IASB) and the relevant interpretations, issued by the IASB Committee, as adopted by the European Union, and applied for years ending on December 31, 2017. There are no other standards or interpretations that have implemented before the formal start of their implementation.

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

The Group's competitive advantage s, the customers' satisfaction, the specialized know-how, the highly organized structure, investments in modern equipment, the highly qualified human resources, the development of new products, the well known reliability as evidenced by the excellent relations of the Group with its suppliers and the largest banks of the country and abroad, all these provide evidence for long-term survival with significant benefits for the Group's shareholders.

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

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

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

4.5.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

Standards and interpretations effective in the current period:

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

Standards and Interpretations effective for following financial years:
IFRS 15 «Revenues from Contracts with Customers» (effective for annual accounting periods beginning on or after 1 January 2018) IFRS 15 was issued in May 2014. The objective of the standard is to provide a single and clear model for the recognition of revenues from all customer contracts so that it improves the comparability among companies of the same sector, different sectors and different capital markets. It includes the principles that an entity shall apply in order to define the measurement of revenues and the time of their recognition. The basic principle is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is in the phase of assessing the effect of the IFRS 15 on its financial statements. The standard has not been adopted by the European Union.

IFRS 16 «Leases» (effective for annual accounting periods beginning on or after 1 January 2019. IFRS 16 was issued in January 2016 and replaces IAS 17. The aim of the standard is to ensure that lessors and lessees provided useful information which fairly depicts the substance of transactions with regard to leases. IFRS 16 introduces a unified model providing for the accounting treatment from the side of the lessee, which requires that the lessee recognizes assets and liabilities for all leasing contracts with term longer than 12 months, unless the underlying asset is of no substance value. With regard to the accounting treatment from the side of the lessor, IFRS 16 incorporates practically the requirements of IAS 17. Therefore the lessor continues to classify the leasing contracts as operating and financial leases, and to follow different accounting treatment for each type of contract. The Group is in the phase of assessing the effect of the IFRS 16 on its financial statements. The standard has not been adopted by the European Union.

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

IFRS 9 "Financial Instruments" and subsequent amendments in IFRS 9 and IFRS 7 (applied for annual periods beginning on or after 1st January 2018) IFRS 9 replaces the requirement of IAS 39 and deals with the classification and measurement of financial assets and financial liabilities, and it also includes a model of anticipated credit losses that replaces the model of the realized credit losses currently in effect. The IFRS 9 Hedging Accounting establishes an approach for hedging accounting based on principles and deals with inconsistencies and weaknesses of the current model of IAS 39. The Group is currently assessing the impact of IFRS 9 on its financial statements. The Group cannot adopt IFRS 9 in advance as it has not been endorsed by the EU.

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

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

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

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

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

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

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

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

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

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

4.5.3.1 Accounting Methods

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

4.5.3.2 Property, Plant And Equipment

Fixed assets are reported in the financial statements at the fair value or at the acquisition cost or deemed cost as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets
Buildings are measured at fair value as at 31.12.2015, less accumulated depreciation and less any accumulated impairment loss. Land held for the production or management is presented at its fair value. As the useful period of life cannot be determined, the relevant carrying amounts are not subject to depreciation.
The fair value is assessed based on valuations by external independent values every three or four years, unless factors of the market indicate impairment risk of the value, so as to assure that the carrying value does not differ significantly from the fair value.
Other assets are measured at cost less accumulated depreciation and any accumulated impairment losses
Intangible assets include goodwill, concessions and industrial property rights, as well as computer software both acquired and internally generated as well. The cost of internally generated software comprises the cost

of materials and the cost of personnel as well as other costs incurred in order to prepare the asset for the intended use. The criteria used in order to recognise the costs incurred as intangible assets are:

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

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

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

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

4.5.3.3 Investment property

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

4.5.3.4 Impairment of Assets

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

4.5.3.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition.
Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets and disclosed at the acquisition cost. This cost equals the consolidation cost that exceeds the company's share to the assets and liabilities of the acquired entity. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. The Group performs its annual impairment test of goodwill as at 31 December. When needed, impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount (typically the value in use) of the cash-generating units is less than their carrying amount an impairment loss is recognized.

4.5.3.6 Consolidation

- Subsidiaries

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

- Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified in acquisition.
Under this method the Group's share of the post-acquisition profits or losses of associates is recognized in the income statement and its share of post acquisition movements in other reserves is recognized in other reserves. The cumulative post-acquisition movements in balance sheet assets and liabilities are adjusted against the carrying amount of the investment.

- Joint Ventures

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

- Other investments

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

4.5.3.7 Inventories

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

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

4.5.3.8 Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, 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 amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in other expenses in the income statement.
All trade receivables are considered collectable.

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

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

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

4.5.3.11 Share Capital
All the shares are registered and listed for trading in the Securities Market of the Athens Exchange since 29-9-2000. All shares are ordinary and nominal. The share capital of the company, after its reduction by the decision of the Annual General Meeting of Shareholders dated 13-6-201, amounts to six million nine hundred and seventy-three thousand fifty-two euros and forty cents (€ 6,973,052.40) divided to six million four hundred and fifty-six thousand five hundred thirty (6,456,530) ordinary nominal voting shares of nominal value of Euro 1.08 each, fully paid up.

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

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

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

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

Techniques used to measure the financial assets include:

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

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

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

4.5.3.15 Provisions

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

The Group recognizes a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognized in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance.

Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

4.5.3.16 Borrowings

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

4.5.3.17 Employee Benefits

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

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

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

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

4.5.3.18 Leases

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

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

4.5.3.19 Income Tax And Deferred Tax

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to Equity.
Current income tax is calculated using the financial statements of every company included in the consolidated financial statements, along with the applicable tax law in the respective countries. The charge from income tax consists in the current income tax calculated upon the results of the Group companies, as they have been reformed in their taxation return applying the applicable tax rate. Deferred income tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss, it is not accounted for.
Deferred income tax assets are recognized only to the extent that is it probable that taxable profits and reversals of deferred tax liabilities will be available against which deductible temporary differences can be utilized. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
Deferred income taxation is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the related deferred income tax liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

4.5.3.20 Foreign Currency Transactions

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

4.5.3.21 Fincancial instruments

Financial instruments at fair value

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

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

4.5.3.22 Fincancial Risk Management

- **Financial Risk Factors**

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

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

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

- **Foreign Exchange Risk**

The Group's foreign exchange exposure arises from actual or anticipated cash flows (exports/ imports) in currencies other than its base currency.
Exposures related to future trade agreements and recognized elements of assets and liabilities are managed through the use of forward exchange contracts when needed. Exposure arises when trade agreements and recognized elements of assets and liabilities are presented in currencies different from the functional and presentation currency of the Entity, which is the Euro. The Group has no significant elements for assets and liabilities that are expressed in currency different than the Euro. Thus there is no substantial currency exchange risk. The main transaction currencies are USD and the Euro.

