INTRACOM
HOLDINGS SA

Annual Report
for the year 2017 (1 January – 31 December 2017)
in accordance with Law 3556/2007

Contents

The attached annual financial statements of the Group and the Company were approved for issue by the Board of Directors on 27 March 2018 and have been published on www.intracom.com.

THE CHAIRMAN OF THE BOD AND MANAGING DIRECTOR	THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS
D. C. KLONIS ID No. AK 121708 / 07.10.2011	G. AR. ANNINOS ID No AK 760212/28.08.2013

THE CHIEF ACCOUNTANT

SP. B. PETRAKOS
ID No Π 056768/28.01.1993
A' Class Licence No 25195

A) Directors' Statements

(pursuant to article 4 par. 2 of Law 3556/2007)

1. Dimitrios C. Klonis, Chairman of the Board of Directors and Managing Director
2. Georgios Ar. Anninos, Vice-Chairman,
3. Sotirios N. Filos, Member

state that in our above mentioned capacity we declare that:

As far as we know:

a. the accompanying financial statements of **"INTRACOM HOLDINGS SA"** for the year 01/01/2017 to 31/12/2017 which were drawn up in accordance with applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of the Company and of the undertakings included in consolidation, taken as a whole, and

b. the annual report of the Board of Directors is a true representation of the progress, the performance and the financial position of the Company and of the undertakings included in the consolidation, taken as whole, including a description of the major risks and uncertainties they confront.

THE CHAIRMAN OF THE BoD AND MANAGING DIRECTOR

D. C. KLONIS
ID No AK 121708/07.10.2011

THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS

G. AR. ANNINOS
ID No AK 760212/28.08.2013

THE MEMBER OF THE BOD

S. N. FILOS
ID No AA 016774 / 28.01.2005

B) Board of Directors' Report

ANNUAL REPORT OF THE BOARD OF DIRECTORS

OF INTRACOM HOLDINGS S.A.

FOR THE PERIOD 1/1/2017-31/12/2017

(Prepared in accordance with the provisions of Codified Law 2190/1920 and Law 3556/2007)

Major events in 2017 – Subsidiaries and Group overview

The business activity of companies in the Group during 2017 can be summarised as follows:

In March 2017 INTRAKAT Group signed two exceptionally important contracts with Fraport Greece, with a total budget of € 357 mn, to prepare designs and carry out construction work on 14 regional airports which Fraport Greece has undertaken to run, upgrade and maintain for a period of 40 years. The first contract relates to 7 airports on Crete, mainland Greece and the Ionian islands, while the second relates to 7 airports in the Aegean. The contracts between Fraport Greece and Intrakat include refurbishing and upgrading existing infrastructure at airports, and the design and construction of extensions.

In March, INTRAKAT also signed a contract with the Municipality of Thessaloniki to provide services to implement and run the controlled parking system in Municipal Communities A, C and E of the Municipality of Thessaloniki, worth € 17.3 mn. INTRAKAT has a 95% stake in that project, while its affiliate INTRASOFT International has a 5% stake. The project entails installing and running a controlled parking system in specific areas in the Municipality of Thessaloniki using ICTs, to provide improved services to visitors and residents of the project implementation area, and to cope with heightened demand for parking. The project will run for 5 years.

During the course of the year, construction work to build the Prefecture of Serres Waste Treatment Plant - Phase B.II commenced. The project budget is € 25.4 mn and it will run for 25 years. The project is expected to be completed and operational in 2019. The project is being implemented with the support of the Greek State, the Regional Association of Solid Waste Management Agencies of Central Macedonia (FODSA) and the special purpose vehicle comprised of the companies INTRAKAT, Archiridon and Envitec, and covers the design, financing, construction, maintenance and running of infrastructure.

In July, INTRAKAT signed a contract for the project to build the Pref. of Viotia 2nd municipal unit waste treatment plant covering the Municipalities of Thiva, Aliartos and Tanagra. The project's total budget is € 16.3 mn and around 18 months will be needed to complete construction.

A contract was signed in October by INTRAKAT and the Army Share Fund to lease a 3-storey listed building in the heart of Athens for 20 years to convert it into a 45-room boutique hotel, which will commence business in 2019.

Acknowledging innovation as a driving force for its competitiveness and success, **INTRASOFT International** made 2017 the "Year of Innovation" for the company and took a series of initiatives and measures internationally. It supported a well-recognised competition for start-ups in the technology sector, to promote innovative activities domestically, organised an innovation competition for all its subsidiaries and branches and actively supported the MITEF Greece Start-up

Competition 2017, by developing a specially designed plan to offer services, know-how and market networking to one of the 10 finalists in the competition.

In January, INTRASOFT International was chosen by the Emirate of Kuwait's Ministry of Finance to develop its Debt management and payments IT system and to develop the Ministry's central public revenues collection system. The contract is for 2 years. INTRASOFT will lead the project, working in close quarters with 2 strategic partners: Counselor's Consulting Company Kuwait and KPMG.

VALEU Consulting was also set up in January in Brussels, with the assistance of INTRASOFT International and Planet S.A. The new company hopes to provide the European Union's institutions and agencies with high added value consultancy services, by specialising in preparing strategy, policymaking and impact assessment studies, and to support and evaluate project implementation.

In February, INTRASOFT International announced: a) completion of works to install the Profits System at Uganda's Centenary Bank, which is another milestone in INTRASOFT's expansion into the African market, b) Successful implementation of Piraeus Bank's customer loyalty scheme "Yellow", which offers benefits to both bank customers and associates via a range of channels (POS, Web Banking and Mobile Banking).

In April 2017, INTRASOFT International signed a new contract with the European Commission's DG Taxation and Customs Union (DG TAXUD) which includes trans-European management and coordination of IT Systems (ITSM3 – TES). The project will run for 8 years up to 2025.

In September, INTRASOFT International announced that the European Union's publication service had re-assigned the CORDIS project, which is the European Commission's key hub and a critically important portal for disseminating information about research projects financed by the EU, and their results in the wider sense.

In September, it also joined forces with the Israeli company Kando to provide solutions to EYDAP to result water pollution from industrial sources.

In October, INTRASOFT International delivered a project to the Danish Ministry of Taxation. The contract is part of a 5-year long programme of reforms, designed to replace the Ministry's current revenue collection system.

Following an international tender procedure in which companies from 10 countries in the programme joint venture took part, **IDE (INTRACOM Defense Electronics)** undertook to design and develop electronic modules for the improved Block 2 version of the ESSM surface to air missile. The agreement is for USD 5.6 mn.

In February IDE signed a contract worth € 2 mn with Kraus-Maffei Wegmann (KMW) to supply WiSPR intercom systems to fit out Boxer armoured vehicles for the international market. The WiSPR systems are expected to be delivered within 24 months.

In July IDE signed: a) a contract worth € 1.2 mn with Rheinmetall MAN Military Vehicles to supply WiSPR intercom systems to fit out Boxer armoured vehicles for the international market. b) a framework agreement for 3 + 2 years with NSPA (NATO Support and Procurement Agency) under which IDE will provide Depot Level Maintenance (DLM), support, necessary modifications, spare parts and repair materials as well as other related services to support ground equipment arrays for Patriot air defence systems

In July, IDE also launched its new innovative product, Hybrid GENAIRCON, offering an integrated solution for military vehicles, which incorporates a hybrid auxiliary power unit, a cutting-edge power storage system and a vehicle A/C control system, operated from a cutting-edge tech central control panel. Launch of the product coincides with the first contract signed by IDE and BAE Systems under which IDE will complete the Hybrid GENAIRCON in M109 self-propelled howitzers for the Greek Armed Forces, a project expected to be completed during 2017.

In 2017 INTRAKAT increased its share capital. After the increase was completed (in the period from 20.10.2017 to 3.11.2017), the total amount raised was € 10,159,052, and less issue expenses of € 228,773.82, the net figure was € 9,930,278.18.

The Company's share capital was increased by € 7,619,289 by issuing 25,397,630 new ordinary registered shares with a nominal value of € 0.30 each, and € 2,539,763 was credited to the premium on capital stock account. Thus, the share capital of the company stood at € 9,143,146.80 and is divided into 30,477,156 ordinary registered shares with nominal value of € 0.30 each. Our holding stood at 79.56%.

Finally, in January 2018 we were notified about Hellenic Supreme Court Judgment No. 1852/2017 which rejected the application for cassation filed by the main shareholders of TELEDOME S.A. against Athens Court of Appeal Judgment No. 224/2016 which had vindicated the Company. The Hellenic Supreme Court Judgment is non-appealable.

1. Financial results

INTRACOM HOLDINGS Group's consolidated sales for 2017 stood at € 397.1 mn compared to € 401.6 mn in 2016.

NTRASOFT International Group, with sales of € 173 mn, reported slight decrease in comparison to 2016 (-1.4%) and accounted for 44% of consolidated sales. It was followed by INTRAKAT Group with consolidated turnover of € 160.3 mn, accounting for 41% of consolidated sales. The 12% drop in INTRAKAT Group's consolidated sales compared to 2016 was due to delays in the commencement of new major projects whose contracts were signed in 2017. Finally, IDE's sales of € 66 mn were up by 14.7%.

The Group's operating profit (EBITDA) for 2017 stood at € 29.3 mn (EBITDA in 2016: € 27.8 mn). Note that the consolidated results include a -€1.0 mn loss of EBITDA from Global Net Solutions, a subsidiary of INTRASOFT International which is currently in liquidation. Excluding the impact of Global Net Solutions, Group EBITDA stood at € 30.3 mn. Excluding that impact, INTRASOFT International Group's sales and EBITDA stood at € 171.6 mn and € 11.4 mn respectively.

The Group's consolidated EBT stood at € 4.2 mn (EBT in 2016: € 2.1 mn). Earnings after tax were losses of -€ 1.1 mn, which were significantly better than in 2016 (EAT in 2016: -€ 3.9 mn). However, Earnings After Tax and Minority Interests (EATAM) stood at € 0.9 mn compared to losses of -€ 2.3 mn in 2016.

Group total equity stood at € 270.3 mn compared to € 272.2 mn as at 31.12.2016. Parent company equity stood at € 268.6 mn.

Group total assets stood at € 789.5 mn compared to € 728.6 mn on 31.12.2016, up € 61 mn, while Company total assets stood at € 335.7 mn compared to € 309.3 mn on 31.12.2016.

Group total borrowing on 31.12.2017 stood at € 243.5 mn. Net borrowing stood at € 95.3 mn compared to € 70 mn on 31.12.2016. This rise financed the increase in assets.

The financial indicators which reflect the Group and Company's financial position are presented in diagram form below:

	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Financial Structure ratios				
Current assets/Total assets	58,5%	61,5%	28,6%	29,1%
Equity/Total liabilities	52,1%	59,6%	400,5%	655,7%
Equity/Fixed assets	116,0%	121,2%	444,7%	434,1%
Current assets/Short-term liabilities	123,8%	119,6%	164,1%	281,2%

	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Profitability ratios				
EBITDA/Sales	7,4%	8,0%	53,9%	39,3%
Gross profit/Sales	18,4%	17,4%	14,3%	12,7%
EBT/Sales	1,0%	0,2%	-0,4%	-77,1%

OBJECTIVES – PROSPECTS

The markets in which the Group operates via its companies are :

- infrastructure and energy (INTRAKAT),
- real estate and tourist infrastructure (INTRADEVELOPMENT),
- ICTs (the INTRASOFT International Group) and,
- defence, surveillance and security systems (IDE).

INTRAKAT'S strategic focus has traditionally been on investing in infrastructure. Since the need for investments in infrastructure is a given and well-recognised, coupled with assistance from the EU and its financing tools, it is considered that in the years to come major projects will be put out to tender in sectors the company specialises in. We believe that the INTRAKAT Group will play a primary role in shaping the new infrastructure landscape.

The INTRADEVELOPMENT Group seeks to develop tourist and residential infrastructure for development and sale as turnkey products. It is important to note that in partnership with an international strategic investor specialised in real estate, and in particular in the development and running of hotels, the Group is implementing an investment plan to develop a 5 star hotel resort on around 10 hectares of land it owns on Mykonos. Construction is expected to be completed and the hotel operational in 2020.

In the energy sector, the company's strategy includes developing wind and hybrid RES infrastructure. The company runs a 21MW wind farm in Viotia and has already obtained permits to extend it by 12MW. Construction on the extension is expected to commence at the end of 2018 Q3.

In addition to its robust ties with EU institutions which foster trust in its name, INTRASOFT is also closely monitoring developments in the technology market and is ready to pursue a major share of investments in digital technology. The company is also expanding its product base, as it prepares to capitalise on the start-up ecosystem which has emerged in Greece in recent years. Via the VC ecosystem the company seeks to invest in the fintech, smart metering and data analytics sectors.

Thanks to focused R&D, IDE has forecast correctly and invested at the right time in the rapidly developing fields of border security and hybrid power systems, meaning it has won a major share of the market in Greece, as well as in Africa, the Middle East and SE Asia.

To enable the Group to better respond to constantly changing conditions in the extensive range of markets in which it operates, particular emphasis is being placed on generating synergies between subsidiaries and to adapting structures to modern business conditions, with the overall goal of maximising value.

RISKS AND UNCERTAINTIES

Financial risk factors

INTRACOM S.A., being a Greek multinational company, is exposed to a variety of financial risks, including market risk (the effects of changes in foreign currency exchange rates, cash flow and fair value risk from changes in interest rates and market prices), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group as a whole.

The financial liabilities of the Group include short-term bank loans, long-term bank loans, bond loans and finance lease agreements, through which the Group finances its working capital, capital expenditure needs and new projects. Moreover, the Group manages financial assets, mainly short-term bank deposits arising from operating activities

Derivative financial instruments are used exclusively for the hedging of interest or exchange rate risk, since according to the approved policy, speculative use is not permitted.

In summary, the financial risks that arise are analyzed below.

Market Risk

Foreign exchange risk

The foreign exchange risk of the Group is limited, since for most of the foreign currency receivables, there are corresponding payables in the same currency. Almost all foreign currency contracts for both assets and liabilities are denominated in USD.

As a rule, physical hedging of exchange rate risk is used. In cases where natural hedge is not adequate due to large amounts of foreign currency payables the possibility of using currency risk hedging instruments through appropriate banking products or the use of equivalent foreign exchange borrowing is considered.

The Group's policy is to maintain a minimum amount of cash in foreign currency, to meet short-term liabilities in that currency.

Price risk

The Group has limited exposure to changes in the prices of the shares held either for trading or as available for sale financial assets.

Cash flow and fair value interest rate risk

Interest rate risk has been hedged partly by converting a significant part of the borrowings from fixed to floating rate taking advantage of the negative Euribor rates. Weighted average interest rate for the period 2017 ranged at the same levels of 2016**. The Group** assesses that during the current year, interest rate risk is limited since it is expected that interest rates will remain stable and if we achieve a more stable financial environment in Greece, we expect a further decrease.

Credit risk

The sales transactions of the Group are made to private companies and public sector organisations with an appropriate credit history, with which in many cases there is a long standing relationship. In any case, however, and given the conditions of the Greek market, the Group companies closely monitor all customer claims and, where appropriate, take immediate judicial and extrajudicial steps to ensure the recovery of claims, thus minimizing any credit risk. As a result, the risk of doubtful debts is considered limited.

Regarding credit risk related to cash deposits, the Group collaborates with financial institutions of high credit rating.

Liquidity risk

Each subsidiary draws up and monitors on a monthly basis a cash flow schedule that includes the operating as well as the investing cash flows. All subsidiaries submit to Intracom Holdings on a weekly basis a detailed report of their cash and credit position, in order that an effective monitoring and co-ordination on a group level is achieved.

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities. The Group manages the risks that may arise from lack of adequate liquidity by ensuring there are always approved bank facilities for use. The available undrawn borrowing facilities to the Group, are sufficient to address any potential shortfall in cash.

On 31 December 2017 the Short Term Credit Facility of the Group increased to 56% from 66% in 2016 and the Long Term Credit Facility increased to 44% from 38% in 2016.

With regard to the imposition of capital controls in Greece, the Group's international activity and extroversion, enhance the successful response to adverse conditions and preserve the continuity of its activity.

NON FINANCIAL ELEMENTS

Business Model description

Through its international investments and strategic partnerships, aims to establish a leading position in the emerging markets of the broader geographic region, which includes Central and Southeast Europe, the Middle East and countries of the Eastern Mediterranean Sea and North Africa. Innovation, excellence in service, leadership in technology, investment in knowledge and the constant pursuit of opportunities for expansion constitute the pillars of company's quest to lead.

Intracom Holdings is committed to conducting its business with high standards of corporate governance, high level of transparency and corporate responsibility, absolute respect for the environment, high level of integrity in safeguarding quality, ensuring optimum working conditions and awareness on issues related to the society as a whole.

In its effort to satisfy its major stakeholders (customers, shareholders, employees), Intracom Holdings has in operation an Integrated Management System, consisting of a Quality Management System, which assures faithful adherence to the above-mentioned principles and compliance with all ISO 9001:2008.

Human Resources

A key asset and a major competitive advantage, for INTRACOM HOLDINGS Group is our highly skilled and strongly motivated workforce that has consistently played a leading role in the company's sustained growth and development. Special emphasis is placed on the selection, training and evaluation procedures. The Group's policy is to attract high-level staff, to create a safe and fair work environment, to establish objective evaluation criteria with the simultaneous development of employees. It offers satisfactory wages and benefits as well as additional hospital and outpatient coverage for all employees..