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

sensitivity analysis due to currency exchange rate changes	Currency	Exchange rate variation	Effect on profit before tax
Amounts of a'2017 in € thousand	USD	8%	-450
		-8%	450
Amounts of a'2016 in € thousand	USD	5%	-300
		-5%	300

- **Price Risk**

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

- **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:

Sensitivity analysis of Group's borrowings due to interest rate changes	Currency	Interest rate variation	Effect on profit before tax
Amounts of a'2017 in € thousand	EURO	1%	-150
		-1%	150
Amounts of a'2016 in € thousand	EURO	1%	-140
		-1%	140

- **Credit Risk**

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

credit ability. To minimize this credit risk, the Group operates within an established counterparty policy approved by the Board of Directors, which limits the amount of credit exposure to any one financial institution. Also, as regards money market instruments, the Group only deals with well-established financial institutions of high credit standing.

- **Liquidity Risk**

The increased turnover creates the need of stable financing from both the collection of receivables and ban loans as well (with preference on the project basis funding). The Group maintains excellent relationships with the Banking institutions and thus ensures adequate funding for the execution of the Group's business plans.
The excellent relationships with the major suppliers offer the capability to manage the cash flow. The recent developments in the Greek economy with the capital controls took place in the second half of the year and had no significant impact on the aforementioned relations.

The table below summarizes the maturity profile of financial liabilities as at 30 June 2017 and 31 December 2016.

Group								
	Total		**Less than 1 Year**		**1 to 5 years**		**>5years**	
Amounts in € thousand	**30-06-2017**	**31-12-2016**	**30-06-2017**	**31-12-2016**	**30-06-2017**	**31-12-2016**	**30-06-2017**	**31-12-2016**
Borrowings	**18.166**	**15.965**	6.365	8.117	2.899	3.483	8.902	4.365
Trade and other payables	**12.052**	**15.662**	12.046	15.551	-	-	6	11

Company								
	Total		**Less than 1 Year**		**1 to 5 years**		**>5years**	
Amounts in € thousand	**30-06-2017**	**31-12-2016**	**30-06-2017**	**31-12-2016**	**30-06-2017**	**31-12-2016**	**30-06-2017**	**31-12-2016**
Borrowings	**18.166**	**15.965**	6.365	8.117	2.899	3.483	8.902	4.365
Trade and other payables	**11.749**	**15.078**	11.721	15.048	22	19	6	11

- **Capital Management**

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

The group's policy is to maintain leverage targets in line with an investment grade profile

Gearing ratio	**Group**		**Company**	
Amounts in € thousand	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Short term Borrowings	6.365	8.117	6.365	8.117
Long term Borrowings	11.801	7.848	11.801	7.848
Less: cash and cash equivalents	-5.237	-7.465	-4.905	-7.115
Net Debt	**12.929**	**8.500**	**13.261**	**8.850**
Equity	14.313	13.787	14.238	13.401
Total capital employed	**27.242**	**22.287**	**27.499**	**22.251**
Gearing ratio	**47,50%**	**38,10%**	**48,30%**	**39,70%**

The high levels of turnover, still existing in the first half of 2017, required increased financing needs, which led to an increase of the net debt for approximately € 4 millions. This is a temporary condition, led to an increase of the leverage ratio from 38,10% to 47,50%, and at the same time provides a confirmation of the Group's ease of access to financial institutions for the financing of its activities.

Other operational risk

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

Business Long term Risk

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

4.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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	2017	2016	VARIATION %	2017	2016	VARIATION %	2017	2016	VARIATION %	2017	2016	VARIATION %
Revenue	23.104	23.595	-2,08%	1.350	762	77,17%	710	720	-1,39%	**25.164**	**25.077**	0,35%
Gross profit	5.210	6.500	-19,85%	420	238	76,47%	245	250	-2,00%	**5.875**	**6.988**	-15,93%
EBIT	1.924	1.930	-0,31%	118	81	45,68%	85	75	13,33%	**2.127**	**2.086**	1,97%
Earnings before taxes	-	-	-	-	-	-	-	-	-	**849**	**632**	34,34%
Earnings after taxes	**-**	-	-	-	-	-	-	-	-	**548**	**400**	37,25%

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, and the newly established SPACE AAB LEVANT TECHNOLOGIES COMPANY headquartered in Jordan with growing activities, though not significant in relation to the totality of the Group.

4.6.2 Other Operating Income

Amounts in € thousand	GROUP		COMPANY	
	01.01-30.06.2017	01.01-30.06.2016	01.01-30.06.2017	01.01-30.06.2016
Service provision	1	1	1	1
Income from property leases	29	33	29	33
Income from technical equipment leases	401	49	401	49
Government Grants	155	2	1	2
Other extraordinary income	1	1	1	1
Other extraordinary gains	465	151	454	144
Currency exchange gains	34	0	34	0
Total other operating income	**1.086**	**237**	**921**	**230**

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 the previews period by 2,94%.

Table of Operating Expenses

amounts in € thousand	GROUP		VARIATION %	COMPANY		VARIATION %
	01.01-30.06.2017	01.01-30.06.2016		01.01-30.06.2017	01.01-30.06.2016	
Payroll expenses	2.853	2.935	-2,79%	2.853	2.935	-2,79%
Third parties' fees and expenses	496	586	-15,36%	437	561	-22,10%
Third parties' utilities and services	600	452	32,74%	593	445	33,26%
Taxes and dues	99	93	6,45%	79	77	2,60%
Sundry expenses	554	407	36,12%	537	387	38,76%
Depreciations	345	374	-7,75%	344	373	-7,77%
Provisions	94	50	88,00%	94	50	88,00%
Total operating expenses	**5.041**	**4.897**	2,94%	**4.937**	**4.828**	2,26%

4.6.4 Other Operating Expenses

amounts in € thousand	GROUP		COMPANY	
	01.01-30.06.2017	01.01-30.06.2016	01.01-30.06.2017	01.01-30.06.2016
Extraordinary expenses	32	57	32	57
Loss from currency exchange	66	115	59	110
Provisions for receivables of doubtful collection	193	303	193	303
Extraordinary losses	20	314	20	314
Total other operating expenses	**311**	**789**	**304**	**784**

4.6.5 Financial results

amounts in € thousand	GROUP		COMPANY	
	01.01-30.06.2017	01.01-30.06.2016	01.01-30.06.2017	01.01-30.06.2016
Gain/Loss from affiliated companies	-3	-1	-3	-1
Impairment of goodwill	0	0	0	0
Dividends	0	0	823	979
Total financial results	**-3**	**-1**	**820**	**978**

The parent company received dividends from the subsidiary SPACE HELLAS CYPRUS LTD from the distribution of previews period's profits.

4.6.6 INCOME TAX

The income tax expense imputed the results as following:

Income Tax	NOTE	GROUP		COMPANY	
Amounts in € thousand		30.06.2017	30.06.2016	30.06.2017	30.06.2016
Current Income Tax		-160	-157	0	0
Deferred tax imputed to results	4.6.23	-141	-75	-141	-75
Total income tax charge to income statement (a)		**-301**	**-232**	**-141**	**-75**
Deffered tax recognized directly in equity (b)	4.6.23	**7**	**25**	**7**	**25**
Total tax (a+b)		**-294**	**-207**	**-134**	**-50**

For the year 2011 and up to 2015, the Greek corporations (Societe Anonyme and Limited Liability Companies) whose annual financial statements are subject to audit, are obliged to obtain an "Annual Certificate ", according to the provisions of article 82, § 5, of N.2238/1994 and art 65a of L 4174/2013, which is issued following a tax audit conducted by the statutory auditor or 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 firm issues to the company a "Tax Compliance Report" and submits his report to the Ministry of finance, according to ircuar POL 1124/2014 as amended by POL 1108/2017.

For the Company and its Greek subsidiaries and for the years 2011 to 2015 this audit has been completed with the issuance of the relevant Tax Compliance Reports without reservation.

There is ongoing tax audit of the company for the year 2016 by statutory auditors, from which no significant additional charges are expected to arise.

Pursuant to Law 4334/2015, the rate of corporate income tax is set at 29% for the year 2015 onwards.

4.6.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment of the Group:

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

Amounts in € thousand	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
Opening Balance 01.01.2016	**7.086**	**4.407**	**8.955**	**115**	**2.666**	**23.229**
Plus: Additions	0	0	237	0	36	**273**
Minus: Disposals	0	0	539	2	22	**563**
Ending balance 30.06.2016	**7.086**	**4.407**	**8.653**	**113**	**2.680**	**22.939**
Depreciation at 01.01.2016	**0**	**1.030**	**3.938**	**43**	**2.288**	**7.299**
Plus: Depreciation expense	0	71	166	4	58	**299**
Minus: Depreciation of disposed elements	0	0	210	2	5	**217**
Ending balance 30.06,2016	**0**	**1.101**	**3.894**	**45**	**2.341**	**7.381**
Net Book Value at 30.06.2016	**7.086**	**3.306**	**4.759**	**68**	**339**	**15.558**
Opening Balance 01.01.2017	**7.086**	**4.418**	**9.256**	**92**	**2.699**	**23.551**
Plus: Additions	0	64	502	5	37	**608**
Minus: Disposals	0	0	14	24	1	**39**
Ending balance 30.06.2017	**7.086**	**4.482**	**9.744**	**73**	**2.735**	**24.120**
Depreciation at 01.01.2017	**0**	**1.173**	**4.068**	**40**	**2.394**	**7.675**
Plus: Depreciation expense	0	71	181	3	44	**289**
Minus: Depreciation of disposed elements	0	0	2	4	1	**7**
Ending balance 30.06.2017	**0**	**1.244**	**4.247**	**39**	**2.437**	**7.957**
Net Book Value at 30.06.2017	**7.086**	**3.238**	**5.497**	**34**	**298**	**16.163**

Property, plant and equipment of the Company

Amounts in € thousand	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
Opening Balance 01.01.2016	**7.086**	**4.407**	**8.916**	**115**	**2.666**	**23.190**
Plus: Additions	0	0	237	0	36	**273**
Minus: Disposals	0	0	539	2	22	**563**
Ending balance 30.06.2016	**7.086**	**4.407**	**8.614**	**113**	**2.680**	**22.900**
Depreciation at 01.01.2016	**0**	**1.030**	**3.931**	**43**	**2.288**	**7.292**
Plus: Depreciation expense	0	71	164	4	58	**297**
Minus: Depreciation of disposed elements	0	0	210	2	5	**217**
Ending balance 30.06,2016	**0**	**1.101**	**3.885**	**45**	**2.341**	**7.372**
Net Book Value at 30.06.2016	**7.086**	**3.306**	**4.729**	**68**	**339**	**15.528**
Opening Balance 01.01.2017	**7.086**	**4.418**	**9.217**	**92**	**2.699**	**23.512**
Plus: Additions	0	64	502	5	37	**608**
Minus: Disposals	0	0	14	24	1	**39**
Ending balance 30.06.2017	**7.086**	**4.482**	**9.705**	**73**	**2.735**	**24.081**
Depreciation at 01.01.2017	**0**	**1.173**	**4.058**	**40**	**2.394**	**7.665**
Plus: Depreciation expense	0	71	180	3	44	**288**
Minus: Depreciation of disposed elements	0	0	2	4	1	**7**
Ending balance 30.06.2017	**0**	**1.244**	**4.226**	**39**	**2.437**	**7.946**
Net Book Value at 30.06.2017	**7.086**	**3.238**	**5.479**	**34**	**298**	**16.135**

4.6.8 INTANGIBLE ASSETS

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

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

Amounts in € thousand	Software	Other intangibles	In-house Software development	Total intangible assets IFRS
Opening Balance 01.01.2016	**3.144**	**684**	**0**	**3.828**
Plus: Additions	0	0	233	**233**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2016	**3.144**	**684**	**233**	**4.061**
Depreciation at 01.01.2016	**2.122**	**195**	**0**	**2.317**
Plus: Depreciation expense	219	30	0	**249**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06,2016	**2.341**	**225**	**0**	**2.566**
Net Book Value at 30.06.2016	**803**	**459**	**233**	**1.495**
Opening Balance 01.01.2017	**3.698**	**714**	**0**	**4.412**
Plus: Additions	10	0	313	**323**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2017	**3.708**	**714**	**313**	**4.735**
Depreciation at 01.01.2017	**2.543**	**255**	**0**	**2.798**
Plus: Depreciation expense	199	30	0	**229**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2017	**2.742**	**285**	**0**	**3.027**
Net Book Value at 30.06.2017	**966**	**429**	**313**	**1.708**

Intangible assets of the Company:

Amounts in € thousand	Software	Other intangibles	In-house Software development	Total intangible assets IFRS
Opening Balance 01.01.2016	**3.134**	**684**	**0**	**3.818**
Plus: Additions	0	0	233	**233**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2016	**3.134**	**684**	**233**	**4.051**
Depreciation at 01.01.2016	**2.118**	**195**	**0**	**2.313**
Plus: Depreciation expense	218	30	0	**248**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06,2016	**2.336**	**225**	**0**	**2.561**
Net Book Value at 30.06.2016	**798**	**459**	**233**	**1.490**
Opening Balance 01.01.2017	**3.688**	**714**	**0**	**4.402**
Plus: Additions	10	0	313	**323**
Minus: Disposals	0	0	0	**0**
Ending balance 30.06.2017	**3.698**	**714**	**313**	**4.725**
Depreciation at 01.01.2017	**2.537**	**255**	**0**	**2.792**
Plus: Depreciation expense	198	30	0	**228**
Minus: Depreciation of disposed elements	0	0	0	**0**
Ending balance 30.06.2017	**2.735**	**285**	**0**	**3.020**
Net Book Value at 30.06.2017	**963**	**429**	**313**	**1.705**

4.6.9 INVESTMENT PROPERTIES

There is no investment property in the Group's possession

4.6.10 GOODWILL

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

Amounts in € thousand	**Group-Company**		
	«SPACEPHONE S.A..»	SPACE TECHNICAL CONSTRUCTION BUILDING S.A.	**Total**
Opening balance 01.01.2016	**428**	**828**	**1.256**
Additions	0	0	0
Disposals	0	409	409
Ending balance 31.12.2016	**428**	**419**	**847**
Opening balance 01.01.2017	**428**	**419**	**847**
Additions	0	0	0
Disposals	0	0	0
Ending balance 30.06.2017	**428**	**419**	**847**

- € 428 thousand from the buyout of the remaining 50% of SPACE PHONE S.A. that took place at 29/6/2007, currently merged by absorption with the parent company.
- € 419 thousand from the buyout of 100,00% of the subsidiary SPACE TECHNICAL CONSTRUCTION BUILDING S.A., that took place at 15/10/2012, and after the impairment charged to the results, the remaining goodwill amounts to € 409 thousand.