As at 31.12.2017 the Group had 2.565 employees (2.343 employees in 2016) and the company 15 employees (16 in 2016). Scientific staff stands at 66% of total employees.

Innovation-Research and Development

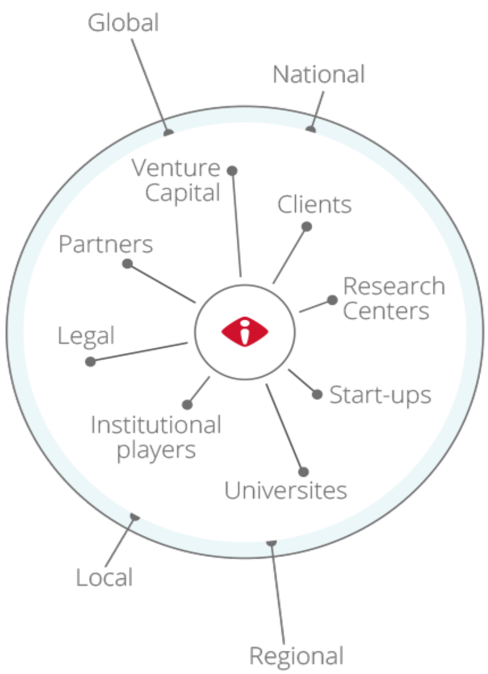
Group Companies have always invested heavily in R+D, as much in new innovative products as in the deployment of integrated turn-key solutions. R+D Divisions employ high skilled scientific personnel in telecommunications, engineering and IT.

For almost 40 years, innovation has been at the heart of Intracom's growth model supported by substantial investments in proprietary R&D and new product development, as well as extensive cooperation with higher learning institutions and local research teams.

Our companies have accumulated a wealth of experience in research and innovation management, empowering them to drive sustainable growth, transform our value chain and capitalize on new market opportunities by using innovative technologies to develop highly intelligent environments in key areas from industry and banking to learning and health.

Through strategic partnerships with leading global innovators in diverse fields ranging from IT and electronics to groundbreaking green technologies, we are enhancing our product and services offerings, leveraging our vast experience in technology integration and proven capabilities in service outsourcing.

Moreover, we are actively involved in the development of innovation networks, such as the European Enterprise Network (EEN), and consistently support the broader interconnection of industries with innovation clusters and other recognized centers of excellence.



<u>Environmental Issues</u>

Intracom Holdings Group places emphasis on the commitment to environmental responsibility. This principle is also confirmed by the fact that the Group, since its first years of operation, has shown a particular social sensitivity, undertaking initiatives to make a real contribution to the protection of the environment.

It is common belief that high technology companies play an important role in protecting ecosystems as they offer a viable alternative to the physical transport process. Intracom Holdings Group is committed to maintaining an environmentally sensitive and accountable position and managing its activities accordingly by applying preventive measures to protect the environment and minimizing any negative environmental impacts that may arise.

To this end, Group companies have developed and implemented Environmental Management Systems (EMS) which provide a well-structured approach to environmental issues and ensure the continuous improvement of environmental performance through the introduction of specific environmental objectives and the documentation and monitoring of programs pursuing To achieve these objectives. In this context, they have defined and documented the methods for identifying and evaluating all environmental issues arising from the activities they develop and the related environmental impacts. The evaluation is based on predefined criteria, including the applicable legislative and other regulatory requirements. Continuous information on developments and future trends in national and EU environmental legislation is achieved through access to legal data bases.

Environmental Initiatives

- Waste management
- Recycling
- Use of environmentally friendly materials
- Saving of natural resources
- Ecological Products Design

- Environmental Support of local communities

Social responsibility

Intracom Holdings is fully aligned with the United Nations Global Compact's ten principles in the areas of human rights, labor, the environment and anti-corruption. Holding steadfast to our core values, we are committed to conducting our business in an environmentally sound and sustainable manner, providing excellent workplace conditions and supporting and enhancing the communities in which we operate with an emphasis on innovation and life-long education projects.

The company has been one of the first Greek enterprises to be SA 8000 certified, ensuring the existence of a safe working environment in which non-discriminatory policies are applied and equal opportunities are offered to all employees irrespective of gender, age, and nationality. Furthermore, employee trade union rights are respected, health & safety procedures are faithfully adhered to and open door policies are consistently implemented, while the rights of our shareholders and the interests of all our stakeholders are safeguarded through transparency and accountability in our all our actions and business dealings. A member of the Hellenic Network for Corporate Social Responsibility since 2001, Intracom Holdings contributes to the growth and advancement of corporate social responsibility in Greece.

Transparency

Intracom Holdings is committed to modern principles of Corporate Governance, a system of laws, rules, procedures and sound approaches by which corporations are managed and controlled, in accordance with applicable Greek legislation and international best practices. Our Corporate Governance policies aim to safeguard the rights of our shareholders and the interests of all our stakeholders through transparency and accountability in our decision-making process, effective internal controls and auditing, appropriate financial risk management and the timely disclosure of clear and accurate information to all those concerned.

Our Corporate Governance policies reflect our steadfast commitment to ethical and responsible decision making by our directors and company executives to ensure our organization's sustainable growth and the long-term welfare of shareholders and stakeholders alike. Our Code of Corporate Governance together with such matters that concern internal control and auditing, the dissemination of information and the mitigation of business and financial risks is in line with the Corporate Governance Code of the Hellenic Federation of Enterprises (SEV).

SIGNIFICANT RELATED PARTY TRANSACTIONS

The company's significant transactions with related parties as defined in International Accounting Standard 24 relate to transactions with its subsidiaries and affiliates and companies in which the major shareholder of INTRACOM HOLDINGS holds an interest share, which are presented in the tables below:

Income & Receivables Period 1/1-31/12/2017
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	OTHER	RECEIVABLES
INTRAKAT SA	826	256	112	2.609
B.L. BLUEPRO	-	-	10	-
INTRASOFT INTERNATIONAL SA (GR)	1.144	743	286	8.081
INTRACOM DEFENSE SA	194	-	-	42
OTHER SUBSIDIARIES	2	23	-	72
Sum	**2.166**	**1.022**	**408**	**10.804**
OTHER RELATED PARTIES				
INTRALOT	317	556	637	13.887
OTHER RELATED PARTIES	-	4	-	3
Sum	**317**	**560**	**637**	**13.890**
TOTAL	**2.483**	**1.582**	**1.045**	**24.694**

Income & Receivables Period 1/1-31/12/2016
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	OTHER	RECEIVABLES
INTRAKAT SA	814	252	66	4.218
B.L. BLUEPRO	-	-	1	301
INTRASOFT INTERNATIONAL SA (GR)	1.279	684	258	7.350
INTRACOM DEFENSE SA	271	-	-	80
OTHER SUBSIDIARIES	2	21	-	95
Sum	**2.366**	**957**	**325**	**12.044**
OTHER RELATED PARTIES				
INTRALOT	337	556	765	15.656
OTHER RELATED PARTIES	-	7	14	4
Sum	**337**	**563**	**779**	**15.660**
TOTAL	**2.703**	**1.520**	**1.104**	**27.704**

Expenses & Liabilities Period 1/1-31/12/2017

(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	LIABILITIES
INTRAKAT SA	-	-	1.500	1.500
INTRAPOWER	138	10	-	15
INTRADEVELOPMENT SA	-	-	-	40
INTRASOFT INTERNATIONAL SA (GR)	-	39	-	-
Sum	**138**	**49**	**1.500**	**1.555**
OTHER RELATED PARTIES				
INTRALOT	-	-	-	6.184
OTHER RELATED PARTIES	-	-	-	-
Sum	**0**	**0**	**0**	**6.184**
TOTAL	**138**	**49**	**1.500**	**7.739**

Expenses & Liabilities Period 1/1-31/12/2016

(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	LIABILITIES
INTRAKAT SA	-	262	-	-
IN MAINT SA	168	105	-	19
INTRADEVELOPMENT SA	-	-	-	40
OTHER SUBSIDIARIES	-	-	-	-
Sum	**168**	**367**	**0**	**59**
OTHER RELATED PARTIES				
INTRALOT	-	-	-	6.544
OTHER RELATED PARTIES	38	-	-	**31**
Sum	**38**	**0**	**0**	**6.575**
TOTAL	**206**	**367**	**0**	**6.634**

In relation to the above transactions:

The Company's income from services comes mainly from the provision of administrative, accounting, legal and computer support services and other comes from interest.

The purchases from INTRAPOWER SA relate to maintenance of facilities and networks and 'Other Purchases' from INTRAKAT relates to the acquisition of percentage of 50% in INTRADEVELOPMENT.

The transactions have taken place under normal market conditions.

Directors' remuneration and key management compensation amounted to €571 during the year 2017 in comparison (2016 €891). There was no outstanding receivable or payable to directors as at 31st December 2017.

Paiania, 27 April 2018
The Board of Directors

CORPORATE GOVERNANCE STATEMENT

This statement has been prepared in accordance with Article 43bb of Codified Law 2190/1920 and contains the information specified by that provision as at 31.12.2017.

It relates to all principles adopted by the Company to safeguard its performance, shareholder interests and those of parties whose interests are associated with those of the Company.

1.1 Corporate Governance Code

1.1.1 Declaration of Company voluntary compliance with the Code of Corporate Governance

As a company listed on the Athens Exchange, the Company fully implements the relevant legislation on corporate governance for listed companies, whose provisions take precedence in all events. They are set out in Laws 2190/1920, 3016/2002, 4449/2017, as in force, and in decision No. 5/204/14.11.2000 of the Board of Directors of the Hellenic Capital Market Commission.

The Company declares that at the current point in time it adopts the Greek Code of Corporate Governance prepared by the Hellenic Corporate Governance Council which is available on the websitehttp://www.athexgroup.gr/el/web/guest/esed-hellenic-cgc:

1.1.2 Derogations from the Corporate Governance Code and justifications Special provisions of Code not applicable to Company and explanation of reasons for non-application

As already mentioned, the Company applies the Corporate Governance principles set out in the relevant legislative framework, without derogations. They are the minimum content of any Code of Corporate Governance. However, as far as the Hellenic Code of Corporate Governance is concerned, at present there are certain derogations in place (including one case of non-application) and a brief analysis and explanation of the reasons for non-application is set out below.

Part A: The Board of Directors and its members

I. Role and responsibilities of the Board of Directors

The Board of Directors has not set up a special committee to supervise the procedure for submitting nominations for election to the Board of Directors and preparing proposals to the Board of Directors about the fees of executive members and key executives.

This derogation is justified by the fact that the Company’s policy on pay for executive members of the Board and key executives is in keeping with the prevailing economic conditions from time to time and the Group’s performance, and efforts are made to ensure that Board complies so that fees which do not match (i) the services provided and (ii) the general social-economic situation, are not paid.

Moreover, the absence of a specific committee to oversee the procedure for submitting Board nominations can be explained by the fact that prospective members of the Board have, from establishment of the Company to the present day, met all conditions necessary for them being members of the Board, stand out for the high level of professional training, knowledge, experience and ethos, and consequently so far the need for such a committee has not arisen.

II. Size and line-up of the Board of Directors

- The Company’s current Board has 6 members and consists of 1 executive member and 5 non-executive members, 2 of whom are independent non-executive members. The Board’s 6-member line-up adequately suits how the Company is organised.

- The Company’s current Board of Directors consists of men. Without being able to specify exactly when the Company will comply with this aspect, the Company will in the future examine how to find and add suitable female representatives, given that this depends on (i) the expression of interest and (ii) finding individuals who meet the aforementioned requirements.

III. Role and necessary competences of the Chairman of the Board of Directors

- The duties of Chairman and CEO are performed by the same person, given that this approach better suits the Company's needs and how the Board is organised. In all events, the Board's independent operation is ensured, adequate information is provided to non-executive members and they effectively participate in the supervision and decision-making process.

- The Board did not appoint an independent Vice Chairman from among its independent members but non-executive Vice Chairmen, who contribute to providing adequate information to non-executive members and to their effective participation in the supervision and decision-making process.

IV. Nomination of candidates for the Board of Directors

- Members of the Board of Directors are elected by the General Meeting of Shareholders for a term of 5 years, which is automatically extended to the first Ordinary General Meeting after the end of their term in office, which may not exceed 6 years.

This derogation is due to the need to avoid electing the Board at shorter intervals, which places added burdens on the Company in terms of reporting requirements and constant submission of legalisation papers to associated banks, credit institutions and other legal entities. Moreover, providing for a maximum term for members of the Board of just 4 years entails the risk that the elected Board may not be able to complete its task and put the effective management of company affairs and administration of the company's assets at risk.

- There is no committee to chose nominees for the Board

This derogation can be explained by the fact that every time there is an issue of a new board or member thereof being elected, the Company's Board ensures that transparent procedures are in place and are implemented, evaluates the size and line-up of the Board or members thereof to be elected, examines the qualifications, knowledge, views, abilities, experience, ethos and integrity of the prospective members and consequently performs in full the task which the nominations committee would perform, if it existed.

V. Operation of the Board of Directors

- There are no Board of Director bylaws, since the provisions of the Company's Articles of Association are considered adequate in relation to how the Board is organised and run, and ensure the comprehensive, correct and timely performance of its duties and adequate examination of all issues on which decisions are taken.

- At the start of each calendar year the Board of Directors does not prepare a schedule of meetings and 12-month plan of action which can be revised depending on company needs, since it is possible to convene the Board of Directors when the needs of the company or law so require, without there being any predetermined action plan in place.

- There is no provision for the Board to be supported in performing its task by a capable, specialised and experienced company secretary. Moreover, all members of the Board can, if necessary, turn to the Company's legal advisors to ensure that the Board is complying with the applicable legal and regulatory framework.

VI. Evaluation of the Board of Directors

- At present there is no standard procedure to evaluate the effectiveness of the Board of Directors and its committees nor is the performance of the Chairman of the Board of Directors evaluated as part of a process overseen by the independent Vice Chairman or other non-executive member of the Board.

Having said that, when weaknesses or malfunctions about how the Board is organised or operates are identified, meetings and exhaustive talks are held at which the problems which arise are analysed. In any event, the Board monitors and regularly re-examines proper implementation of the decisions taken, based on the target timeframes specified, while each year the Board is evaluated by the Company's Ordinary General Meeting of Shareholders in accordance with the principles and the procedure outlined in detail in both Codified Law 2190/1920 and in the Company's Articles of Association.

Part B - Remuneration

I. Level and structure of remuneration

- There is no remuneration committee comprised exclusively of non-executive members, the majority of whom are independent, and consequently there are no provisions on the duties of that committee, the frequency at which it meets and other issues relating to its operations.

This derogation is justified by the fact that company management, which deals with setting remuneration and submitting the relevant proposals, ensures that the procedure is conducted objectively, in a transparent and professional manner, free of conflicts of interest.

As for the setting of fees of executive and non-executive members of the Board, Company management acts to generate long-term value for the company, maintain the necessary balances and promote meritocracy, so that the business can attract talented executives to effectively run the Company.

To determine the fees of members, especially executive ones, the Board takes into account their duties and competences, their performance compared to predefined qualitative and quantitative targets, the Company's economic situation, performance and prospects, the level of pay for providing similar services in similar companies and the level of pay for company.

Pay and any other remuneration for non-executive members of the Board reflects the time they dedicate and their duties.

In the future the company will examine the need to set up a specific remuneration committee.

- Contracts with executive members of the Board do not specify that the Board can demand the return of all or part of the bonus provided, due to revised economic statements from past periods or generally based on erroneous financial data, used to calculate those bonuses.

This derogation is explained by the fact that any entitlement to bonuses vests only after final approval and auditing of the financial statements.

II. The General Meeting of Shareholders

- There is no derogation.

General note about the point in time at which Company non-compliance with the special practices adopted in the new Code of Corporate Governance will be rectified

The Hellenic Code of Corporate Governance, valid from October 2013, follows the "comply or explain" approach and requires listed companies which adopt it to publish their intention in this regard and either comply with all special practices in the Code or explain the reasons for non-compliance with specific special practices.

Moreover, the relevant explanation of reasons for non-compliance with specific special practices is not only limited to a simple reference to the general principle or the special practice which the Company does not comply with, but should, among other things, include a reference to the extent to which the derogation from the provisions of the Code, is time-limited, and when the Company intends to come into line with those provisions.

Company derogations from the practices outlined in the Code cannot be considered as being subject to strict time limitations.

In all events, the Company is already examining current derogations from special practices adopted in the Code, and is exploring the possibility of complying with them, and the possibility of preparing and formulating its own Code of Corporate Governance.

1.1.3 Corporate Governance practices implemented by the Company beyond what is required by law

The Company faithfully implements the provisions of the relevant legislative framework on corporate governance. At present there are no practices implemented in addition to those specified.

1.2 The Board of Directors and committees comprised of its members

1.2.1 The Board of Directors (Role - Line-up and Operation)

1.2.1.1. The Board of Directors is elected by the General Meeting of Shareholders and runs the Company and represents it in and out of court. The primary obligation and duty of the Board members is to strive at all times to enhance the long-lasting financial value of the Company and to defend the overall company interests. Moreover, given that Company shares are listed on a regulated market, the Board's duty is to constantly strive to bolster the long-term financial value of the share. Board members and any third party to whom the Board has assigned duties are prohibited from seek own benefit which runs counter to the Company's interests and from benefiting, in business terms, through their acts which are detrimental to the Company. The Board members and any third person to whom its powers have been assigned should disclose to the other Board members in good time their personal interests that may arise from transactions of the Company falling under their duties as well as any other conflict of personal interests with those of the Company or related undertakings within the meaning of Article 42e(5) of Codified Law 2190/1920, which arises when they perform their duties.