Goodwill is tested for impairment when there are indications of impairment and is measured at cost less any accumulated impairment losses. At each closing date the Group performs analysis in order to assess whether the carrying amount of goodwill is recoverable. Goodwill is allocated to cash generating units for impairment testing purposes. The allocation is made to the cash-generating units that derived from the subsidiary buy out. The

recoverable amount of a cash-generating unit is determined by calculating the «value in use». These calculations use cash flow projections based on financial budgets approved by management.
Below are the main assumptions adopted by Management where in the cases where impairment was deemed necessary, after taking into account the specific conditions and characteristics where appropriate:
Discount rate value: 3.9% Growth rate: 2%.
The decision to conduct an impairment is taken after an examination of changes in underlying assumptions and if the outcome of the impairment is deemed important and significantly more than 10% of the book value.

4.6.11 LIENS AND PLEDGES

There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, the underwriting, amounting to € 1.100 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki.

4.6.12 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The company's shareholding in subsidiaries, associates and Joint venture as at 30.06.2017, is disclosed at their acquisition cost less provisions for impairment.

Corporate name	**Acquisition cost**		**Ownership percentage**		**Consolidation method**	**Country**
Amounts in € thousand	**30.06.2017**	**31.12.2016**				
Subsidiaries			**Direct**	**Indirect**		
SPACE HELLAS (CYPRUS) LTD	34	34	100%		Full Consolidation	Cyprus
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	935	935		99,45%	Full Consolidation	Romania
SPACE HELLAS Doo Beograd-Stari Grad	10	10		100%	Full Consolidation	Serbia
SPACE HELLAS (MALTA) LTD	5	5		99,98%	Full Consolidation	Malta
SPACE ARAB LEVANT TECHOLOGIES COMPANY	67	-		100%	Full Consolidation	Jordan
Total Subsidiaries	**1.051**	**984**				
Associates & Joint Ventures						
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	3	3	35%	-	Equity method	Greece
JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY")	13	13	50%	-	Equity method	Greece
Total Associates & Joint Ventures	**16**	**16**				
Other investments						
MOBICS S.A.	75*	75*	18,10%	-	-	Greece
Web-IQ B.V.	1.003	-	17,21%			Netherlands
Total Other investments	**1.078**	**75**				
Total Shareholding	**2.145**	**1.150**				

**Value impaired*

Subsidiaries and Joint Ventures' activities

- Space Hellas (Cyprus) Limited was incorporated in Cyprus on September 8, 2005 as a private limited company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The main activities of the company is the provision of telecommunications services and investments property.
- SPACE HELLAS SYSTEM INTEGRATOR S.R.L. was founded in 2010 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. The main activities of the company is the provision of telecommunications services, security systems, information technology, trade and investment property.
- SPACE HELLAS (MALTA) LTD was founded at the end of 2012 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Malta, it was decided to operate through a subsidiary. This new company has installed telecommunications hub and node services offered in the local market.

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

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

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

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

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

- Web-IQ B.V. is a Dutch technology company active in the international Web-Intelligence specialized applications market and Big Data analytics for businesses and organizations. Web-IQ is actively working with many security authorities around the world to combat online child abuse. The total share capital of Web-IQ B.V consists of 232,412 shares.

4.6.13 INVENTORIES

Table of inventories of the Group and the company:

Inventories	Group		Company	
Amounts in Euro thousands	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Goods	3.016	2.114	3.016	2.114
Materials	696	638	696	638
Consumables	612	500	612	500
Total inventories	**4.324**	**3.252**	**4.324**	**3.252**

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

4.6.14 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.

Trade receivables	Group		Company	
Amounts in Euro thousands	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Trade receivables	17.787	14.889	16.957	14.376
Less: Provisions for doubtful liquidation	4.411	4.108	4.411	4.108
Total trade receivables	**13.376**	**10.781**	**12.546**	**10.268**

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

Balance of the Provisions for doubtful liquidation.

Amounts in Euro thousands	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Total provision - Opening balance	4.573	4.108	4.573	4.108
Additions	193	465	193	465
Offsetting of prior year's provision	0	0	0	0
Total charges to year's income	193	465	193	465
Total provision - Ending balance	4.766	4.573	4.766	4.573

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

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

Aging analysis for trade receivables**:**

Trade receivables	Group		Company	
Amounts in Euro thousands	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	7.653	8.256	7.229	8.030
1 – 90 days	1.599	2.430	1.466	2.230
91 – 180 days	402	505	363	465
181 – 360 days	1.095	1.264	1.070	1.232
> 360 days	10.749	12.455	10.128	11.957

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

Receivables from Related parties	Group		Company	
Amounts in Euro thousands	30.06.2017	31.12.2016	30.06.2017	31.12.2016
1 – 90 days	60	154	60	154
91 – 180 days	0	0	0	0
181 – 360 days	0	0	0	0
> 360 days	0	0	0	0
	60	154	60	154

4.6.15 Other Receivables

Other receivables of the group and company:

Other receivables	Group		Company	
Amounts in Euro thousands	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Cheques receivable	115	319	115	319
Cheques overdue*	1.709	1.709	1.709	1.709
Deducted Taxes & other receivables	296	201	296	201
Salary prepayments	10	3	10	3
Advances to account for	44	8	44	8
Amounts owed by affiliated undertakings	36	35	609	35
Deferred charges	2.748	2.271	2.748	2.271
Income earned	1.087	955	1.087	955
Other receivables**	345	320	340	315
Total other receivables	6.390	5.821	6.958	5.816
Less: provisions for doubtful liquidation	2.000	2.000	2.000	2.000
Total other receivables	4.390	3.821	4.958	3.816

**The Cheques overdue are fully compensated by a provision for* doubtful liquidation of equal amount.
***Other receivables comprise mainly sundry debtors for the amount of € 345 thousand which is adequately compensated by a provision for* doubtful liquidation for amount €291 thousand.

"Deferred charges " comprise the following:

- Approximately 97% 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 3% of the costs are operating costs (rent, insurance, etc.).

Expenses are recognised on an accrual basis.

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

4.6.16 Prepayments

Analysis of prepayments:

Prepayments	Group		Company	
Amounts in Euro thousands	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Orders placed abroad	210	247	210	247
Prepayments to other creditors	248	394	230	357
Total prepayments	**458**	**641**	**440**	**604**

4.6.17 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.