Members are obliged to ensure confidentiality and to safeguard it in every way in relation to Company transactions, customers, advisors, associates, suppliers and so on. Any relevant information must only be used by members in the context of their work and not for personal gain or for the benefit of a third party to the detriment of the Company.

1.2.1.2. The Company's Board of Directors, according to Article 19 of its Articles of Association, consists of between 3 and 11 members. The members of the Board of Directors, whose number is specified within those limits, are elected by the General Meeting of shareholders in the company by absolute majority of the votes represented at it, to serve for a period of 5 years, which is automatically extended to the first Ordinary General Meeting after the end of their term in office which may not be more than 6 years. Members of the Board of Directors may be re-elected and may be freely removed.

In the event of resignation, death or loss of membership of the Board by one or more members in any other way, the remaining members may, where there are at least 3, elect a replacement or replacements for the remainder of the term in office of the members who were replaced and specify the role of each member as an executive or non-executive member, or may continue to manage and represent the Company without replacing the missing members. If a person is elected to the Board to replace an independent member, the member elected must also be an independent member. That election must be announced by the Board of Directors at the next General Meeting which can replace the elected persons, even if no such item has been included in the agenda. In all events, all decisions of members of the Board of Directors who have been elected in that way are considered valid even if the Members were replaced by the General Meeting.

Once elected, the Board of Directors shall convene and officially meet as a body and elect a Chairman and Vice Chairman. The Board of Directors may have a maximum of 4 Vice Chairmen. Where the Chairman is absent or unable to attend, he is replaced to the full extent of his powers by the first Vice Chairman and where he too is unable to attend by the next Vice Chairman and so on and so forth. The Board of Directors may elect a CEO and up to two Deputy CEOs from among its members only, while also setting out their competences. The duties of Chairman and CEO may be performed by the same person.

1.2.1.3. The Board meets each time the law, the Articles of Association or the Company's needs so require and is convened by an invitation from the Chairman or his lawful stand-in at the Company's seat or by teleconference in accordance with the provisions of Codified Law 2190/1920 as in force from time to time, and away from the Company's seat at another location in Greece or abroad where all members are present or represented at the meeting and no one is opposed to the meeting being held and decisions taken. The Board of Directors has a quorum and is validly met when half plus one of the Directors are present or represented and in all events the number of Directors present may be 3 minimum. Decisions are taken by absolute majority of the members present or represented, unless the law or Articles of Association specify otherwise. In case of a tie, the vote of the Chairman is the casting vote. Each Board member may represent only one other Board member who is absent, following written authorisation.

The drafting and signing of minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors even if not preceded by a meeting.

Discussions and decisions of the Board of Directors are entered in summary form in a special register which may also be kept in electronic format. Following a request from a member of the Board of Directors the Chairman is obliged to enter a precise summary of the person's opinion in the minutes. A list of persons present or represented at the meeting of the Board of Directors is also recorded in the Minutes. The minutes of the Board of Directors are signed by the Chairman of the Board of Directors or his stand-in and by all members present or represented at the meeting. Copies and extracts from the minutes are issued officially by the Chairman or his stand-in or the Company's CEO without requiring any other form of certification.

Each Director is obliged to seek to attend all Board of Director meetings.

1.2.1.4. The Board of Directors is responsible for taking decisions about any matter relating to management of the Company, administration of its assets and in general achievement of its objects, by defending the interests of shareholders and the investing public. As a whole, the Board has adequate knowledge and experience for the Company's activities so that it can oversee all company operations. In order to avoid conflicts of duties, the Company has adopted best international practices and principles of corporate governance which relate to the segregation of executive and supervisory powers of members of the Board of Directors. The Board of Directors consists of executive and non-executive members. Among the non-executive members there are at least 2 independent members who are appointed by the General Meeting in accordance with corporate governance principles.

The Board of Directors has the same responsibility as and must act as a prudent businessman would, and is responsible for managing the Bank and for determining its strategic focus, and its primary obligation and duty is to constantly strive to bolster the Company's long term financial value and to defend its interests. To that end, when exercising its powers and performing its obligations, it must primarily take into account the interests of shareholders and Company stakeholders such as customers, creditors, employees and social groups affected directly by Company operations to the extent that there is no conflict with company interests.

Decisions which are critical for the Company, and in particular which specify its objectives and determine its strategy, can only be taken by the Board.

In discharging their obligations, Board Members are entitled to free access to proper, up-to-date information.

1.2.1.5. To achieve company objectives and ensure that the Company operates without problems, the Board of Directors may, acting exclusively in writing, assign the exercise of all or part of its powers and competences (apart from those requiring collective action) and representation of the

Company to one or more persons, be they Board members or not, at the same time setting out the extent of their powers. These persons may further assign the powers assigned to them or part thereof to other members of the Board of Directors, or other persons on condition that this is provided for in the relevant Board of Directors decision. In all events, the powers of the Board of Directors are without prejudice to Articles 10 and 23a of Codified Law 2190/20 as in force.

1.2.1.6. The Company's Ordinary General Meeting of Shareholders decided on 27.6.2017 to set the maximum limit on remuneration for Board members for the time they set aside to attend Board meetings, and to perform their duties in general.
During 2017 no member of the Board of Directors received any remuneration for attending Board meetings.

Pay for management executives and members of the management team in 2017, including the fees of executive members of the Board, with a salaried relationship with the Company, amounted to € 571,025.74.

1.2.2 Information about members of the Board of Directors

1.2.2.1. The Company's current Board of Directors consists of 6 members as follows:

Name-Surname	Role	Assumed position on	Expiry of term of office
Dimitrios C. Klonis (2)	Chairman of the Board and CEO-Executive member	29.07.2016	19.09.2019
Konstantinos S. Kokkalis	1st Vice Chairman, Non-executive Member	29.07.2016	19.09.2019
Georgios A. Anninos	2nd Vice Chairman, non-executive member	29.07.2016	19.09.2019
Konstantinos G. Antonopoulos	Director Non-executive Member	19.09.2014	19.09.2019
Sotirios N. Filos	Director Independent Non-Executive Member	19.09.2014	19.09.2019
Ioannis E. Kallergis (1)	Director Independent Non-Executive Member	20.07.2015	19.09.2019

The Company’s Extraordinary General Meeting of Shareholders decided on 19.9.2014 to elect a 7-member Board of Directors comprised of Dimitrios C. Klonis, Georgios A. Anninos, Konstantinos S. Kokkalis, Georgios S. Koliastasis, Konstantinos G. Antonopoulos, Sotirios N. Filos and Dimitrios K. Hatzigrigoriadis.
Following that:
1) Mr. Ioannis E. Kallergis was elected by Board decision on 20.7.2015 as the new Independent Non-Executive Member of the Board to replace Mr. Dimitrios K. Hatzigrigoriadis, who had resigned, who had served as Independent Non-Executive Member of the Board from 19.9.2014 to 19.7.2015.
2) The Board decided on 29.7:2016:
- to appoint Mr. Dimitrios C. Klonis as Chairman of the Board, CEO and Executive Member.
- to appoint Konstantinos S. Kokkalis as 1st Vice-Chairman of the Board, non-executive member, and
- to appoint Georgios A. Anninos as 2nd Vice-Chairman of the Board, non-executive member.
Mr. D. Klonis served as Chairman of the Board and executive member from 19.9.2014 to 28.7.2016.
Mr. K. Kokkalis served as CEO and executive member of the Board from 19.9.2014 to 28.7.2016.
3) Following a decision of the Board on 12.5.2017, Mr. Georgios Koliastasis, non-executive member resigned from the Company’s Board of Directors. That same decision resolved not to replace the person who had resigned. Mr. G. Koliastasis was executive member of the Board from 19.9.2014 to 28.2.2016 and non-executive member of the Board from 1.3.2016 to 7.5.2017.
The current Board of Directors’ term in office is 5 years long and expires on 19.9.2019.

During 2017, the Company's Board of Directors met 38 times in total. Of those meetings, one member attended 35 meetings, one member 36 meetings and the other members were present at all meetings.

Résumés of members of the Board of Directors are available on the Company's website(https://intracom.com/el/company/dioikisi)

1.2.3 Audit Committee

1.2.3.1. The objective of the Audit Committee is to provide continuing support to the Board of Directors when exercising its supervisory functions and in discharging the Company's obligations to shareholders, investors and third parties, particularly in relation to the financial reporting process) and in particular in relation to:

(i) the integrity of the Company and Group's financial statements and the other financial data and information published by the Company.

(ii) the effectiveness of the Company's control systems including financial statement control mechanisms and

(iii) the Company's compliance with applicable laws and regulations.

1.2.3.2. The Company Audit Committee bylaws were drawn up in accordance with the provisions of Law 3016/2002 (Articles 6 to 8) on corporate governance and Law 4449/2017 (Article 44) on mandatory auditing of the annual and consolidated financial statements and public supervision of the auditing task. They were approved and took effect by means of Board decision dated 26.2.2014 and were then amended by decision of the Company's Board of Directors dated 27.4.2017, following a recommendation made by the Audit Committee.

The committee's main duties are listed below:

1. To brief the Company's Board of Directors about the results of the mandatory audit and explain how the mandatory audit contributed to the integrity of the financial information and what the Audit Committee's role in that process was.
2. To monitor the financial reporting process and submit recommendations or proposals to ensure its integrity.
3. To monitor the effectiveness of internal audit, quality assurance and risk management systems for the company, and as appropriate, for the Internal Audit Division, in relation to Company financial reporting, without compromising its independence.
4. To monitor the mandatory audit of the annual and consolidated financial statements and in particular its efficiency, taking into account any findings and conclusions by the competent authority in accordance with Article 26(6) of Regulation (EU) No 537/2014.
5. To review and monitor the independence of the certified public accountants or auditing firms in accordance with Articles 21, 22, 23, 26 and 27 and Article 6 of Regulation (EU) No 537/2014 and in particular the suitability of providing non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) No 537/2014.
6. To be responsible for the process of selecting certified public accountants or auditing firms and to propose certified public accountants or auditing firms to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, unless Article 16(8) of Regulation (EU) No 537/2014 applies.

Following the replacement on 20.7.2015 of the committee elected by the Ordinary General Meeting and consequent resignation of Mr. D. Hatzigrigoriadis, the line-up of the Audit Committee elected by the Ordinary General Meeting of Shareholders on 26.6.2016 in accordance with the provisions of Article 37 of Law 3693/2008, as in force, is as follows:

S. Filos, Chairman of the Committee (Independent Non-Executive Member of the Board)

K. Antonopoulos Committee Member (Non-Executive Member of the Board)

I. Kallergis Committee Member (Independent Non-Executive Member of the Board) to replace D. Hatzigrigoriadis who resigned.

The Audit Committee meets at least 4 times a year, namely every quarter, and on an extraordinary basis whenever required. In all events the relevant minutes are kept.

All members attend Audit Committee meetings. The Audit Committee also has the discretion to invite key management executives involved in corporate governance, whenever that is considered necessary, including the CEO, CFO and head of internal auditing, to attend specific meetings or specific items on the agenda.

At least twice a year the Audit Committee must arrange meetings with the external auditors without members of management being present, and separate meetings between management and the internal auditors.

To perform its duties in 2017, the Audit Committee met 5 times.

1.3 The General Meeting of Shareholders

1.3.1 Functioning of General Meeting and main powers thereof

1.3.1.1. Under the Company's Articles of Association, the General Meeting of Shareholders is the supreme body and is entitled to decide on all matters relating to the Company. All shareholders are entitled to attend the General Meeting and vote, in person or via a duly authorised representative, in accordance with the lawful procedure specified from time to time. Decisions of the General Meeting taken in accordance with legal form shall bind even those shareholders who were absent or who disagreed. The Board of Directors ensures that the preparation and holding of a General Meeting of shareholders facilitate the effective exercise of the shareholders' rights who should be fully informed about all the issues related to their participation in the General Meeting including the items on the agenda and their rights in the General Meeting.

1.3.1.2. The General Meeting of Shareholders is convened in accordance with the provisions of law by the Board of Directors and must meet at the Company’s seat or in the territory of another municipality in the prefecture where it has its seat, or other municipality adjacent to the seat or in the territory of a municipality where the Athens Exchange has its seat, since Company shares are listed on the Athens Exchange and must meet at least once in each company year and no later than the 10th calendar day of the 9th month after the end of the accounting period. The Board of Directors may call the General Meeting of Shareholders to an extraordinary meeting when it considers that necessary or where so requested by shareholders who represent the necessary percentage specified in law or the Articles of Association.

With the exception of repeat and similar meetings the General Meeting is called at least 20 days before the date of the meeting, including non-working days and holidays. The date of publication of the invitation and the date of the General Meeting of Shareholders itself are not taken into account. The invitation for the General Meeting includes at least the place, date and time of the meeting, the items on the agenda, the shareholders entitled to take part, and precise instructions about how shareholders can take part in the General Meeting and exercise their rights in person or via a representative or remotely. The invitation is posted at a prominent location at the company’s seat and published in the manner specified by the provisions in force from time to time.

1.3.1.3. The General Meeting has a quorum and is validly met on the items on the agenda when at least 20% of the paid up share capital is represented at it. If there is no such quorum at the first meeting, a repeat meeting is called within 20 days of the date that the first meeting was frustrated on with an invitation being issued at least 10 days beforehand. This repeat meeting has a quorum and is validly met on the items on the agenda regardless of that section of the paid-up share capital represented at it. Decisions of the General Meeting are taken by absolute majority of the votes represented at the Meeting.

1.3.1.4. By way of exception, in accordance with Article 15 of the Company's Articles of Association, the General Meeting has a quorum and is lawfully met on the items on the agenda when 2/3 of the paid up share capital is represented at it in the case of decisions relating to:

a) Change in the Company's nationality;
b) Change in the company's business scope;
c) an increase in share capital not provided for by the Articles of Association in line with Article 13(1) and (2) of Codified Law 2190/20 unless required by law or done by capitalising reserves;
d) a reduction in share capital unless done in accordance with Article 16(6) of Codified Law 2190/20;
e) the issuing of corporate bonds and debentures referred to in Articles 3a and 3b of Codified Law 2190/20 as in force;
f) change in the profit distribution method;
g) the merger, split, conversion, revival, extension of effective term or winding up of the company;
h) the granting or renewal of powers to the Board of Directors to increase the share capital in accordance with Article 13(1) of Codified Law 2190/20;
i) increases in shareholder obligations and
j) any other matter for which the Law specifies that decisions can be adopted by the General Meeting only if the qualified quorum is formed.

1.3.1.5. If the quorum referred to in the previous paragraph is not achieved at the first meeting, a first repeat meeting is convened within 20 days from that meeting, where an invitation has been issued at least 10 whole days beforehand, which has a quorum and is validly met on the items on the initial agenda when at least 1/2 the paid-up share capital is represented at it. If this quorum is not reached either, a second repeat meeting convenes within 20 days and following an invitation at least 10 full days earlier. This meeting has a quorum and is validly met on the items on the initial agenda when at least 1/5 of the paid-up share capital is represented at it. All decisions on the above matters are taken by 2/3 majority of the votes represented at the Meeting.

1.3.1.6. The Chairman of the Board, the CEO, Chairman of the Audit Committee, the Company's internal auditors and the external auditors must attend the General Meeting of Shareholders to provide information and updates about issues brought for discussion and to provide answers to questions posed or clarifications sought by the shareholders.

1.3.2 Rights of shareholders and method for exercising them

1.3.2.1 Participation and voting rights

1.3.2.1.1. All shareholders who are listed as such in the records of the body which holds the company's transferable securities (shares) at the start of the 5th day prior to the date of the General Meeting, and in the case of a repeat meeting, at the start of the 4th day prior to the date of the General Meeting, are entitled to participate in and vote at the General Meeting. The capacity of shareholder is proven by furnishing the relevant written attestation of the above agency or alternatively through direct electronic connection of the Company with the records of the said agency. The written or online certificate proving that they are shareholders must be presented to the Company no later than the third day before the date of the General Meeting. Exercise of the said rights (participation and voting) does not presuppose that the beneficiary's shares are blocked or that any other similar procedure, which restricts the capacity to sell and transfer them during the period from the record date to the date of the General Meeting, is followed. In all other respects the Company complies with the provisions of Codified Law 2190/1920 (Article 28a).

1.3.2.1.2. Shareholders participate in the General Meeting and vote in person or via a representative. Each shareholder may appoint up to 3 proxy holders and legal persons who are shareholders participate in the General Meeting by appointing up to 3 individuals as their representatives.

However, if a shareholder has Company shares which appear in more than one securities accounts, this restriction does not prevent the said shareholder from appointing different representatives for the shares appearing in each securities account in relation to the General Meeting. A proxy acting for several shareholders may vote differently for each shareholder. The Company has made the form which must be filled out and sent by shareholders in order to appoint a representative, available on its website. That form must be submitted duly filled out and signed by the shareholder to the Company's offices or must be sent by fax at least 3 days prior to the date of the General Meeting. Shareholders are required to check that the form appointing representatives has been successfully sent and has been received by the Company.