Cash and Cash equivalents	Group		Company	
Amounts in Euro thousands	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Cash on hand	70	106	70	106
Short term Bank deposits	5.167	7.359	4.835	7.009
Total Cash and Cash equivalents	**5.237**	**7.465**	**4.905**	**7.115**

4.6.18 Share Capital

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

Number of shares and nominal value	30.06.2017	31.12.2016
Paid up capital	6.973.052,40	10.395.013,30
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,61 €

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

4.6.19 Long terms Loans

The Group's loans concern:

- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 4.140 thousand
- The mortgage loan ending at 2019, of initial amount € 1.125 thousand, and after interest and principal payments amounting to € 320 thousand
- The mortgage loan ending at 2019, of initial amount € 800 thousand, and after interest and principal payments amounting to € 300 thousand
- The mortgage loan ending at 2019, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 677 thousand
- The mortgage loan ending at 2018, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 1.012 thousand
- The mortgage loan ending at 2019, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 600 thousand
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 2.507 thousand
- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 1.505 thousand
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 750 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 4,87%.

4.6.20 Other Long Term Liabilites

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

Other long term liabilities	**Group**		**Company**	
Amounts in Euro thousands	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
losses from joint ventures	0	0	22	19
Guarantees received	6	11	6	11
Total Other long term liabilities	**6**	**11**	**28**	**30**

4.6.21 Fair value measurement

The financial assets measured at fair value as of the balance sheet date are classified under the following levels, in accordance with the method used for determining their fair value:
Level 1: for assets traded in an active market and whose fair value is determined by the market prices (unadjusted) of similar assets.
Level 2: for assets whose fair value is determined by factors related to market data, either directly (prices) or indirectly (prices derivatives).
Level 3: for assets whose fair value is not determined by observations from the market, but is mainly based on internal estimates
The method used for the fair value measurement considers all possible parameters in order to approximate the fair value and the financial assets are classified at level 3 except for banking loans classified a level 2.
During the year, there were no transfers between levels 1 and 2, nor transfers within or outside level 3, for the measurement of the fair value.
The amounts disclosed in the Financial Position Statement with regard to cash, trade receivables, short-term liabilities and short term banking borrowings, approach their corresponding fair values due to their short-term maturity.

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

4.6.22 Personell employeed - Employee Benefits

The personnel employed at 30.062017 for the Group have reached 280 persons and for the company has reached 279 persons while as at 30.06.2016 amounted to 259 and 258 respectively.

4.6.22.1 Provisions for employees benefits

The Management of the Group, in compliance with IFRS (IAS 19), has appointed an independent actuary firm to assess the Group' s liabilities arising from the obligation to pay termination indemnities. During The details and principal assumptions of the actuarial study have as follows:

Accounting disclosures according to IAS 19	**Group**		**Company**	
Amounts in Euro thousands	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Present value of unfunded obligations	733	884	733	884
Not recognized actuarial gains\ losses	0	0	0	0
Reserves to be formed	**733**	**884**	**733**	**884**
Provisions for employers benefits recognized in the income statement				
Current service cost	36	68	36	68
Cost of interest	15	32	15	32
Actuarial loss / (gain)	0	0	0	0
Past service cost	43	26	43	26
Net periodic cost	**94**	**126**	**94**	**126**
Liability recognized in the Statement of financial position				
Net liability – opening balance as at 01.01	884	793	884	793
Benefits paid	-269	-143	-269	-143
Cost recognized in the income statement	94	126	94	126
Gains/Losses recognized in Equity	24	108	24	108
Net liability	**733**	**884**	**733**	**884**
Present value of the liability				
Net liability – opening balance as at 01.01	884	793	884	793
Current service cost	36	68	36	68
Cost of interest	15	32	15	32
Past service cost	43	26	43	26
Benefits paid	-269	-143	-269	-143
Actuarial loss / (gain)	0	0	0	0
Gains/Losses recognized in Equity	24	108	24	108
Present value of the liability	**733**	**884**	**733**	**884**

The assumptions used are the following:

Assumptions		
1.	Discount interest rate	3,5% as at 30/06/2017
2.	Average annual long term inflation rate	2% (according to EU, Lisbon convention).
3.	Average annual long term salary growth	1%
4.	Valuation date	30.06.2017
5.	Regular retirement age :	According to the social security fund of each employee
6.	General assumption fro actuarial purpose:	The going concern principle according to IAS (IAS1 para 23)
7.	Valuation method :	Projected Unit Credit Method (IAS19)

4.6.23 DEFFERED INCOME TAX

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

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

Deferred income taxes	**Group**			
	30.06.2017			
Amounts in € thousand	**31.12.2016**	**Amounts recognised through income statement**	**Amounts recognised through equity**	**Total**
Deferred tax liabilities				
Depreciation rate difference effect	-473	-27	0	-500
Fair value adjustments Property, plant and equipment	-989	0	0	-989
Total Deferred tax liabilities	**-1.462**	**-27**	**0**	**-1.489**
Deferred tax assets				
Provisions for Trade and other payables	495	-31	0	464
Post-employment and termination benefits	257	-51	7	212
Impairment of Receivables	22	0	0	22
Impairment of Inventories	6	0	0	6
Tax deductible previews years' losses	893	-4	0	889
Share premium capitalization expenses	28	-28	0	0
Total Deferred tax assets	**1.701**	**-114**	**7**	**1.593**
Total Deferred tax	**239**	**-141**	**7**	**104**

Deferred income taxes	**Company**			
	30.06.2017			
Amounts in € thousand	**31.12.2016**	**Amounts recognised through income statement**	**Amounts recognised through equity**	**Total**
Deferred tax liabilities				
Depreciation rate difference effect	-483	16	0	-467
Fair value adjustments Property, plant and equipment	-989	0	0	-989
Total Deferred tax liabilities	**-1.472**	**16**	**0**	**-1.456**
Deferred tax assets				
Provisions for Trade and other payables	495	-31	0	464
Post-employment and termination benefits	257	-51	7	212
Impairment of Receivables	22	0	0	22
Impairment of Inventories	6	0	0	6
Tax deductible previews years' losses	893	-4	0	889
Share premium capitalization expenses	28	-28	0	0
Total Deferred tax assets	**1.701**	**-114**	**7**	**1.593**
Total Deferred tax	**239**	**-141**	**7**	**104**

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

4.6.24 Trade and other payables

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

Trade and other payables	GROUP		COMPANY	
Amounts in € thousand	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Trade payables	7.591	8.092	7.342	7.740
Checks payables	255	640	255	640
Customer down payments/advances	2.048	4.278	2.048	4.278
Social security	243	425	243	425
Wages and salaries payable	194	26	194	26
Short term liabilities to factors	500	1.025	500	1.025
Other payables	54	50	36	31
Amounts due to related parties	0	0	0	0
Next year's Income	0	5	60	5
Accrued expenses	52	76	29	68
Purchases under arraignment	46	118	46	118
Total Trade and other payables	**10.983**	**14.735**	**10.753**	**14.356**

4.6.25 PROVISIONS

The Group has formed provisions for doubtful trade receivables for the amount of € 4.766 thousand, for doubtful sundry debtors for the amount of € 2.000 thousand, and for obsolete inventories for the amount of € 21 thousand. The provisions are disclosed compensated among the trade and other receivables and the inventories respectively.