1.3.2.1.3. Prior to the beginning of the General Meeting, the shareholder's representative is obliged to notify to the Company every specific fact that may be useful for the shareholders to evaluate the risk of having the representative serve other interests than those of the represented shareholder. Within the meaning of this paragraph, a conflict of interests may arise, especially when the representative: a) is a shareholder exercising control over the Company or is another legal person or entity controlled by such shareholder; b) is a member of the Board of Directors or the overall management body of the Company or shareholder exercising control over the Company or other legal person or entity controlled by a shareholder exercising control over the Company; c) is an employee or certified public accountant of the Company or a shareholder who controls the Company, or another legal person or entity controlled by the shareholder who controls the Company; d) is spouse or first-degree kin to any of the natural persons set out in cases (a) to (c) above.

1.3.2.2. Minority rights

- On a request from shareholders representing 1/20 of the paid-up share capital, the Board is obliged to call an Extraordinary General Meeting as specified in Article 39(1) of Codified Law 2190/1920, as in force.

- On a request from shareholders representing 1/20 of the paid-up share capital, the Board of Directors is obliged to enter in the agenda of the General Meeting which has already been called additional items as specified in Article 39(2) of Codified Law 2190/1920, as in force.

- On a request from shareholders representing 1/20 of the paid-up share capital, the Board must place at the disposal of the shareholders, in accordance with the provisions of Article 27(3) of Codified Law 2190/20, and no later than 6 days before the date of the General Meeting, draft decisions on the items included in the original or revised agenda, as specified in Article 39(2a) of Codified Law 2190/1920, as in force.

- On a request from shareholders representing 1/20 of the paid-up share capital, the Chairman of the General Meeting is obliged to postpone once only the taking of decisions by the General Meeting, as specified in Article 39(3) of Codified Law 2190/1920, as in force.

- At the request of any shareholder filed with the Company at least 5 days prior to the General Meeting, the Board of Directors must provide the General Meeting with any such specific information on the Company's business as may be requested, as specified in Article 39(4)(1) of Codified Law 2190/1920, as in force. Moreover, at the request of shareholders representing 1/20 of the paid-up share capital, the Board of Directors is obliged to inform the General Meeting, of the moneys paid by the Company in the last 2 years to each member of the Board of Directors or managers of the Company, and of any benefits received by such persons from the Company for any reason or under any agreement, as specified in Article 39(4)(2) of Codified Law 2190/1920, as in force. In all the above cases the Board of Directors is entitled to refuse to provide such information on a serious, substantive ground which is cited in the minutes. Such a ground may, in light of the circumstances, include where the applicant shareholders are represented on the Board of Directors.

- On a request from shareholders representing 1/5 of the paid-up share capital submitted to the company within the deadline in the previous paragraph, the Board of Directors is obliged to the provide the General Meeting with information about the progress of company affairs and its asset status, as specified in Article 39(5) of Codified Law 2190/1920, as in force.

- On a request from shareholders representing 1/20 of paid-up share capital, the taking of a decision on any specific item on the agenda of the General Meeting may be carried out by roll call.

- In all the above cases in this section, the applicant shareholders must prove that they are shareholders and the number of shares they hold when exercising their right. Such proof includes filing the shares in accordance with Article 28(1) and (2) of Codified Law 2190/1920, as in force.

- Company shareholders who represent at least 1/20 of the paid-up share capital are entitled to ask the competent court for an audit of the Company where it is considered likely that due to the acts complained of, the provisions of the law or the Company's Articles of Association have been violated, as specified in Article 40(1) and (2) of Codified Law 2190/1920, as in force.

- Company shareholders representing 1/5 of the paid-up share capital may file an application for an audit with the competent court referred to above, if the Company's overall performance suggests that the management of corporate affairs has not been based on sound and prudent practices, as specified in Article 40(3) of Codified Law 2190/1920, as in force.

- The applicant shareholders are obliged to prove to the court that they are shareholders and the number of shares they have when exercising the right, which capacity is confirmed by the entry from the Dematerialised Securities System which is managed by the company Hellenic Central Securities Depository S.A. in its capacity as central depository, which is the body referred to in Article 28a(4) of Codified Law 2190/1920.

1.3.2.3 Available documents and information

The information required by Article 27(3) of Codified Law 2190/1920, including the invitation for the General Meeting, the procedure for exercising voting rights via a proxy, the forms for appointing and removing a proxy, the draft decisions on items on the agenda, and the comprehensive information on exercising of minority rights under Article 39(2),(2a), (4) and (5) of Codified Law 2190/1920, are available in hard copy from the Company, from where shareholders can obtain copies. Moreover, all the above documents, information about the total number of current shareholders and voting rights are available in electronic format on the Company's website (www.intracom.com).

1.4 Internal audit and risk management system

1.4.1 Main features of the internal audit system

The Company's primary concern is to develop and constantly improve the internal audit system (IAS) both at individual and group level, which is a set of detailed, written auditing mechanisms and procedures which are applied by the Board, management and all company staff, continuously cover all activities and transactions, and contribute to ensuring the effectiveness and efficiency of company operations, the reliability of financial information and compliance with applicable laws and regulations.

The Company has put in place an effective internal audit system intended to safeguard its assets and to identify and manage major risks. The Board has overall responsibility for maintaining the System, ensuring its adequacy and effectiveness and monitoring and overseeing its effective implementation. In parallel, the Board's members evaluate the adequacy and effectiveness of the system on an annual basis.

The parties responsible for maintaining the internal audit system are the internal auditor, the Audit Committee and the Internal Audit Unit.

Internal Auditor

The internal auditor, as the internal audit officer specified in the provisions of Law 3016/2002 on Corporate Governance, must be independent when performing his duties, does not report within the hierarchy to any business unit in the company other than the Internal Audit Unit and is supervised by the Audit Committee.

The internal auditor is appointed by the Board, and cannot be a member of the Company's Board or management executive who has other duties apart from internal audits, or a relative of the above persons to the second degree by blood or marriage. He/she must be someone with adequate qualifications and experience and must work in a full-time exclusive capacity.

When performing his duties the internal auditor is entitled to take cognisance of any book, document, file, and have access to any unit in the company. To facilitate the internal auditor's work, members of the Board are obliged to collaborate and to provide all necessary information, and Company management is obliged to provide all means necessary to achieve that.

The Company is obliged to inform the Hellenic Capital Market Commission about any change in the persons or organisation of the internal audit function within 10 days of that change. For staff evaluation purposes the internal auditor is considered to be a management executive.

Audit Committee

Among other things, the Audit Committee's task includes constantly monitoring and assessing the adequacy and effectiveness of the Internal Audit System, at individual company and group level, based on relevant data and information from the Internal Audit Unit, the findings and observations of external auditors and the supervisory authorities.

Internal Audit Service

The Internal Audit Unit is an independent, stand-alone unit within the Company which in organisational terms reports in writing directly to the Board of Directors and is specific cases (by informing the Board accordingly) acts on behalf of the Chairman, the CEO and the heads of other units. The Internal Audit Unit is staffed by at least one internal auditor.

The Internal Audit Unit complies without fail with the applicable legislation and regulatory framework on the Athens Exchange and Hellenic Capital Market Commission in force in general.

Acting in accordance with the applicable legislation and international standards, the Internal Audit Unit puts in place procedures and policies and a framework for carrying out financial, administrative and functional audits for both the Company and companies in the Group to ascertain:

- The reliability of accounting and business data.
- That company assets are safe against crime (fraud, cheating, embezzlement) or use for purposes unrelated to the company.
- Compliance by company units with measures to ensure it operates lawfully and
- Implementation of and compliance with the bylaws, the Company's Articles of Association and the legislation in general relevant to the Company and in particular the legislation on societes anonyme and the stock exchange, and in particular decision No. 5/204/2000 of the Board of Directors of the Hellenic Capital Market Commission, as amended and in force.

Before carrying out the said audits, the Internal Auditor submits a schedule of audits to the Audit Committee showing the departments / units within the Company which will be audited. Such submission is necessary in order for the internal auditor to obtain suitable guidelines and be granted auditing powers.

Audits conducted by the Internal Audit Unit relating to the accounting system seek to confirm that:

- Company transactions are entered into in accordance with management's general or special powers of representation.

- All transactions are entered with the correct data in the appropriate accounts, in the year they relate to, to ensure that the financial statements are properly prepared in the context of recognised accounting methods ad to ensure the ability to account for the company's assets.
- Assets can only be managed with the authorisation of management or in accordance with authorisation given by it and
- The asset balances are compared at reasonable intervals with actual facts and if there are differences, that suitable measures are taken.

Among other things, the Internal Audit Unit carries out the following audits:

- An audit of compliance with commitments contained in prospectuses and the Company's investment plans, relating to the use of funds raised via the Stock Exchange or proper briefing of the supervisory authorities and investors about any changes to them.
- An audit of the legitimacy of remuneration and all manner of benefits to members of management in relation to decisions of the competent company bodies.
- An audit of company relations and dealings with related companies, within the meaning of Article 42e(5) of Codified Law 2190/1920, and Company dealings with other companies in whose capital members of the Board have at least a 10% stake, or Company shareholders have at least a 10%.
- An audit of stock exchange transactions involving Company shares entered into by members of the Board of Directors or persons with insider information.

The Internal Audit Unit reports to the Company's Board of Directors cases of conflicts of personal interests of Board members or Company executives with corporate interests which are identified while it is performing its duties.

After obtaining approval of the Board, the Internal Audit Unit provides any information requested in writing by the supervisory authorities, collaborates with them and facilitates the monitoring, control and supervisory work of those authorities in all possible ways.

The Internal Audit Unit submits regular briefings to the Board of Directors via the Audit Committee, at least once a quarter and attends the Company's General Meetings of Shareholders.

1.4.2 Risk management by company and group in relation to preparation of financial statements (separate and consolidated)

The Audit Committee reviews financial information in relation to the financial statements and the financial data prepared by the Company at regular intervals. It re-examines the main estimates and judgements which could significantly affect financial results to ensure that the information in the financial statements is comprehensive, clear and adequate. Moreover, the audit carried out takes account of any issues which may arise from the statutory audit carried out by the certified public accountants.

1.5 Other Company management, supervisory bodies or committees

At present there are no other company management, supervisory bodies or committees.

1.6 Additional information required by Article 10(1)(c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids

The information required by Article 10(1)(c), (d), (f), (h) and (i) of Directive 2004/25/EC is contained in the Explanatory Report prepared pursuant to Article 4(7) and (8) of Law 3556/2007 which is a part of the Board of Directors' Annual report and is set out below.

EXPLANATORY REPORT

Article 4(7) & (8) of Law 3556/2007

I. Structure of the Company's share capital

The Company's share capital amounts to **€ 187,566,654.36** divided into **133,025,996** ordinary registered shares with voting rights, with a nominal value of € 1.41 each.

Company shares are listed for trading on the Main Market of the Athens Exchange.

Each share provides all the rights provided by the law and the Company's Articles of Association, namely:

- *The right to a dividend from the annual profits or liquidated profits of the Company.* 35% of the net profits (having deducted the statutory reserve first as specified in Article 3 of Law 148/1967) are distributed from the profits each financial year to shareholders as a first dividend. The General Meeting decides on whether to distribute any additional dividend.

  The persons entitled to a dividend are shareholders entered in the DSS as beneficiaries on the divided cut-off date.

  The dividend for each share is paid to the shareholder within 2 months of the date of the Ordinary General Meeting which approved the annual financial statements.

  The method and time of payment of the dividend is announced by the Company in the Daily Price Bulletin and on the ATHEX website, and the payment date is specified in accordance with the specific provisions of the DSS Regulations.

  The right to collect a dividend becomes statute-barred and the amount involved devolves to the State if not collected within 5 years from the end of the year in which the Ordinary General Meeting approved distribution.
- *The right to receive the contribution paid, upon liquidation or upon the writing off of capital corresponding to the shares, where this is decided upon by the General Meeting.*
- The *pre-emptive right* in each increase of the Company's share capital with cash and new shares.
- *The right to receive a copy of the financial statements and reports* of certified public accountants and the Company's Board of Directors.
- *The right to participate in the General Meeting,* where each share has one voting right.
- *The General Meeting of the Company's Shareholders reserves all its rights during liquidation (in accordance with Article 33(3) of its Articles of Association).*
- Shareholders are liable only up to the nominal value of their shares.

II Restrictions on the transfer of the Company's shares

Company shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association.

III Major direct or indirect holdings for the purpose of Law 3556/2007 (Articles 9 to 11)

Company shareholders who directly or indirectly held more than 5% of the total number of its shares and the corresponding voting rights on 31.12.2017 are set out in the table below:

Name – Surname	%
Sokratis P. Kokkalis,	23.87%
Konstantinos G. Dimitriadis,	8.69%
HORIZON GROWTH FUND NV	7.28%

No other natural or legal person held any percentage of the total number of Company shares and corresponding voting rights over 5% on that date.

IV Shares providing special control rights

There are no shares in the Company granting their holders special rights of control.

V Restrictions on voting rights

The Company's Articles of Association contain no restrictions on voting rights.

VI Agreements between the Company's shareholders

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

VII Rules on the appointment and replacement of Board members and amendments of the Articles of Association

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the Articles of Association are not different from those contained in Codified Law 2190/1920, as amended and in force.

More specifically, under the provisions of the Articles of Association, between 3 and 11 members of the Board of Directors may be elected by the General Meeting by a decision specifying their number. The term in office of members of the Board of Directors is 5 years, which is automatically extended until the first Ordinary General Meeting after the end of their term in office, but that term may not exceed 6 years overall.

In the event of resignation, death or loss of membership of the Board by one or more members in any other way, the remaining members may, where there are at least 3, elect a replacement or replacements for the remainder of the term in office of the members who were replaced and specify the role of each member as an executive or non-executive member, or may continue to manage and represent the Company without replacing the missing members. That election must be announced by the Board of Directors at the next General Meeting which can replace the elected persons, even if no such item has been included in the agenda.

VIII Powers of the Board of Directors to issue new shares or purchase treasury stock

a) Article 5(3) of the Company's Articles of Association states that during the first 5 years from the General Meeting of Shareholders taking a relevant decision, to be published in the manner required by Article 7b of Codified Law 2190/20 as in force, the Board of Directors is entitled to take a decision by a 2/3 majority at least of its members to increase the share capital in whole or in part by issuing new shares up to the paid-up share capital on the date that decision was taken by the General Meeting.

This power of the Board of Directors may be renewed by decision of the General Meeting taken using the exceptional quorum and majority referred to in the Company's Articles of Association, for a time period of no more than 5 years for each renewal, effective from the end of each previous 5-year period.

No such decision has been taken by the General Meeting of Shareholders.

b) Article 13(13) of Codified Law 2190/1920, as in force, states that the Board of Directors may increase the Company's share capital by issuing new shares in the context of a stock option plan approved by the General Meeting, to allow company shares to be acquired by beneficiaries of the plan.

The Company has no stock option plans in effect.

c) The provisions of Article 16 of Codified Law 2190/1920, as in force, state that the Company may acquire its own shares only if it obtains approval from the General Meeting, up to 1/10 to the paid-up share capital in accordance with the specific terms and the procedure set out in that Article.

The Ordinary General Meeting of Shareholders held on 30.6.2016 approved the purchase of treasury stock by the Company under Article 16 of Codified Law 2190/1920, as in force, of up to 10% of the paid-up share capital at that time, valid for a period of 24 months commencing from 20.9.2016 and running to 19.9.2019, at a minimum purchase price of € 0.30 per share and maximum price of € 1.41 per share, and authorised the Board to take the steps required by law.

It also agreed the treasury stock so acquired could be held for the future acquisition of shares in another company.

IX Significant agreements that take effect, alter or terminate upon a change of control following a takeover bid

There are no such agreements.

X Agreements with Board of Directors members or company staff

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without a valid reason or termination of service or employment due to a takeover bid. The provisions formed by the Company to compensate staff leaving service stood at € 379 k on 31.12.2017.

Peania, 27.4.2018

The Board of Directors

C) Independent Auditors' Report

To the Shareholders of INTRACOM HOLDINGS S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of INTRACOM HOLDINGS S.A. (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2017, and the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of INTRACOM HOLDINGS S.A. and its subsidiaries (the Group) as at 31 December 2017, and their financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 43 "Restatements of items/Correction of error" of the annual financial information, in which is described that the Group and the Company during the closing year proceeded to correction of the error, which concerned the previous period by restating the comparative data. Our opinion is not qualified in respect of this matter.

Key Audit Matters

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

Key audit matter	**Addressing the audit matter**
1. Acquisition of subsidiary - Recognition of goodwill	
As pointed out in Notes 42 and 7 to the accompanying financial statements, during the year the Group acquired the total number of shares of the company INTRAPAR S.A., by vendors related with the Group's parent company, natural persons, for a total consideration of approximately € 9,7 million. The Group included in the consolidated financial statements for the period ended 31/12/2017 the said participation in accordance with the requirements for business combinations of IFRS 3 and the requirements for the consolidated financial statements of IFRS 10, recognizing goodwill of amount approximately € 17,4 million. Due to the nature of the transaction and the degree of management's judgments in the application of the acquisition method for the incorporation of this subsidiary into the consolidated statements of the Group, as well as the recognition of the goodwill arisen from the above transaction, in conjunction with a court case that is still in progress and concerns property assets of an associate of the acquired subsidiary, we consider the accounting of this acquisition in the consolidated financial statements of the Group as one of most significance matter.	Our audit approach included among other also the following procedures: We examined the legal documents of the acquisition and assessed the correctness of the Group's management application of the accounting policies and the policy for the accounting of the acquisition as a business combination, in accordance with the requirements of IFRS 3 and the correctness of the incorporation of the acquired in the consolidated financial statements of the Group in accordance with IFRS 10. We examined the appropriateness of application of the acquisition method and, with the involvement of our senior executives, we evaluated the reasonableness of the valuation models' assumptions and, in general, the appropriateness of the methodology used for the determination of fair value of the subsidiary's identifiable assets, taking into account also the subsequent events that affect the formation of the final consideration of the acquisition. We ascertained the correctness of the calculation of recognized goodwill as the difference between, on the one hand, the total acquisition price and, on the other hand, the identifiable assets and liabilities assumed measured at fair value. Also, we assessed the adequacy and appropriateness of the disclosures in notes 42 and 7 to the financial statements.

Key audit matter	**Addressing the audit matter**
2. Recognition of revenue from construction contracts and IT service contracts	

The Group's turnover for the year ended 31.12.2017 amounted to approximately € 397 million (approximately € 402 million for the year ended 31.12.2016) and includes mainly revenue from the execution of construction contracts (2017 approximately € 123 million and 2016 € 111 million approximately) and revenue from the IT services sector (2017 approximately € 145 million and 2016 approximately € 135 million). The accounting recognition of revenue from the execution of construction contracts and IT service contracts is based on the Management's critical judgments and estimates, with a high degree of uncertainty. Possible future changes in accounting estimates may result to significant changes in recognized revenue and relevant profitability. In particular, revenue from construction contracts is recognized over time and as performance obligations are satisfied and their recognition requires estimates and judgments in relation to the following: a) the recognition of performance obligations and the point in time these are satisfied, b) the allocation of the transaction price (contractual consideration) to performance obligations, c) the determination of total costs from the date of the contract up to the date of its estimated completion, d) any revisions to the estimated execution costs, e) the possibility of customer acceptance of any claims for compensation. Relevant reference concerning the recognition of revenue (from IT services and construction contracts) is made in the financial statements in Note 2.28 (Summary of significant accounting policies), Note 4 (Critical accounting estimates and judgments of management) and Note 18 (Construction Contracts) and Note 19 (Government Financial Assistance) to the financial statements.	Our audit approach included among other also the following procedures: We examined the procedures applied by the Group for the recognition of revenue from construction contracts and IT service contracts. By applying sample testing, we carried out on a number of contracts substantive procedures concerning the recognition of revenue from construction contracts and IT service contracts, examining qualitative and quantitative criteria, in order to evaluate important and complex areas in their performance and the ascertainment of correctness of the recognition of revenue related to them, in accordance with the accounting policies and methods applied by the Group's management and the requirements of IAS 11. In addition: We studied and understood the key terms of the contracts in order to confirm, per project, the performance obligations and the point in time they are satisfied, as well as the allocation method of the transaction price to individual performance obligations. In addition, we compared the actual results per selected contract to the approved budgeted amounts and the historical data, in order to assess the degree of reliability of the management's judgments and estimates. By applying sample testing, we examined the completeness and accuracy of the costs, and other costs incurred for the satisfaction of performance obligations and we correlated them with the relevant projects/contracts, taking into account the respective invoices, contracts and other documents. We recalculated the percentage of satisfaction of performance obligations based on the actual costs incurred, as well as on the signed reports of the project managers. We reviewed the supporting material (correspondence with customers, subsequent

	receipts) to assess the probability of collecting claims for compensation. Also, we assessed the adequacy and appropriateness of the disclosures in notes 18 and 19 to the financial statements.
Key audit matter	**Addressing the audit matter**
3. Valuation of land and buildings & Investment property	
At 31.12.2017, the value of land and buildings and investment property, disclosed in the Group's financial statements amounts to approximately € 72 million (approximately € 72 million at 31.12.2016) and approximately € 63 million (approximately € 78 million at 31.12.2016) respectively. Property, plant and equipment (PPE) as well as investment property are measured at acquisition cost less accumulated depreciation and impairment. When the book values of investment property exceed their recoverable amount, the difference (impairment) is recognised directly as an expense in the results. The recoverable amount of the assets, which is estimated to approximate the value in use, is determined by independent valuers based on their fair value less the selling costs, using the comparative method based on reliable market information, which is adjusted to the conditions of the said property assets. The significant value they represent, for the Group, as a percentage (around 17%) on the total assets, the own-used land and buildings and Investment property, the ongoing recession environment prevailing in Greek real estate market, as well as the subjectivity and critical judgments which are applied by Management and included in the fair value estimation procedure make the valuation one of most significance matter. The recoverable amount of the assets, which is estimated to approximate the value in use, is determined by independent valuers based on their	Our audit approach included among other the following procedures: We reviewed the valuation report of the assets' fair value carried out by independent valuers and, then we studied the valuation procedure and methods. We assessed the independence, objectivity, appropriateness, adequacy of the qualification and ability of the independent professional valuers used by management for the fair value estimation of property assets at 31.12.2017. We evaluated of the appropriateness of the valuation method for fair value estimation of each asset in relation to acceptable methods of valuation taking into account the particular characteristics of each property and assessed the consistency of the valuation methods with the respective methods applied in previous independent valuations. We assessed the reasonableness of assumptions used in the valuation reports of the independent professional valuers used by Management and assessed the consistency of those assumptions with the respective assumptions adopted in previous independent valuations. We assessed the independence, objectivity, appropriateness, adequacy of the qualification and ability of the independent professional valuers used by management for the fair value estimation of property assets at 31.12.2017. We evaluate the appropriateness, completeness and accuracy of the data used in the valuation reports of

fair value less the selling costs, using the comparative method based on reliable market information, which is adjusted to the conditions of the said property assets. Information concerning the fair value estimation procedures is described in notes 2.5 (Investment property) and 2.6 (Property, plant and equipment), as well as Note 4 (Critical accounting estimates and judgments of management) to the financial statements.	the independent professional valuers in order to ascertain whether there was need for impairment of the value of the said assets. Also, we assessed the adequacy and appropriateness of the disclosures in Notes 6 (Property, plant and equipment) and 9 (Investment property) to the financial statements.
Key audit matter	Addressing the audit matter
4. Estimation of impairment of investments in subsidiaries (separate financial statements)	
At 31.12.2017, the book value of investments in subsidiaries in the separate financial statements amounts to approximately € 154 million (approximately € 132 million at 31.12.2016). The Company's investments in its subsidiaries are measured at acquisition cost and tested for impairment at least on an annual basis if there are external or internal indications of impairment. This area was considered significant for the audit because in addition to the significance of the amount of investments in subsidiaries in the total financial statements, the determination of the recoverable amount of the subsidiaries contains a large degree of subjectivity regarding the estimation of future cash flows, which depends on many factors, including the expectations on sales in future periods, cost estimates and the use of an appropriate discount rate. The above-mentioned factors and events involved the risk of over-estimating the value of participations and, as a result, the assessment of the necessity to carry out impairment tests and, where required, the calculation of the recoverable amount were the main objects of our audit. Information concerning the procedures for impairment of investments in subsidiaries is referred to in Note 10 (Investments in subsidiaries) and Note 4 (Critical accounting estimates and judgments of management) to the financial statements.	Our audit approach concerning the impairment of investments in subsidiaries included among other also the following audit procedures: We studied the Management's estimates and we examined the existence of any indications of impairment for each participation in subsidiaries, focusing on the cases in which arose losses charged to the audited year. We held discussions with the Company's Management and we assessed its judgments, related to the impairment test of investments in subsidiaries. We evaluated, with the assistance of our senior executives, the appropriateness and consistency of the model of value in use, as well as the assumptions used, for the determination of possible impairment. We examined the inflows used for the determination of assumptions in the said model, in order to confirm their reasonableness, after comparing with information from external sources and third parties as well as available historical information of the Company and we tested the mathematical precision of the model.

	We assessed the adequacy and appropriateness of the disclosures in Note 10 (Investments in subsidiaries) to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report for which reference is made to the "Report on Other Legal and Regulatory Requirements", to the Statements of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRSs, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the company and of its subsidiaries audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 43bb of cod. L. 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the articles 43a and 107A and the paragraph 1 (cases c' and d') of the article 43bb of cod. L. 2190/1920 and its content corresponds with the accompanying financial statements for the year ended 31/12/2017.

c) Based on the knowledge we obtained during our audit of INTRACOM HOLDINGS S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the Additional Report to the Company's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiaries the prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014.

The permitted non-audit services that we have provided to the Company and its subsidiaries, during the year ended 31 December 2017 have been disclosed in the Note 29 of the accompanying separate and consolidated financial statements.

4. Auditor's Appointment

We have been appointed for the first time statutory auditors of the Company by the dated 27/06/2008 decision of the annual ordinary general meeting of shareholders. Since then, our appointment has been constantly renewed for a total period of 10 years based on the annual decisions of the Annual General Meetings of the Company Shareholders.

Athens, 29 April 2018

MARIA N. CHARITOU

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 15161

ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ

Associated Certified Public Accountants s.a.
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Institute of CPA (SOEL) Reg. No. 125

D) Annual Financial Statements

In accordance with International Financial Reporting Standards

as adopted by the European Union

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(All amounts in €'000)

Balance sheet

		Group		Company	
ASSETS	**Note**	**31/12/2017**	**31/12/2016 Restated***	**31/12/2017**	**31/12/2016**
Non-current assets					
Property, plant and equipment	6	122.586	119.726	8.384	9.824
Goodwill	7	37.565	20.177	-	-
Intangible assets	8	10.336	6.667	31	2
Investment property	9	62.513	78.097	51.994	51.995
Investments in subsidiaries	10	-	-	154.158	132.312
Investments accounted for using the equity method	11	10.221	597	-	-
Available - for - sale financial assets	13	42.714	12.873	11.969	11.637
Deferred income tax assets	14	8.109	8.303	-	-
Long-term loans	15	13.024	13.304	13.024	13.304
Trade and other receivables	16	20.606	20.487	39	39
		327.674	**280.231**	**239.599**	**219.113**
Current assets					
Inventories	17	38.952	39.309	-	-
Trade and other receivables	16	210.520	241.095	34.968	38.142
Construction contracts	18	39.874	36.066	-	-
Right to payments from Greek State	19	18.745	14.159	-	-
Financial assets at fair value through profit or loss	20	264	167	-	-
Current income tax assets		5.298	9.584	-	-
Cash and cash equivalents	21	148.226	107.971	61.130	52.005
		461.879	**448.350**	**96.098**	**90.147**
Total assets		**789.552**	**728.581**	**335.697**	**309.260**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	22	187.567	187.567	187.567	187.567
Share premium	22	194.204	194.204	194.204	194.204
Reserves	23	166.553	167.237	139.033	138.774
Retained earnings		(291.100)	(297.740)	(252.181)	(252.209)
		257.224	251.268	268.623	268.336
Non-controlling interest		13.071	20.927	-	-
Total equity		**270.295**	**272.196**	**268.623**	**268.336**
LIABILITIES					
Non-current liabilities					
Borrowings	24	106.764	68.405	7.112	7.440
Deferred income tax liabilities	14	2.328	1.240	1.022	1.061
Retirement benefit obligations	25	7.691	7.046	379	360
Grants	26	44	49	-	-
Provisions	27	1.076	1.528	-	-
Trade and other payables	28	28.299	3.305	-	-
		146.202	**81.573**	**8.511**	**8.860**
Current liabilities					
Trade and other payables	28	223.831	242.075	10.963	11.286
Current income tax liabilities		2.266	5.253	-	-
Construction contracts	18	1.324	3.733	-	-
Borrowings	24	136.724	109.594	44.282	15.811
Provisions	27	8.911	14.157	3.316	4.966
		373.056	**374.812**	**58.561**	**32.063**
Total liabilities		**519.258**	**456.385**	**67.073**	**40.923**
Total equity and liabilities		**789.552**	**728.581**	**335.697**	**309.260**

*Refer to note 43.

The notes on pages 48 to 121 are an integral part of these financial statements.

(All amounts in €'000)

Statement of comprehensive income

		Group		Company	
	Note	1/1 - 31/12/2017	1/1 - 31/12/2016 Restated*	1/1 - 31/12/2017	1/1 - 31/12/2016
Sales		397.129	401.656	2.554	2.833
Cost of goods sold	29	(324.019)	(331.899)	(2.189)	(2.472)
Gross profit		**73.110**	**69.757**	**365**	**361**
Selling and research costs	29	(22.079)	(19.102)	-	-
Administrative expenses	29	(35.753)	(32.551)	(3.619)	(4.074)
Other operating income	31	4.382	4.790	2.197	2.687
Other gains / (losses) - net	32	1.557	(7.118)	965	196
Impairment losses from subsidiaries	10	-	-	-	(1.065)
Impairment losses from tangible, intangible assets and investment property	6, 8, 9	-	(86)	-	(86)
Operating gains / (losses)		**21.217**	**15.690**	**(91)**	**(1.981)**
Finance expenses	33	(21.003)	(16.658)	(1.457)	(1.792)
Finance income	33	4.473	2.086	1.539	1.589
Finance income / (expenses) - net		**(16.531)**	**(14.573)**	**82**	**(203)**
Share of loss of associates	11	(521)	(117)	-	-
Gain/(Loss) before income tax		**4.166**	**1.001**	**(9)**	**(2.184)**
Income tax	34	(5.273)	(6.024)	37	28
Net loss for the year		**(1.107)**	**(5.023)**	**28**	**(2.156)**
Other comprehensive income :					
Items that will be reclassified to profit or loss					
Fair value losses on available-for-sale financial assets, net of tax		276	(3.137)	264	-
Transfer of available for sale reserve to profit or loss due to impairment/disposal		44	3.151	-	-
Currency translation differences, net of tax		(1.065)	92	-	-
		(745)	106	264	-
Items that will not be reclassified to profit or loss					
Actuarial gains / (losses), net of tax		(134)	(62)	(5)	57
Other comprehensive income for the year, net of tax		**(879)**	**44**	**259**	**57**
Total comprehensive income for the year		**(1.986)**	**(4.979)**	**287**	**(2.099)**
Losses attributable to:					
Equity holders of the Company		925	(3.011)	28	(2.156)
Non-controlling interest		(2.033)	(2.012)	-	-
		(1.107)	**(5.023)**	**28**	**(2.156)**
Total comprehensive income attributable to:					
Equity holders of the Company		99	(2.854)	287	(2.099)
Non-controlling interest		(2.085)	(2.125)	-	-
		(1.986)	**(4.979)**	**287**	**(2.099)**
Losses per share attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic and diluted		0,01	(0,02)	0,00	(0,02)

*Refer to note 43.

The notes on pages 48 to 121 are an integral part of these financial statements.

(All amounts in €'000)

Statement of changes in equity – Group

		Attributable to equity holders of the Company				Non-controlling interest	Total equity
	Note	Share Capital	Other reserves	Retained earnings	Total		
Balance 1 January 2016		381.771	167.318	(292.630)	256.459	25.269	281.727
Loss for the year		-	-	(3.011)	(3.011)	(2.012)	(5.023)
Fair value losses on available for sale financial assets		-	(2.283)	-	(2.283)	(854)	(3.137)
Transfer of available-for-sale reserve to profit or loss due to impairment/disposal	23	-	2.291	-	2.291	859	3.151
Currency translation differences		-	149	-	149	(56)	93
Remeasurements of retirement benefit obligations, net of tax		-	-	-	-	(62)	(62)
Total comprehensive income for the year		**-**	**158**	**(3.011)**	**(2.853)**	**(2.125)**	**(4.978)**
Share capital increase of subsidiaries	10	-	-	(7)	(7)	(4)	(11)
Acquisition of control		-	-	-	-	66	66
Effect of change in interest held in subsidiaries	10	-	8	(2.339)	(2.331)	(2.277)	(4.608)
Transfer between reserves	23	-	(246)	247	1	(1)	-
		-	(238)	(2.099)	(2.337)	(2.217)	(4.553)
Balance 31 December 2016 restated*		**381.771**	**167.237**	**(297.740)**	**251.269**	**20.927**	**272.196**
Balance 1 January 2017		381.771	167.237	(297.740)	251.269	20.927	272.196
Profit/(Loss) for the year		-	-	925	925	(2.033)	(1.107)
Fair value losses on available for sale financial assets		-	294	-	294	(18)	276
Transfer of available-for-sale reserve to profit or loss due to impairment	23	-	26	-	26	18	44
Currency translation differences		-	(1.006)	-	(1.006)	(59)	(1.065)
Remeasurements of retirement benefit obligations, net of tax			(140)	-	(140)	6	(134)
Total comprehensive income for the year		**-**	**(826)**	**925**	**99**	**(2.085)**	**(1.986)**
Share capital increase of subsidiaries		-	-	(178)	(178)	(116)	(294)
Acquisition of control		-	-	-	-	41	41
Effect of change in interest held in subsidiaries	10	-	515	5.524	6.039	(5.734)	306
Disposal of subsidiaries		-	(23)	(12)	(35)	67	32
Transfer between reserves	23	-	(350)	381	30	(30)	-
		-	142	5.714	5.856	(5.771)	85
Balance 31 December 2017		**381.771**	**166.553**	**(291.100)**	**257.224**	**13.071**	**270.295**

*Refer to note 43.