	Provision changes for the Group				
Amounts in € thousand	31.12.2016	New Provisions	Used Provisions	Decreases	30.06.2017
Provisions for tax unaudited years	122	0	0	0	122
Provisions for employers benefits	884	118	269	0	733
Other provisions	0	0	0	0	0
Total	**1.006**	**118**	**269**	**0**	**855**

	Provision changes for the Company				
Amounts in € thousand	31.12.2016	New Provisions	Used Provisions	Decreases	30.06.2017
Provisions for tax unaudited years	122	0	0	0	122
Provisions for employers benefits	884	118	269	0	733
Other provisions	0	0	0	0	0
Total	**1.006**	**118**	**269**	**0**	**855**

4.6.26 DISPUTED CLAIMS

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

4.6.27 UNDAUDITED FISCAL YEARS BY THE TAX AUTHORITIES

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

Company	Unaudited year
SPACE HELLAS S.A.	2009 – 2010
SPACE HELLAS (CYPRUS) LTD	2005 – 2016
SPACE HELLAS Doo Beograd-Stari Grad	2012-2016
SPACE HELLAS (MALTA) LTD	2012-2016
SPACE HELLAS INTEGRATOR SRL	2010-2016
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	2010 - 2016
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	2009 – 2016

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

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

For the year 2011 and up to 2015, the Greek corporations (Societe Anonyme and Limited Liability Companies) whose annual financial statements are subject to audit, are obliged to obtain an "Annual Certificate ", according to the provisions of article 82, § 5, of N.2238/1994 and art 65a of L 4174/2013, which is issued following a tax audit conducted by the statutory auditor or 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 firm issues to the company a "Tax Compliance Report" and submits his report to the Ministry of finance, according to ircuar POL 1124/2014 as amended by POL 1108/2017.
For the yeas 2011 to 2015 for the parent company ad th group the abovementioned audit has been concluded and tax compliance reports have been issued without qualification.
There is ongoing tax audit of the company for the year 2016 by statutory auditors, from which no significant additional charges are expected to arise.
The company has received a notice by the tax authorities that a partial tax audit will take place for the unaudited years 2009 and 2010.
The Group recognizes a provision where necessary, where appropriate and company against potential additional taxes that may be imposed by the tax authorities.
The Group's management does not expect any significant tax liabilities beyond those presented in the financial statements.

4.6.28 CONTIGENT EVENTS

4.6.28.1 Commitments -Guarantees

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

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

Contingent Liabilities	**Group**		**Company**	
Amounts in € thousand	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Guarantee letters to secure good performance of contract terms	2.238	2.555	2.238	2.555
Total Contingent Liabilities	**2.238**	**2.555**	**2.238**	**2.555**

** Including letters of guarantee issued in favour of joint ventures amounting to € 326 thousand as at 30.062017 and € 402 thousand as at 31.12. 2016.*

4.6.28.2 Excess clause provisions and Disputed claims

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

4.6.28.3 Other contigent liabilities

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

4.6.28.4 Operating lease commitments

At 30.06.2017, the company's leases concerned motor vehicles as well as buildings. The minimum future payments based on valid contracts at 30 June 2017 are the following

Minimum future payments						
Amounts in € thousand	Group			Company		
	Up to year	Up to 5 years	Over 5 years	Up to year	Up to 5 years	Over 5 years
Motor vehicle	404	628	-	404	628	-
Buildings	53	238	67	53	238	67
Total	**457**	**866**	**67**	**457**	**866**	**67**

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

4.6.28.5 Capital comittements

At 30.06.2017 there were no capital commitments for the Group and the Company.

4.6.29 Cash Flow Statement

CASH FLOW STATEMENT				
	GROUP		COMPANY	
Amount ins € thousand	01.01-30.06.2017	01.01-30.06.2016	01.01-30.06.2017	01.01-30.06.2016
Total cash inflow/(outflow) from operating activities	-2.559	-5.192	-2.791	-5.547
Total cash inflow/(outflow) from investing activities	-1.870	-393	-1.620	372
Total cash inflow/(outflow) from financing activities	2.201	2.540	2.201	2.540

Cash flow from operating activities, is negative amounting to € 2.559 thousand financing the Group's temporary cash needs.

Cash flow from investing activities, is negative amounting to € 1.870 thousand. This is attributable to the Group's policy to constantly channe a significant portion of its free cash flows into investment.

The cash flow from financing activities is positive amounting to € 2.201 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.

4.6.30 Contingent Events - Transactions Between The Company And Related Parties (IAS 24) from 01-01-2017 to 30-06-2017

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

The sales to and purchases from related parties, are made at normal market prices.

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

	Dividends received		Sales of goods and services		Rentals		Total company income		Total Group income	
	30/6		30/6		30/6		30/6		30/6	
Amounts in € thousand	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
SPACE HELLAS (CYPRUS) LTD	823	979	60	-	-	-	**883**	**979**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	-	2	-	-	**-**	**2**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	3	-	-	**-**	**3**	**-**	**-**
Subsidiaries	**823**	**979**	**60**	**5**	**-**	**-**	**883**	**984**	**-**	**-**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	-	-	-	125	-	-	**-**	**125**	**-**	**125**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	-	-	-	-	1	1	**1**	**1**	**1**	**1**
Joint Ventures	**-**	**-**	**-**	**125**	**1**	**1**	**1**	**126**	**1**	**126**
MOBICS S.A	-	-	-	-	-	-	**-**	**-**	**-**	**-**
SPACE CONSULTING S.A.	-	-	-		0	1	**0**	**1**	**0**	**1**
Associates	**-**	**-**	**-**	**-**	**0**	**1**	**0**	**1**	**0**	**1**
Total related parties	**823**	**979**	**60**	**125**	**1**	**2**	**884**	**1.111**	**1**	**127**

	Total expenses for Company and Group	
	30/6	
Amounts in € thousand	**2017**	**2016**
SPACE HELLAS (CYPRUS) LTD	**-**	**-**
SPACE HELLAS (MALTA) LTD	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	**-**	**-**
Subsidiaries	**-**	**-**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	**-**	**-**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA	**1**	**1**
Joint Ventures	**1**	**1**
MOBICS S.A.	**-**	**-**
SPACE CONSULTING S.A.	**5**	**-**
Associates	**5**	**-**
Total related parties	**6**	**1**

	Receivables Company		Receivables Group		Total liabilities company and Group	
	30/6		30/6		30/6	
Amounts in € thousand	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
SPACE HELLAS (CYPRUS) LTD	**694**	**375**	**-**	**-**	**-**	**-**
SPACE HELLAS (MALTA) LTD	**-**	**-**	**-**	**-**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	**-**	**-**	**-**	**-**	**-**	**-**
Subsidiaries	**694**	**375**	**-**	**-**	**-**	**-**
JOINT VENTURE UNISYSTEMS INFORMATION SYSTEMS S.A. (formerly INFO QUEST)– SPACE HELLAS	**109**	**185**	**109**	**185**	**9**	**9**
JOINT-VENTURE SPACE HELLAS - KB IMPULS HELLAS SA (DORY)	**-**	**1**	**-**	**1**	**1.480**	**1.478**
Joint Ventures	**109**	**186**	**109**	**186**	**1.489**	**1.487**
MOBICS S.A.	**-**	**-**	**-**	**-**	**3**	**3**
SPACE CONSULTING S.A.	**9**	**9**	**9**	**9**	**5**	**-**
Associates	**9**	**9**	**9**	**9**	**8**	**3**
Total related parties	**812**	**570**	**118**	**195**	**1.497**	**1.490**

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	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Salaries and other employee benefits	611	676	611	676
Receivables from executives and members of the Board	11	1	11	1
Payables to executives and member of the Board	29	14	29	14

- 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	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Guarantees to third parties on behalf of subsidiaries and joint ventures	1.850	1.926	1.850	1.926
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	1.850	1.926	1.850	1.926

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

4.7 ALTERNATIVE PERFORMANCE MEASURES

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

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

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

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

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

Elements Affecting Adaptation

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

The data that affect the adjustment of the indicators (SEMCs) on 30.06.2017 and 30.06.2016 are shown below.