Analysis of other reserves is presented in note 23.

The notes on pages 48 to 121 are an integral part of these financial statements.

(All amounts in €'000)

Statement of changes in equity – Company

	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance 1 January 2016		381.771	138.717	(250.053)	270.434
Loss for the year		-	-	(2.156)	(2.156)
Remeasurements of retirement benefit obligations, net of tax		-	57	-	57
Total comprehensive income for the year		**-**	**57**	**(2.156)**	**(2.099)**
Balance 31 December 2016		**381.771**	**138.774**	**(252.209)**	**268.336**
Balance 1 January 2017		381.771	138.774	(252.209)	268.336
Loss for the year		-	-	28	28
Fair value gains on available-for-sale financial assets	13	-	264	-	264
Remeasurements of retirement benefit obligations, net of tax		-	(5)	-	(5)
Total comprehensive income for the year		**-**	**259**	**28**	**287**
Balance 31 December 2017		**381.771**	**139.033**	**(252.181)**	**268.623**

Analysis of other reserves is presented in note 23.

The notes on pages 48 to 121 are an integral part of these financial statements.

(All amounts in €'000)

Cash flow statement

		Group		Company	
	Note	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Cash flows from operating activities					
Cash generated from / (used in) operations	36	59.237	71.797	(409)	46.707
Interest paid		(19.908)	(14.981)	(1.352)	(1.778)
Income tax paid		(2.702)	(3.058)	(71)	(74)
Net cash generated from / (used in) operating activities		**36.627**	**53.759**	**(1.832)**	**44.855**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(10.089)	(10.505)	(8)	(189)
Purchase of investment property		(776)	(4.851)	(10)	(247)
Purchase of intangible assets		(4.700)	(2.482)	(39)	-
Proceeds from sale of PPE		663	590	-	-
Proceeds from sale of investment property		966	-	-	-
Proceeds from sale of intangible assets		1	-	-	-
Acquisition of available-for-sale financial assets	13	(27.070)	(3.735)	(68)	(3.524)
Proceeds from sale/liquidation of available-for-sale financial assets	13	-	522	-	522
Acquisition of control		-	85	-	-
Acquisition of subsidiaries (less subsidiary's cash equivalents)	10, 11, 42	(9.000)	-	(17.375)	-
Disposal of subsidiaries		(40)	-	-	957
Disposal of associates	11	1	-	-	-
Formation of subsidiary		(25)	-	-	-
Formation / acquisition of associates	11	(2.106)	(180)	-	-
Dividend received		-	4	-	-
Proceeds from loans granted		-	-	300	-
Loans granted	15, 16	-	(400)	-	(2.700)
Interest received		2.730	187	14	4
Net cash generated from / (used in) investing activities		**(49.446)**	**(20.763)**	**(17.186)**	**(5.176)**
Cash flows from financing activities					
Expenses on issue of subsidiary's share capital		(331)	(16)	-	-
Transactions with non-controlling interest in subsidiaries	10	(993)	(4.637)	-	-
Contribution of non-controlling interest to subsidiary's share capital	10	1.979	24	-	-
Proceeds from borrowings		133.056	67.778	28.454	-
Repayments of borrowings		(79.142)	(74.998)	-	(2.846)
Repayments of finance leases		(715)	(2.827)	(311)	(2.494)
Net cash generated from / (used in) financing activities		**53.853**	**(14.677)**	**28.143**	**(5.340)**
Net increase / (decrease) in cash and cash equivalents		**41.034**	**18.319**	**9.125**	**34.338**
Cash and cash equivalents at beginning of year		107.971	89.299	52.005	17.666
Currency exchange differences in cash and cash equivalents		(779)	353	-	-
Cash and cash equivalents at end of year	21	**148.226**	**107.971**	**61.130**	**52.005**

The notes on pages 48 to 121 are an integral part of these financial statements.

Notes to the financial statements in accordance with International Financial Reporting Standards

1. General information

INTRACOM Holdings SA, with the distinctive title "INTRACOM HOLDINGS", was incorporated in Greece and its shares are traded in the Athens Stock Exchange.

Intracom Group operates, through its subsidiaries and associates, in developing products, providing services and undertaking complex, integrated and advanced technology projects and electronic systems in telecommunications and information technology, defence and public administration and has also activities in the construction sector. The parent company operates as a holding company.

The Group operates in Greece, Luxembourg, USA, Bulgaria, Romania as well as in other foreign countries.

The Company's registered office is at 19 km Markopoulou Ave., Peania, Attiki, Greece. The Company's website address is www.intracom.com.

These financial statements were approved for issue by the Board of Directors on 27 April 2018 and are subject to approval by the Annual General Meeting of Shareholders.

The annual financial statements, the independent auditor's reports and the Board of Directors' reports of the companies that are incorporated in the consolidated financial statements of the Group are posted in the Company's website www.intracom.com.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements consist of the standalone financial statements of Intracom Holdings SA (the "Company") and the consolidated financial statements of the Company and its subsidiaries (together "INTRACOM" or the "Group") for the year ended 31 December 2017, in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union (EU).

These financial statements have been prepared under the historical cost convention, as modified by the available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Moreover, the use of estimates and assumptions is required that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on the best possible knowledge of Management with respect to the current conditions and activities, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Risk arising from the macroeconomic and business environment in Greece

Following 2016, in which the Greek economy showed signs of stabilisation, in 2017 the Greek economy returned to growth after a prolonged period of recession. International and domestic developments provide a sturdy ground for growth. The domestic economy is mainly characterised by the increase in deposits, the decreasing dependence of banks on E.L.A., the country's credit rating upgrade as well as the yields of government bonds which have enabled the Greek State's return to international markets.

The timely completion of the fourth and final assessment will mark the successful completion of the 3rd programme and, depending on the decision regarding the debt relief measures, it will shape the economic and entrepreneurial environment in the forthcoming years.

However, concerns still remain regarding the banking system, the development of the above events and state funding after the completion of the current programme.

The above can affect the Group's and the Company's operations as well as financial position and results to some extent only in the short-term, as a result no significant negative effect is expected on the Group's operations in Greece. Management assesses that the Group's international business activity and export-oriented model as well as organic growth and improvement of profitability are the main components that will help the Group and the Company to address macroeconomic risks. In any case, the Group monitors on an ongoing basis the economic environment and adjusts its strategic actions to address risks on time.

As far as liquidity is concerned, the Group holds cash and cash equivalents amounting to €68 mil. in restricted as well as available cash deposits (note 16 and 21) with international credit institutions with credit rating A2 and above according to Moody's.

Accounting policies used in the preparation of the financial statements of subsidiaries, associates and joint ventures are consistent with those applied by the parent company.

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for the current financial year. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IAS 7 (Amendments) "Disclosure initiative"

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Annual improvements to IFRS (2014 – 2016 Cycle)

IFRS 12 "Disclosure of Interests in Other Entities"

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information.

Standards and interpretations effective for subsequent periods

New standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning after 1 January 2017 and have not been applied in the preparation of these consolidated financial statements. None of the above is expected to have a significant impact on the consolidated financial statements except for the following:

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 Hedge Accounting establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

The Group and the Company are in the process of finalising their assessment regarding the effect of IFRS 9 on their financial statements. Based on Management's initial assessment, the adoption of IFRS 9 is not expected to have a significant impact. More specifically, trade and other receivables which represent the largest portion of financial assets held by the Group will continue to be measured at amortised cost, while available-for-sale financial assets will be measured at fair value through other comprehensive income (including financial assets measured at cost according to IAS 39). Compared to Management's initial assessment, the new provisions for the calculation of impairment losses is not expected to result in significant losses.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual 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, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

The Group is currently in the process of finalising their assessment regarding the effect of IFRS 15 on its financial statements. The impact on the Group's equity is expected to arise mainly from the integrated information technology solutions for the public sector and banks. The impact on this segment is expected to reach €0.6 mil. The cumulative effect of the adoption of IFRS 15 will impact Group's equity on 1 January 2018, without restating comparatives.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 was issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify their leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently assessing the impact of IFRS 16 on its financial statements.

There are no other standards or interpretations not yet effective that are expected to have a significant impact on the financial statements of the Group.

2.2 Consolidation

(a) Business combinations and subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Investments in subsidiaries are accounted for at cost less impairment in the Company's standalone financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiary

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. According to this method the Group's share in the receivables, liabilities, income and expenses of the joint operation are combined with the Group's similar items, line by line, in its financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint operations that is attributable to the other investors of the joint operation. The Group does not recognise its share of profits or losses from the joint operation that result from the purchase of assets by the Group from the joint operation until it resells the assets to an independent party. Loss occurring from such a transaction is recognised directly if the loss indicates a reduction in the net realisable value of current assets or impairment.

Accounting policies of joint operations have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised 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 recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated, unless the transaction provides evidence of an impairment of the assets transferred. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

On the loss of significant influence, the group shall measure at fair value any investment the group retains in the former associate. The difference between the fair value of any retained investment, the consideration received from the disposal of the interest held in the associate and the carrying amount of the investment in the associate is recognised in profit or loss at the date when significant influence is lost. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for investments in associates in its standalone financial statements at cost less impairment.

2.3 Segment information

The segments are determined on the basis of internal information reviewed by the management of the Group and are reported in the financial statements based on this internal component classification.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

(c) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) Assets and liabilities for each balance sheet date are translated at the closing rate at the date of the balance sheet;

(2) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(3) All resulting exchange differences are recognised through other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.5 Investment property

Investment property, principally comprising land and buildings, is held by the Group for long-term rental yields. Investment property is measured at cost less depreciation. When the carrying amounts of investment property exceed their recoverable amounts, the difference (impairment) is charged directly to profit or loss.

The Company classifies all land and buildings rented to subsidiaries as investment property in its standalone financial statements.

The land classified as investment property is not depreciated. Depreciation on buildings is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, which is 33-34 years.

2.6 Property, plant and equipment

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life. The expected useful life of property, plant and equipment is as follows:

- Buildings	33-34	years
- Machinery	10	years
- Motor vehicles	5-7	years
- Other equipment	5-10	years

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

When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognised immediately as an expense in profit or loss.

In case of sale of property, plant and equipment, the difference between the sale proceeds and the carrying amount is recognised as profit or loss in the income statement.

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other finance costs are recognised in the income statement in the period in which they arise.

2.7 Leases

(a) Finance leases

Leases of property, plant and equipment whereby the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property, plant and equipment and 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 other long-term payables. 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. The property, plant and equipment leased under a finance lease are depreciated over the shorter of the lease term and their useful life.

(b) Operating leases

Leases in which a significant portion of 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.

2.8 Goodwill

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill acquired on a business combination is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating units, which are related to goodwill.

If the carrying amount of the cash-generating unit, including goodwill that has been allocated, exceeds the recoverable amount of the unit, impairment is recognised. Impairment loss is recognised in profit or loss and cannot be reversed.

Gains and losses on the disposal of a cash-generating unit to which goodwill has been allocated include the carrying amount of goodwill relating to the part sold. The amount of goodwill attributable to the part sold is determined by the relative values of the part sold and the part of the cash-generating unit retained.

Goodwill on business combinations has been allocated and is monitored by the Group on the basis of the cash-generating units which have been identified according to the provisions of IAS 36 "Impairment of Assets".

2.9 Intangible assets

The caption 'intangible assets' includes:

a) Computer software: Purchased computer software is stated at historical cost less subsequent amortisation. Amortisation is calculated using the straight-line method over the useful economic lives, not exceeding a period of 3-8 years. Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group (internally generated software), are recognised as part of intangible assets. Direct costs include materials, staff costs of the software development team and an appropriate portion of relevant overheads. Internally-generated software is amortised using the straight-line method over its useful life, not exceeding a period of 5-10 years.

b) Customer relationships: they relate to amounts recognised on the acquisition of the subsidiary company Intrasoft International Scandinavia (ex IT Services Denmark AS) and they are amortised over a period of 10 years.

c) Concession rights: Concession rights are stated at historical cost less subsequent amortisation. Amortisation is calculated using the straight-line method over the term of the Concession Agreement (note 2.27).

2.10 Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment at each balance sheet date and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.11 Financial assets

2.11.1 Classification

The group classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

This category refers to financial assets acquired principally for the purpose of selling in the short-term or if so designated by Management. Derivatives are also categorised as held for trading unless they are designated as hedges. If these assets are either held for trading or are expected to be realised within 12 months of the balance sheet date these assets are classified as current assets.

(b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

Loans and receivables are carried at amortised cost using the effective interest rate method.

(c) Held-to-maturity investments

These are non-derivative financial assets with fixed or determinable payments which the Group has the intention and ability to hold them to maturity. During the year the Group had no assets classified as held to maturity investments.

(d) Available-for-sale financial assets

These are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2.11.2 Recognition and measurement

Purchases and sales of investments are recognised on trade date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in other comprehensive income. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. Impairment losses recognised in profit or loss are not reversed through profit or loss.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise.

The fair values of quoted investments are based on year-end bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. In cases where the fair value cannot be measured reliably, investments are measured at cost less impairment.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

The financial assets that are reviewed for impairment (provided that the relative indications exist) are assets stated at cost (investments in subsidiaries and associates in the balance sheet of the parent company), assets measured at amortised cost based on the effective interest rate method (non-current receivables) and available for sale investments.

The recoverable amount of investments in subsidiaries and associates is determined in the same way as for non-financial assets.

For the purposes of impairment testing of the other financial assets the recoverable amount is determined based on the present value of future cash flows, discounted using the original asset-specific rate or a rate of a similar financial asset. Any resulting impairment losses are recognised in profit or loss.

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss –measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss– is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished and semi-finished goods, by-products and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion.

Provisions for slow-moving or obsolete inventories are formed when necessary.

2.15 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised 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 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 impairment provision is recognised in profit or loss.

2.16 Factoring

Trade and other receivables are reduced by the amounts collected in advance under factoring agreements without recourse.

2.17 Cash and cash equivalents

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

2.18 Non-current assets held for sale and discontinued operations

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The basic criteria to classify a non-current asset (or disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable.

For the sale to be highly probable:

- the appropriate level of management must be committed to a plan to sell the asset (or disposal group)
- an active programme to locate a buyer and complete the plan must have been initiated
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value
- the sale should be expected to be completed within one year from the date of classification
- the actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Immediately prior to initial classification of a non-current asset (or disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) will be measured in accordance with the applicable IFRSs.

Non-current assets (or disposal groups) that are classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell and any possible resulting impairment losses are recognised in profit or loss. Any subsequent increase in fair value will be recognised in profit or loss, but not in excess of the cumulative impairment loss which was previously recognised.

While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale, it should not be depreciated or amortised.

2.19 Share capital

Share capital consists of the ordinary shares of the Company. Ordinary shares are classified as equity.

Incremental costs directly attributable to issue of shares, after deducting the tax, are reflected as a reduction of the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are shown in reduction to the product of issue.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.21 Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece and other tax jurisdictions in which foreign subsidiaries operate. Current income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns and additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it 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 or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

2.23 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.24 Employee benefits

(a) Pension obligations

The Group contributes to both defined benefit and defined contribution plans.

The accrued cost of defined contribution programs is recognised as expense during the relevant period.

The liability in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the balance sheet date. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the Group discloses information about the contingent liability.

(c) Share-based plans

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The Group does not have any share-based plans on the parent Company's shares.

2.25 Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.26 Provisions

Provisions are recognised when:

- There is 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

- The amount can be reliably estimated.

(a) Warranties

The Group recognises a provision that represents the present value of the estimated liability for the repair or replacement of guaranteed products or concerning the delivery of projects/rendering of services at the balance sheet date. This provision is calculated on the basis of historical facts over repairs and replacements.

(b) Compensated absences

The claims over compensated absences are recognised as incurred. The Group recognises the expected cost of short-term employee benefits in the form of compensated absences based on their unused entitlement at the balance sheet date.

(c) Loss-making contracts

The Group recognises a provision with an immediate charge to profit or loss for loss-making construction contracts or long-term service contracts when the expected revenues are lower than the unavoidable expenses which are estimated to arise in order that the contract commitments are met.

2.27 Concession arrangements

For public-to-private service concession arrangements, the Group applies IFRIC 12 if the following conditions are met:

(a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom they must provide them, and at what price; and

(b) the grantor controls —through ownership, beneficial entitlement or otherwise— any significant residual interest in the infrastructure at the end of the term of the arrangement.

According to IFRIC 12, such infrastructure is not recognised by the operator as asset under property, plant and equipment, but as right to receive payments under financial assets according to the financial asset model and/or as Concession right under intangible assets according to the intangible asset model, depending on the contractually agreed terms.

Right to receive payments from grantor and Concession right (Mixed Model)

If, according to the concession contract, the operator is paid for the construction services partly by a financial asset and partly by an intangible asset, the Group accounts separately for each component of the consideration, according to the above (Right to receive payments from grantor and Concession right).

The Group recognises and accounts for the revenue and cost arising from construction or upgrade services according to IAS 11 (note 2.28 (c)), while the revenue and cost arising from operation services is recognised and accounted for according to IAS 18 (note 2.28 (b)).