Adjusting elements

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

The elements affecting the adjustment of the indicators (ALPs) on 30.06.2017 and 30.06.2016 are shown in the table below:

Amounts in € thousand	Group	
	30.06.2017	30.06.2016
Comprehensive Income Statement		
Provisions for impairment	193	303
Total	**193**	**303**

Adjusted EBITDA

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

EBITDA adjusted = EBITDA - Adjusting elements

Amounts in € thousand	Group		
	30.06.2017	30.06.2016	Divergence %
EBITDA	**2.127**	**2.086**	1,97%
Provisions for impairment	193	303	
EBITDA adjusted	**2.320**	**2.389**	-2,89%
Divegence %	9%	14%	

In the first half of 2017, the adjusted EBITDA increased by 9% compared to EBITDA, while compared to the first half of 2016 the adjusted EBITDA is down by 2.89%.

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		
	30.06.2017	30.06.2016	Divergence %
EBIT	1.609	1.539	4,55%
Provisions for impairment	**193**	**303**	
EBIT adjusted	**1.802**	**1.842**	-2,17%
Divergence %	12%	20%	

In the first half of 2017, adjusted EBIT is 12% higher than EBIT, compared with the first half of 2016, adjusted EBIT is down by 2.17%.

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		
	30.06.2017	30.06.2016	Divergence %
Net Cash flow from operating activities	-2.559	-5.192	-50,73%
Net Cash flow from investing activity	-1.870	-393	375,83%
Cash Flows After Investments	**-4.429**	**-5.585**	**-20,70%**
Provisions for impairment	193	303	-36,30%
Cash Flows After Investments adjusted	**-4.236**	**-5.282**	**-19,80%**
Divergence %	4%	5%	

In the first half of 2017, Adjusted Cash Flows after investments are increased by 4% compared to Cash Flows after investments, while compared with the first half of 2016 adjusted Cash Flows after investments appear to be increased by 5%.

Adjusted Net Borrowing

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

Adjusted Net Borrowing = Net Borrowing - Other financial Assets

Amounts in € thousand	Group		
	30.06.2017	30.06.2016	Divergence %
Long term loans	11.801	7.848	50,37%
Shor term loans	6.365	8.117	-21,58%
Cash and Cash equivalents	-5.237	-7.465	-29,85%
Net Borrowing	12.929	8.500	52,11%
Other financial Assets	-13	-13	0,00%
Adjusted Net Borrowing	**12.916**	**8.487**	52,19%
	-0,10%	-0,15%	

In both the first half of 2017 and the corresponding period of 2016, the adjusted net borrowing is marginally reduced by 0.10% compared to the Net Borrowing.

4.8 REVISIONS AND RECLASSIFICATIONS

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

Changes in the Shareholders equity for the period 01/01-30/06/2016							
Amounts in € thousand	**Share Capital**	**Share premium**	**Fair value reserves**	**Treasury shares**	**Other Reserves**	**Retained earnings**	**Amounts in € thousand**
Balance at 1 January 2016 as previously reported	**10.395**	**53**	**2.421**	**0**	**3.546**	**-3.412**	**13.003**
Profit for the year	0	0	0	0	0	791	**791**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	0	**0**
Other reserves	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	778	-778	**0**
Irrecoverable income tax	0	0	0	0	-316	0	**-316**
Revaluation of buildings	0	0	0	0	0	0	**0**
Deferred tax of revaluation of buildings	0	0	0	0	0	0	**0**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-109	**-109**
Actuarial loss tax	0	0	0	0	0	32	**32**
Balance at 31 December 2016	**10.395**	**53**	**2.421**	**0**	**4.008**	**-3.476**	**13.401**
Reclassification	**0**	**0**	**0**	**0**	**-2.976**	**2.976**	**0**
Balance at 31 December 2016 reclassified	**10.395**	**53**	**2.421**	**0**	**1.032**	**-500**	**13.401**

The amount of € 2.976 thousand concerns dividends received from the subsidiary Space Hellas (CYPRUS) Ltd, which was classified as special tax exempted reserve and reclassified to the retained earnings as more appropriate The reclassification had no effect to the company's income and Equity.

4.9 SIGNIFICANT POST-BALANCE SHEET EVENTS FROM 1ST JANUARY TO 30TH JUNE 2017

- According to the decision of the Annual General Meeting of 13.6-2017 Shareholders it was decided the distribution of part of the reserve of Law 3943/2011 article 14, Law 41172/2013 article 48 in combination with POL 1007/2014 and POL 1039/2013. This Annual General Meeting decision authorized the Board of

Directors to announce the Beneficiary's Date of Determination: Thursday July 20, 2017, Cut-off Date: Wednesday July 19, 2017, Dividend Start Date: Wednesday 26 July 2017 and Alpha Bank Paying Bank.

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

- On the 30th of August 2017, the company's Board of Directors and was assigned of its responsibilities and powers.

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

5 FIGURES AND INFORMATION FROM 1ST JANUARY TO 30th JUNE 2017

SPACE HELLAS S.A.
GEMI:375501000
Mesogion Av. 312 Ag. Paraskevi
Financial statement and information for the period 1 January 2017 to 30 June 2017

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

Prefecture	Ministry of Development, Department of Commerce
Company's web site	http://www.space.gr
Date of approval by the Board of Directors	12 September 2017 Board of Directors Decisions No 3.091
Certified Auditor Accountant	Dimos N. Pitelis (S.O.E.L. Reg. No 14481)
Auditing Company	PKF Euroauditing S.A..
Type of Auditor's report	Without qualification

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

1.1 STATEMENT OF FINANCIAL POSITION

(consolidated and non consolidated) Amounts in € thousand	GROUP 30.06.2017	GROUP 31.12.2016	COMPANY 30.06.2017	COMPANY 31.12.2016
ASSETS				
Property, plant and equipment	16.163	15.876	16.135	15.847
Investment properties	0	0	0	0
Intangible assets	1.708	1.614	1.705	1.610
Other non current assets	2.344	1.183	2.400	1.236
Inventory	4.324	3.252	4.324	3.252
Receivables (trade debtors)	10.749	12.455	10.128	11.957
Other current assets	10.098	11.940	10.316	11.548
TOTAL ASSETS	**45.386**	**46.320**	**45.008**	**45.450**
EQUITY AND LIABILITIES				
Share capital	6.973	10.395	6.973	10.395
Other components of equity	7.338	3.390	7.265	3.006
Total equity attributable to owners of the parent (a)	**14.311**	**13.785**	**14.238**	**13.401**
Non controlling interests (b)	2	2	-	-
Total Equity (c) = (a)+(b)	**14.313**	**13.787**	**14.238**	**13.401**
Long term borrowings	11.801	7.848	11.801	7.848
Long term provisions / Non current liabilities	861	1.017	883	1.036
Short term borrowings	6.365	8.117	6.365	8.117
Other current liabilities	12.046	15.551	11.721	15.048
Total Liabilities (d)	**31.073**	**32.533**	**30.770**	**32.049**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**45.386**	**46.320**	**45.008**	**45.450**