2.28 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

(b) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the specific service. The stage of completion is assessed on the basis of the costs of the actual services provided until the balance sheet date as a proportion of the cost of the total estimated services to be provided under each contract. Costs of services are recognised in the period incurred. When the services to be provided under a contract cannot be reliably estimated, revenue is recognised only to the extent of costs incurred that are possibly recoverable.

(c) Construction contracts

Revenue from fixed price contracts are recognised, as long as the contract outcome can be estimated reliably, on the percentage of completion method, measured by reference to the percentage of labour hours incurred to date to estimated total labour hours for each contract.

Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

(d) Interest

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate. Subsequently, interest is recognised on the impaired value.

(e) Dividends

Dividends are recognised when the right to receive payment is established.

2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.30 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares held as treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company (after deducting interest on convertible shares, net of tax) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effect of dilutive convertible shares).

The weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

2.31 Roundings

Differences between amounts presented in the financial statements and corresponding amounts in the notes result from roundings.

3. Financial risk management

3.1 Financial risk factors

INTRACOM SA, being a Greek multinational company, is exposed to a variety of financial risks, including market risk (the effects of changes in foreign currency exchange rates, cash flow and fair value risk from changes in interest rates and market prices), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group as a whole.

The financial liabilities of the Group include short-term loans, long-term loans, bond loans and finance lease agreements, through which the Group finances its working capital and capital expenditure needs. Moreover, the Group manages financial assets, mainly short-term bank deposits arising from operating activities.

Where considered necessary, the Group uses derivative financial instruments exclusively for the hedging of interest or exchange rate risk, since according to the approved policy speculative use is not permitted.

In summary, the financial risks that arise are analysed below.

(a) Market risk

<u>Foreign exchange risk</u>

(All amounts in €'000)

The foreign exchange risk of the Group is limited, since for most of the foreign currency receivables, there are corresponding payables in the same currency. Almost all foreign currency contracts for both assets and liabilities are denominated in USD.

In cases where natural hedge is not adequate due to large amounts of foreign currency payables, the Group may convert part of the borrowings to that currency or may use forward currency contracts.

The Group's policy is to maintain a minimum amount of cash in foreign currency, to meet short-term liabilities in that currency.

The following table presents the sensitivity of the Group's net results in possible fluctuations of the foreign exchange rates for the years 2017 and 2016. This analysis takes into consideration borrowings and cash and cash equivalents of the Group, as well as trade receivables and payables in USD as at 31 December 2017 and 2016 respectively.

Increase in EUR/USD rate by	Effect on net results 31/12/2017	Effect on net results 31/12/2016
3,00%	(445)	(212)
6,00%	(889)	(424)
9,00%	(1.334)	(636)
12,00%	(1.779)	(848)

The following table presents the sensitivity of the Company's net results in possible fluctuations of the foreign exchange rates for the years 2017 and 2016. This analysis takes into consideration borrowings and cash and cash equivalents of the Company, as well as trade receivables and payables in USD as at 31 December 2017 and 2016 respectively.

Increase in EUR/USD rate by	Effect on net results 31/12/2017	Effect on net results 31/12/2016
3,00%	(24)	(30)
6,00%	(48)	(60)
9,00%	(72)	(89)
12,00%	(96)	(119)

Price risk

The Group has limited exposure to changes in the prices of the shares held either for trading or as available for sale financial assets.

Cash flow and fair value interest rate risk

The interest-rate risk has been partly mitigated by converting a significant part of borrowings into floating rate taking advantage of the negative Euribor levels. The weighted average interest rate levels of 2017 have remained largely the same as 2016. It is estimated that during the current financial year the specific risk will be limited as it is considered highly probable that interest rates will remain stable in the short-term.

(All amounts in €'000)

The following tables present the sensitivity of the Group's net results in possible fluctuations of the interest rates for the years 2017 and 2016. The analysis takes into consideration borrowings and cash and cash equivalents of the Group as at 31 December 2017 and 2016 respectively.

Financial instruments in Euro

Increase in interest rates (Base units)	Effect on net results 31/12/2017	Effect on net results 31/12/2016
25,00	(272)	(209)
50,00	(543)	(418)
75,00	(815)	(627)
100,00	(1.086)	(836)

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net results 31/12/2017	Effect on net results 31/12/2016
25,00	29	22
50,00	57	43
75,00	86	65
100,00	115	86

The following tables present the sensitivity of the Company's net results in possible fluctuations of the interest rates for the years 2017 and 2016. The analysis takes into consideration borrowings and cash and cash equivalents of the Company as at 31 December 2017 and 2016 respectively.

Financial instruments in Euro

(All amounts in €'000)

Increase in interest rates (Base units)	Effect on net results 31/12/2017	Effect on net results 31/12/2016
25,00	22	70
50,00	45	141
75,00	67	211
100,00	90	281

Financial instruments in USD

Increase in interest rates (Base units)	Effect on net results 31/12/2017	Effect on net results 31/12/2016
25,00	2	3
50,00	4	5
75,00	6	8
100,00	8	10

(b) Credit risk

The sales transactions of the Group are made to private companies and public sector organisations with an appropriate credit history, with which in many cases there is a long standing relationship. In any case, though, and given the current circumstances of the Greek economy, the Group monitors very closely trade receivables and when needed it takes legal and non-legal actions so as to ensure the collectibility of these receivables, thus minimising credit risk. As a result, the risk of doubtful debts is considered limited.

Regarding credit risk related to cash deposits, the Group collaborates only with financial institutions of high credit rating.

(c) Liquidity risk

Each subsidiary draws up and monitors on a monthly basis a cash flow schedule that includes the operating as well as the investing cash flows. All subsidiaries submit to Intracom Holdings on a weekly basis a detailed report of their cash and credit position, in order that an effective monitoring and co-ordination on a group level is achieved.

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities. The Group manages the risks that may arise from lack of adequate liquidity by ensuring there are always approved bank facilities for use. The undrawn borrowing facilities available to the Group are sufficient to address any potential shortfall in cash.

On 31 December 2017 current and non-current borrowings of the Group amounted to 56% (2016: 62%) and 44% (2016: 38%) of total borrowings respectively.

(All amounts in €'000)

As regards capital controls that were enforced in Greece, the Group's international activity and export-oriented model help Group companies to overcome any difficulties that arise and continue to operate properly in every aspect of the business.

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

Group's capital is considered sufficient on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less 'cash and cash equivalents'. Total capital employed is calculated as 'equity attributable to Company's equity holders' as shown in the consolidated balance sheet plus net debt.

	Group		Company	
	1/1 - 31/12/2017	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Total borrowings (note 24)	243.487	177.999	51.394	23.251
Less: Cash and cash equivalents (note 21)	(148.226)	(107.971)	(61.130)	(52.005)
Net borrowings	**95.261**	**70.028**	**(9.736)**	**(28.754)**
Equity	270.295	272.196	268.623	268.336
Total capital employed	**365.556**	**342.224**	**258.887**	**239.582**
Gearing ratio	26,06%	20,46%	-3,76%	-12,00%

3.3 Fair value estimation

The Group provides the required disclosures relating to fair value measurement through a three-level hierarchy.

- Financial instruments traded in active markets the fair value of which is estimated based on quoted market prices of similar assets and liabilities as of the reporting date ("Level 1").

- Financial instruments that are not traded in an active market the fair value of which is determined by using valuation techniques and assumptions which either directly or indirectly rely on observable market data as of the reporting date ("Level 2").

- Financial instruments that are not traded in an active market the fair value of which is determined by using valuation techniques and assumptions which do not rely on observable market data ("Level 3").

At 31 December 2017 the Group had:

- Financial assets at fair value through profit or loss of €264 which are classified in Level 1.

- Available-for-sale financial assets out of which €2.791 are classified in Level 1.

- Available-for-sale financial assets of €39.923 which relate to unquoted securities for which the fair value cannot be estimated reliably and as a result these are presented at cost less impairment.

At 31 December 2016 the Group had:

- Financial assets at fair value through profit or loss of €167 which are classified in Level 1.
- Available-for-sale financial assets out of which €2.466 are classified in Level 1.
- Available-for-sale financial assets of €10.408 which relate to unquoted securities for which the fair value cannot be estimated reliably and as a result these are presented at cost less impairment.

There were not any transfers between level 1 and 2 during the year.

The quoted market prices of shares traded in active markets were used for the evaluation of financial assets.

3.4 Offsetting financial assets and financial liabilities

On 31 December 2017 and 2016 the Group does not have any financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

4. Critical accounting estimates and judgments

Estimates and judgements are regularly reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- The Group recognises a provision that represents the present value of the estimated liability for the repair or replacement of guaranteed products or concerning the delivery of projects/rendering of services at the balance sheet date. This provision is calculated on the basis of historical facts over repairs and replacements.

- The estimation of the impairment of land and buildings (including investment property) required the performance of estimations which mainly relate to the cause, the time and the amount of impairment. The Group assesses in each reporting period whether there are indications that the value of PPE and investment property has been impaired based on the accounting principle applied. Management makes significant estimates in order to estimate recoverable value. Impairment testing is performed by Management in cooperation with independent valuers.

(All amounts in €'000)

- The Group tests annually whether goodwill has suffered any impairment. These tests are based either on discounted cash flows (calculation of value in use) of cash generating units, or on fair values less costs to sell.

- The Company assesses in each reporting period whether there are indications of impairment in the value of investments in subsidiaries. Where there are indications of impairment, the Company performs an impairment test according to the accounting policy applied. Management's key estimates regarding the calculation of the recoverable value pertain to the estimation of future cash flows, which depends on a number of factors including future sales expectations, cost estimations as well as the use of an appropriate discount rate.

There are no cases whereby Management was required to exercise significant judgement regarding the application of the accounting policies.

5. Segment information

At 31 December 2017, the Group is organised into three main segments:

(1) Technology solutions for government and banking sector

(2) Defence systems

(3) Construction

The segment information for the year ended 31 December 2017 is as follows:

	Technology solutions for government and banking sector	Defence systems	Construction	Other	Total
Total sales	175.647	65.856	160.326	2.554	404.383
Inter-segment sales	(2.532)	(44)	(2.401)	(2.277)	(7.254)
Sales from external customers	**173.115**	**65.812**	**157.925**	**277**	**397.129**
Operating profit / (loss)	9.038	2.521	10.287	(628)	21.217
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**10.535**	**3.828**	**14.087**	**894**	**29.344**
Depreciation (note 29)	(1.497)	(1.307)	(3.757)	(1.522)	(8.083)
Finance income (note 33)	524	2.108	517	1.324	4.473
Finance expenses (note 33)	(4.877)	(1.423)	(13.124)	(1.579)	(21.003)
Share of profit / (losses) of associates	-	-	(472)	(50)	(521)
Income tax	(1.527)	(1.177)	(2.595)	27	(5.273)
Impairment of receivables (note 29)	37	(21)	(2.068)	-	(2.052)
Impairment of inventory (note 29)	4	152	-	-	156
Total assets	**160.759**	**96.210**	**329.410**	**203.174**	**789.552**
Total assets include:					
Investments in associates (note 11)	4	-	10.218	-	10.221
Non-current assets*	20.792	33.165	116.234	62.808	233.000
Additions in non-current assets* (notes 6, 7, 8 and 9)	3.475	826	29.635	57	33.994
Total liabilities	**140.199**	**30.224**	**255.230**	**93.604**	**519.258**

* Includes PPE, investment property, intangible assets and goodwill.

(All amounts in €'000)

The segment information for the year ended 31 December 2016 is as follows:

	Technology solutions for government and banking sector	Defence systems	Construction	Other	Total
Total sales	180.397	57.437	182.384	3.098	423.315
Inter-segment sales	(15.254)	-	(4.103)	(2.301)	(21.659)
Sales from external customers	**165.142**	**57.437**	**178.281**	**796**	**401.656**
Operating profit / (loss)	9.358	1.543	6.370	(1.581)	15.690
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**11.651**	**3.041**	**12.619**	**506**	**27.817**
Depreciation (note 29)	(1.390)	(1.497)	(4.002)	(1.538)	(8.428)
Impairment of investment property, tangible and intangible assets	-	-	-	(86)	(86)
Finance income (note 33)	665	9	45	1.367	2.086
Finance expenses (note 33)	(4.459)	47	(10.386)	(1.861)	(16.658)
Share of profit / (losses) of associates	-	-	(77)	(39)	(117)
Income tax	(2.819)	(688)	(2.541)	24	(6.024)
Impairment of receivables (note 29)	(187)	-	65	-	(122)
Impairment of inventory (note 29)	11	(2.027)	-	-	(2.016)
Total assets	**161.308**	**113.763**	**282.867**	**170.642**	**728.581**
Total assets include:					
Investments in associates (note 11)	-	-	597	-	597
Non-current assets*	19.200	33.646	107.213	64.608	224.668
Additions in non-current assets* (notes 6, 7, 8 and 9)	896	453	24.393	437	26.178
Total liabilities	**140.714**	**49.744**	**224.186**	**41.743**	**456.386**

* Includes PPE, investment property, intangible assets and goodwill.

The activities of the parent company Intracom Holdings SA, as well as its assets and liabilities are included under the column 'Other'. The assets consist primarily of property, plant and equipment and investment property.

The reconciliation of earnings before interest, tax, depreciation and amortisation (EBITDA) against profit/(loss) before tax is as follows:

(All amounts in €'000)

	1/1 - 31/12/2017	1/1 - 31/12/2016 Restated*
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**29.344**	**27.817**
Depreciation	(8.083)	(8.428)
Impairment losses from tangible, intangible assets and investment property	-	(86)
Finance cost - net (note 33)	(16.531)	(14.573)
Loss from associates	(521)	(117)
Impairment of available-for-sale financial assets (note 32)	(44)	(3.613)
Gain / (Loss) before income tax	**4.166**	**1.001**

The Group's adjusted EBITDA for financial year 2017 amounts to €30.367, after incorporating the EBITDA of the subsidiary GNS amounting to €-1.022, which is under liquidation.

The Group's adjusted EBITDA for financial year 2016 amounted to €31.677, after incorporating the EBITDA of the subsidiary GNS amounting to €441 and the provision concerning the fine imposed by Hellenic Competition Commission to the subsidiary Intrakat SA which amounts to €-4.300.

Adjusted EBITDA serves the more detailed analysis of the Group's operating results, excluding the effect of non-recurring items and results from discontinued operations.

Intersegment transfers or transactions are conducted under the normal commercial terms and conditions that would also apply to independent third parties.

Information per geographical area:

Sales	1/1 - 31/12/2017	1/1 - 31/12/2016
Greece	183.025	204.285
European Community	110.864	126.876
Other European countries	10.134	8.524
Other countries	93.106	61.972
Total	**397.129**	**401.656**

Non-current assets Restated *	31/12/2017	31/12/2016
Greece	228.271	204.570
European Community	9.251	15.283
Other European countries	1.889	-
Other countries	3.809	5.410
Total	**243.220**	**225.264**

* Includes PPE, investment property, intangible assets, goodwill and investments in associates.

(All amounts in €'000)

Sales are allocated based on the country in which the customer is located. Assets are allocated based on their geographical location.

6. Property, plant and equipment

Group

	Land-Buildings	Machinery	Vehicles	Telecommunications Equipment	Furniture & other equipment	Prepayments and assets under construction	Total
Cost							
Balance 1 January 2016	103.392	75.411	2.451	997	13.701	6.260	202.211
Exchange differences	(20)	2	3	26	7	-	18
Additions	444	1.294	61	19	431	-	2.248
Disposals	(245)	(1.451)	(97)	(1)	(3.692)	-	(5.487)
Impairment	(61)	-	-	-	-	-	(61)
Acquisition of control	-	-	-	-	8	-	8
Reclassifications	44	-	-	-	-	(44)	-
Transfer to investment property (note 9)	(56)	-	-	-	-	(872)	(928)
Transfer from investment property (note 9)	2.829	-	-	-	-	-	2.829
Balance 31 December 2016	106.325	75.255	2.417	1.041	10.456	5.345	200.839
Balance 1 January 2017	106.325	75.255	2.417	1.041	10.456	5.345	200.839
Exchange differences	(23)	(2)	(11)	(108)	(34)	(1)	(179)
Additions	386	5.005	212	428	1.560	2.987	10.578
Disposals/Write-offs	(152)	(1.735)	(298)	(542)	(135)	(2)	(2.864)
Acquisition of control	-	-	36	-	38	-	73
Reclassifications	2.866	70	-	-	-	(2.936)	-
Transfer to investment property (note 9)	(913)	-	-	-	-	-	(913)
Transfer from investment property (note 9)	193	-	-	-	-	-	193
Disposal of branch	-	(26)	(4)	-	(33)	-	(63)
Balance 31 December 2017	108.682	78.567	2.352	818	11.852	5.393	207.664
Accumulated depreciation							
Balance 1 January 2016	32.443	31.999	2.061	775	12.214	-	79.492
Exchange differences	1	(2)	2	24	6	-	31
Depreciation charge	1.901	3.890	134	105	404	-	6.433
Disposals	(41)	(1.082)	(91)	-	(3.688)	-	(4.902)
Transfer from investment property (note 9)	60	-	-	-	-	-	60
Balance 31 December 2016	34.365	34.805	2.106	905	8.935	-	81.115
Balance 1 January 2017	34.365	34.805	2.106	905	8.935	-	81.115
Exchange differences	(12)	(9)	(5)	(92)	(24)	-	(143)
Depreciation charge	1.970	3.451	120	93	526	-	6.159
Disposals/Write-offs	(62)	(1.115)	(261)	(540)	(130)	-	(2.107)
Additions from acquisitions (note 42)	`	-	36	-	38	-	73
Transfer to investment property (note 9)	(5)	-	-	-	-	-	(5)
Transfer from investment property (note 9)	44	-	-	-	-	-	44
Disposal of branch	-	(23)	(4)	-	(30)	-	(56)
Balance 31 December 2017	36.299	37.108	1.991	365	9.316	-	85.079
Net book amount at 31 December 2016	**71.961**	**40.451**	**311**	**136**	**1.520**	**5.345**	**119.726**
Net book amount at 31 December 2017	**72.383**	**41.459**	**361**	**453**	**2.536**	**5.393**	**122.586**

(*) Refer to note 43.