1.4 CASH FLOW STATEMENT FOR THE YEAR

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-30.06.2017	GROUP 01.01-30.06.2016	COMPANY 01.01-30.06.2017	COMPANY 01.01-30.06.2016
Operating Activities :				
Profit before taxes (continued operations)	849	632	995	1.029
Plus/Less adjustments for :				
Depreciation	518	547	516	545
Impairment of tangible and intangible assets	0	0	0	0
Provisions	287	354	287	354
Foreign exchange differences	-399	-36	-395	-34
Net (profit)/Loss from investing activities	-31	233	-853	-745
Interest and other financial expenses	808	987	805	984
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-1.072	-341	-1.072	-341
Decrease/(increase) in Receivables	952	-5.471	423	-5.544
(Decrease)/increase in Payables (excluding banks)	-3.879	-1.858	-3.097	-1.551
Less:				
Interest and other financial expenses paid	-678	-875	-675	-872
Taxes paid	86	636	275	628
Total cash inflow/(outflow) from operating activities (a)	**-2.559**	**-5.192**	**-2.791**	**-5.547**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.003	0	-1.003	0
Purchase of tangible and intangible assets	-932	-506	-932	-506
Proceeds from sale of tangible and intangible assets	14	32	14	32
Interest received	51	81	51	81
Dividends received	0	0	250	765
Total cash inflow/(outflow) from investing activities (b)	**-1.870**	**-393**	**-1.620**	**372**
Cash flow from Financing Activities				
Share capital increase from subsidiaries	0	0	0	0
Proceeds from Borrowings	4.170	3.888	4.170	3.888
Payments of Borrowings	-1.969	-1.348	-1.969	-1.348
Total cash inflow/(outflow) from financing activities (c)	**2.201**	**2.540**	**2.201**	**2.540**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	-2.228	-3.045	-2.210	-2.635
Cash and cash equivalents at beginning of period	7.465	4.875	7.115	4.401
Cash and cash equivalents at end of period	**5.237**	**1.830**	**4.905**	**1.766**

1.3 STATEMENT OF CHANGES IN EQUITY

(consolidated and non consolidated) Amounts in € thousand	GROUP 30.06.2017	GROUP 30.06.2016	COMPANY 30.06.2017	COMPANY 30.06.2016
Total equity in the beginning of the year (1/1/2017 and 1/1/2016	13.787	12.961	13.401	13.003
Total comprehensive income after taxes (continued and discontinued	526	335	837	893
Increase / (Decrease) of Share Capital	-3.422	0	-3.422	0
Capitalisation of reserves	0	0	0	0
Cancellation of own shares	3.422	0	3.422	0
Effect from Income tax rate change	0	0	0	0
Non controlling interests	0	0	0	0
Total equity at the end of the year Total equity at the end of the period (30.6.2017 and 30.06.2016)	**14.313**	**13.296**	**14.238**	**13.896**

1.2 STATEMENT OF COMPREHENSIVE INCOME

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-30.06.2017	GROUP 01.01-30.06.2016	COMPANY 01.01-30.06.2017	COMPANY 01.01-30.06.2016
Turnover	25.164	25.077	23.549	23.377
Gross Profit	5.875	6.988	5.249	6.337
Profit before taxes, financing and investing activity	1.609	1.539	929	955
Profit before taxes	**849**	**632**	**995**	**1.029**
Profit after taxes (A)	548	400	854	954
- *Owners of the parent*	548	400	854	954
- *Non controlling interests*	0	0		
	548	400	854	954
Other comprehensive income after taxes (B)	-22	-65	-17	-61
Total comprehensive income after taxes (A)+(B)	526	335	837	893
- *Owners of the parent*	526	335	837	893
- *Non controlling interests*	0	0		0
Earnings (after taxes) per share - basic in €	0,0849	0,0620	0,1323	0,1478
Profit before taxes, financing and investing activity and depreciation	**2.127**	**2.086**	**1.445**	**1.500**

Additional information

1. The shares of the company were listed on the Athens Stock Exchange on 29-9-2000. The earnings per share were calculated based on the weighted average number of ordinary shares in issue amounting to 6.456.530
2. On 13/06/2017, by decision of the Ordinary General Meeting of Shareholders, the share capital of the company was reduced by offsetting losses of previous years amounting to € 3,476 thousand. The remaining amount that was not offset due to rounding amounts to € 54 thousand was covered by the Company's statutory reserve (see note 4.6.18)
3. The companies of the Group, the percentage ownership and the consolidation method for the ending period are disclosed in note 4.6.12 of the half yearly financial report of 2017.
4. The tax un-audited years of the Company and the Group are disclosed in note 4.6.27 of the half yearly financial report of 2017.
5. The company has formed a provison for the tax unaudited years amounting to 122 thousand euro for years 2009 and 2010. For the rest of the Group's companies no provision has been formed as the impact of the additional tax is deemed to be insignificant (note 4.7.25). There are no other provisions formed (note 4.7.27). No other reserves are formed (note 4.7.25).
6. There are no other disputed or under arbitration cases of national or administrative courts that may have a material effect on the financial position of the Company.
7. There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, and the underwriting, amounting to € 1.100 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki,.
8. The personnel employed at 30-06-2017 for the Group amounted to 280 persons and for the Company amounted to 279 while as at 30.06.2016 amounted to 259 and 258 respectively.
9. The same Accounting Policies have been followed as for the financial statements as at 31.12.2016.
10. Note 4.3 of the half yearly financial report of 2017 refers to the comprehensive income after taxes for the company and the Group.
11. Intercompany transactions for the period from 1 January 2016 to 30 June 2017 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	1	884
b) Purchases of goods and services	8	8
c) Receivables from related parties	118	812
d) Payables to related parties	1.499	1.499
e) Key management compensations	611	611
f) Receivables from key management	11	11
g) Payables to key management included in above	29	29

The company has guaranteed to financial institutions for bank credit limits for the JOINT-VENTURE SPACE HELLAS SA-KB IMPULS HELLAS SA ("DORY") up to the amount of € 1.796 thousand and for the subsidiary SPACE HELLAS (CYPRUS) Lt.d.up to the amount of € 54 thousand, through the issuance of letters of guaranty.

Agia Paraskevi, 12 September 2017

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 interim financial report, for the period from January 1, 2017 to June 30, 2017, contained in pages from 1 to 60 have been approved by the Board of Directors of SPACE HELLAS SA on September 12th 2017 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 EXECUTIVE MEMBER OF THE BOARD	CHIEF ACCOUNTANT AND EXECUTIVE MEMBER OF THE BOARD
SPIRIDON MANOLOPOULOS	**IOANNIS MERTZANIS**	**IOANNIS DOULAVERIS**	**ANASTASIA PAPARIZOU**