The Group performed a test for impairment of property, plant and equipment and investment property as at 31 December 2017 and 31 December 2016. The assessment did not result in impairment both for the Group and the Company for 2017 (2016: €86 for the Group and the Company).

(All amounts in €'000)

Property, plant and equipment include assets held under finance lease as follows:

	Machinery	Vehicles	Total
31/12/2016			
Cost	568	-	568
Accumulated depreciation	(354)	-	(354)
Net book amount	**214**	**-**	**214**
31/12/2017			
Cost	3.360	44	3.404
Accumulated depreciation	(381)	(2)	(383)
Net book amount	**2.979**	**42**	**3.021**

Company

	Land-Buildings	Machinery	Vehicles	Furniture & other equipment	Total
Cost					
Balance 1 January 2016	14.714	904	163	3.740	19.521
Additions	114	-	-	76	189
Disposals/Write-offs	(12)	(796)	(27)	(3.482)	(4.317)
Impairment	(28)	-	-	-	(28)
Balance 31 December 2016	**14.788**	**108**	**135**	**333**	**15.365**
Balance 1 January 2017	14.788	108	135	333	15.365
Additions	-	-	-	8	8
Transfer to investment property (note 9)	(1.786)	-	-	-	(1.786)
Transfer from investment property (note 9)	18	-	-	-	18
Balance 31 December 2017	**13.020**	**108**	**135**	**341**	**13.604**
Accumulated depreciation					
Balance 1 January 2016	4.910	878	148	3.632	9.567
Depreciation charge	226	6	7	42	280
Disposals/Write-offs	(3)	(795)	(27)	(3.482)	(4.307)
Balance 31 December 2016	**5.133**	**89**	**127**	**192**	**5.541**
Balance 1 January 2017	5.133	89	127	192	5.541
Depreciation charge	209	4	3	18	234
Transfer to investment property (note 9)	(561)	-	-	-	(561)
Transfer from investment property (note 9)	6	-	-	-	6
Balance 31 December 2017	**4.787**	**93**	**130**	**210**	**5.220**
Net book amount at 31 December 2016	**9.655**	**19**	**8**	**141**	**9.824**
Net book amount at 31 December 2017	**8.233**	**15**	**5**	**131**	**8.384**

During prior years, the Company entered into sale and lease back agreements of property and investment property with net book value amounting to €14.867 in 2017 (2016: €15.175).

Liabilities are secured against fixed assets of the Group and the Company for the value of €73.420 and €2.400 respectively.

(All amounts in €'000)

7. Goodwill

	Group
Balance 1 January 2016	20.061
Acquisition of control	116
Balance 31 December 2016	**20.177**
Balance 1 January 2017	20.177
Acquisition of control	17.388
Balance 31 December 2017	**37.565**

Goodwill has resulted from the acquisition of the companies listed below and is allocated to cash generating units (CGUs) as follows:

	31/12/2017	31/12/2016
Intrasoft International SA	11.361	11.361
Intrasoft International Scandinavia (former IT Services Denmark A/S)	2.211	2.212
Intrakat SA	3.562	3.562
INTRAPAR SA	17.388	-
Prisma - Domi ATE (absorbed from Intrakat SA)	326	326
Inestia Touristiki SA	116	116
AMBTILA Enterprises Ltd	2.600	2.600
	37.565	**20.177**

In order to assess whether there is goodwill impairment as at 31 December 2017, the Group performed the relevant impairment tests, at Group level, on cash generating units (CGUs) to which goodwill has been allocated.

The recoverable amount of goodwill arising from the acquisition of INTRAPAR SA in 2017 which amounts to €17.388 has been determined using the method and assumptions analysed below.

The recoverable amount of goodwill allocated to other significant CGUs has been determined based on value-in-use. Value-in-use reflects the present value of expected future cash flows of the CGU discounted at a rate that reflects the time value of money and the risks associated with the CGU. The cash flow projections for the cash generating units Intrasoft International SA and Intrasoft International Scandinavia are based on the business plans for the five year period 2018-2022, while for Intrakat SA- construction segments they have been based on the business plans for the three-year period 2018–2020. The above business plans have been approved by the Boards of Directors of Group companies and have been prepared based on 2017 results, while cash flows beyond the five-year and three-year period have been extrapolated using the perpetual growth rate as presented below.

The cash generating unit Ambtila Enterprises Ltd concerns the subsidiary company A. Katselis Energeiaki SA, which has obtained a wind park operation licence. Cash flow projections have been based on the budget of the wind park operation project, the duration of which is estimated at 20 years and which is considered to have zero residual value.

(All amounts in €'000)

The goodwill amounting to €3.562 in the line "Intrakat SA" has resulted from the absorption of the sectors of three companies from the subsidiary Intrakat SA in financial year 2008. These sectors are not monitored as individual CGUs as they have been fully absorbed, thus the overall evaluation of Intrakat is taken into account for testing goodwill impairment.

The key assumptions used for the most significant CGUs, as described above, are as follows:

	Intrasoft International SA	**Intrasoft International Scandinavia**	**Intrakat SA-construction segments**	**Ambtila Enterprises Ltd**
Revenue growth	1,6% - 3,0%	1,5%	3,5% - 10%	0,0%
Gross margin	9,19% - 9,99%	76,7% - 77,8%	15,0% - 16,0%	-
EBITDA margin	5,35% - 5,81%	18,4% - 21,3%	8,9% - 10,2%	80,4% - 83,6%
Perpetuity growth rate	1,0%	1,0%	1,1%	-
Discount rate	7,8%	7,6%	13,3%	9,0%

The key assumptions used for value-in-use calculation are based on past performance as well as on expectations of the future development of operations and are consistent with external factors.

Based on the tests performed, the recoverable amount of goodwill exceeds its carrying value and there is no impairment loss.

From the sensitivity analysis for the recoverable value of goodwill there were no possible changes in key assumptions, as presented above, that would result in the recognition of impairment loss related to goodwill.

INTRAPAR SA

As regards the estimation of the recoverable amount of goodwill generated from the acquisition of INTRAPAR, which is described in detail in note 42, the entire shareholding was considered as CGU and the following facts were taken into consideration:

- INTRAPAR has no significant independent activity, thus no significant independent cash flows.
- INTRAPAR's most significant asset is its investment in the associate KEKROPS.
- The associate KEKROPS does not generate cash flows from its own operations, as its assets consist of properties the majority of which is not commercially exploited.

Based on the above, the recoverable amount of the goodwill generated from the acquisition was estimated using INTRAPAR's fair value (less distribution costs), which was estimated based on its share in KEKROPS assets' fair value.

The fair value of KEKROPS' assets was estimated based on an adjustment of its properties (land and buildings) to current values (less costs to sell), as a result the adjusted equity of KEKROPS was estimated as of the reporting date, which was incorporated in INTRAPAR. As a result, INTRAPAR's recoverable amount was estimated based on its adjusted equity as of the reporting date, after the necessary adjustments in the associate's assets to current values (less costs to sell).

The measurement of properties (owner-occupied, investment and disputed property) at fair value was determined taking into consideration the Company's ability to achieve maximum and optimum use, assessing each item's use provided that it is practically, financially and legally feasible. This assessment is based on physical features, permitted use and opportunity costs of existing investments.

(All amounts in €'000)

It must be noted that regarding the properties of KEKROPS for which there is a dispute with the Greek State, the Supreme Court issued the decision No 589/2018 which upheld the appeal filed by KEKROPS against the Supreme Court's No 3401/2014 against the Greek State. More specifically, this decision nullified the decision of the Court of Appeals against the Company, as, in breach of article 281 AK, it had rejected as illegitimate the objection for abusive use of the Greek State's right of ownership, by which KEKROPS claimed that the Greek State for at least 70 years expressly acknowledged the Company's ownership through a number of declaratory actions. As a result, the case will be discussed again before the Athens Court of Appeal for essential judgement, according to the above binding for the Court of Appeal judgements of the Supreme Court. The Supreme Court's decision combined with the provisions of IFRS 13 (BC69) provides to Management the basis to support the legally permissible use of the disputed properties.

The valuation methods and assumptions used for KEKROPS' properties per property category are presented in the following table:

Elements	Method	Main parameters
Owner-occupied tangible fixed assets	Comparable data approach Depreciated replacement cost approach	Land plot 5.102,07 sqm Building 1.608,05 sqm Surface for additional bulding 3.683,47 sqm Buildings 1.500 €/sqm Land plots 1.600 €/sqm Cost 800 €/sqm Depreciation index 0,364
Investment property (vacant stores)	Income approach	Surface 1.388,97 sqm Total annual rent € 246 thousand Annual Yield 8,25%
Investment property (land plots in Psychiko & Halandri)	Comparable data approach Residual approach	Land plots 1.2000,00 €/sqm - 1.850,00 €/sqm
Properties under law dispute		
Area outside planning zone	Discounted cash flow approach	Area 224.000 sqm Exploitable area for private urban planning 80.640 sqm (62 x 1.500) 1.800,00 €/sqm Promotion cost 2% Infastructure cost € 9,4 ml in 2 years Financing 50% Interest rate 9% Sales of land plots from 2019 (2-years grace period for borrowings) Repayment in 8 years Discount rate 13,5%
Area inside planning zone Land plots in Psychiko	Comparable data approach Residual approach	Land plots 1.790,00 €/sqm - 1.820,00 €/sqm
Apartment	Comparable data approach	Estimated surface 427,46 sqm 5.400,00 €/sqm 50% ownership

According to the results of impairment testing, the adjusted equity of INTRAPAR is higher than its carrying value, as a result no impairment loss has been recognised.

(All amounts in €'000)

8. Intangible assets

Group

	Software	Internally-generated software	Trade name	Customers Relationships	Concession rights	Other	Total
Cost							
Balance 1 January 2016	20.853	29.262	661	1.707	1.389	234	54.105
Exchange differences	-	48	-	-	-	5	54
Additions	99	500	-	-	1.857	-	2.457
Disposals / write-offs	(1.988)	-	-	-	-	-	(1.988)
Additions from acquisitions (note 42)	17	-	-	-	-	-	17
Balance 31 December 2016	18.981	29.811	661	1.707	3.246	239	54.645
Balance 1 January 2017	18.981	29.811	661	1.707	3.246	240	54.645
Exchange differences	199	(406)	-	-	-	(182)	(389)
Additions	739	1.571	-	-	2.546	3	4.860
Disposals / write-offs	(205)	-	-	-	-	(6)	(211)
Balance 31 December 2017	19.713	30.976	661	1.707	5.792	55	58.904
Accumulated amortisation							
Balance 1 January 2016	19.533	27.676	-	1.707	-	52	48.969
Exchange differences	-	21	-	-	-	-	21
Amortisation charge	590	381	-	-	-	-	972
Disposals / write-offs	(1.988)	-	-	-	-	-	(1.988)
Additions from acquisitions (note 42)	3	-	-	-	-	-	3
Balance 31 December 2016	18.139	28.079	-	1.707	-	52	47.977
Balance 1 January 2017	18.139	28.078	-	1.707	-	52	47.977
Exchange differences	207	(302)	-	-	-	-	(95)
Amortisation charge	400	489	-	-	-	-	890
Disposals / write-offs	(204)	-	-	-	-	-	(204)
Balance 31 December 2017	18.541	28.266	-	1.707	-	52	48.568
Net book amount at 31 December 2016	**842**	**1.732**	**661**	**-**	**3.246**	**187**	**6.667**
Net book amount at 31 December 2017	**1.172**	**2.710**	**661**	**-**	**5.792**	**2**	**10.336**

The concession right is held by the subsidiary Rural Connect SA, which has been assigned by Information Society SA (the "Grantor") with the construction, operation and maintenance for a 17-year period of the project "Development of broadband infrastructure in disadvantaged rural areas ("white areas") of Greece and operation of the infrastructure". The broadband network infrastructure will return to the Grantor when the concession agreement expires. For the right to receive payments from grantor refer to note 19.

(All amounts in €'000)

Company

	Software	Total
Cost		
Balance 1 January 2016	1.980	1.980
Write-offs	(1.972)	(1.972)
Balance 31 December 2016	8	8
Balance 1 January 2017	8	8
Additions	39	39
Balance 31 December 2017	47	47
Accumulated amortisation		
Balance 1 January 2016	1.977	1.977
Amortisation charge	2	2
Write-offs	(1.973)	(1.973)
Balance 31 December 2016	6	6
Balance 1 January 2017	6	6
Amortisation charge	10	10
Balance 31 December 2017	16	16
Net book amount at 31 December 2016	**2**	**2**
Net book amount at 31 December 2017	**31**	**31**

(All amounts in €'000)

9. Investment property

	Group	Company
Cost		
Balance 1 January 2016	74.193	72.448
Exchange differences	106	-
Additions	21.356	247
Impairment	(25)	(58)
Transfer to PPE (note 6)	(2.829)	-
Transfer from PPE (note 6)	928	-
Balance 31 December 2016 restated*	93.729	72.638
Balance 1 January 2017	93.729	72.638
Exchange differences	(518)	-
Additions	776	10
Additions from acquisitions	320	-
Loss of control in subsidiary (note 11)	(11.875)	-
Transfer to receivables	(847)	-
Disposals	(910)	-
Transfer to PPE (note 6)	(193)	(18)
Transfer from PPE (note 6)	913	1.786
Transfer to inventory	(2.361)	-
Balance 31 December 2017	79.035	74.416
Accumulated depreciation		
Balance 1 January 2016	14.641	19.443
Exchange differences	28	-
Transfer to PPE (note 6)	(60)	-
Depreciation charge	1.022	1.200
Balance 31 December 2016	15.632	20.643
Balance 1 January 2017	15.632	20.643
Exchange differences	(105)	-
Transfer to PPE (note 6)	(44)	(6)
Transfer from PPE (note 6)	5	561
Depreciation charge	1.034	1.225
Balance 31 December 2017	16.523	22.423
Net book amount at 31 December 2016	**78.097**	**51.995**
Net book amount at 31 December 2017	**62.513**	**51.994**

(*) Refer to note 43.

(All amounts in €'000)

Rental income from investment properties for 2017 amounted to €1.679 and €2.382 for the Group and the Company respectively (2016: €2.382 and €2.687 for the Group and the Company respectively).

For the impairment of investment property refer to note 6.

10. Investments in subsidiaries

The movement in investments in subsidiaries is analysed as follows:

	Company	
	31/12/2017	**31/12/2016**
Balance at the beginning of the year	132.312	133.377
Additions/share capital increases	21.846	-
Impairment	-	(1.065)
Balance at the end of the year	**154.158**	**132.312**

The interests held in subsidiaries and their carrying amounts at 31 December are as follows:

		31/12/2017		31/12/2016	
Name	**Country of incorporation**	**% interest held**	**Carrying value**	**% interest held**	**Carrying value**
Intrasoft International SA	Luxembourg	99,99%	52.407	99,99%	52.407
Intracom SA Defence Electronic Systems	Greece	100%	52.780	100%	52.780
Intrakat SA	Greece	79,56%	34.255	61,76%	22.030
Intradevelopment SA*	Greece	62,39%	9.252	-	-
Intracom Holdings International Ltd	Cyprus	100%	4.675	100%	4.305
Intracom Group USA Inc**	USA	2,91%	65	2,91%	65
Rural Connect SA**	Greece	30,00%	725	30,00%	725
			154.158		**132.312**

(*) The total shareholding as at 31 December 2017 is 92,31% through the participation of the subsidiary Intrakat SA (2016: 61,76%).

(**) The total shareholding as at 31 December 2017 is 100% through the participation of subsidiaries of the Group (2016: 100%).

(***) The total shareholding as at 31 December 2017 is 87,73% through the participation of the subsidiary Intrakat SA (2016: 67,06%).

The above list contains only the direct investments in subsidiaries. A list of all the direct and indirect interests in subsidiaries is presented in note 41.

<u>Year 2017</u>

<u>Split-up of subsidiary Inmaint</u>

The subsidiary Inmaint decided its split-up into two parts. One part was absorbed by the subsidiary Intrapower SA and the other part was absorbed by a third party outside the Group. The split-up was approved on 31.08.2017.

Assets and liabilities transferred amounted to €887 and €830 respectively.

The activity of the division transferred was not significant.

Changes in other interests held

On 30.03.2017, the subsidiary Intrasoft acquired 10% of Rural's shares from non-controlling interests for €242. This amount decreased Group's equity.

On 26 June 2017, the general meeting of the Company's shareholders decided to increase the interest held in the subsidiary Intrakat by offsetting receivables amounting to €3.051. Subsequently, the Company participated in the share capital increase of Intrakat in cash, which was decided by Intrakat's extraordinary general meeting of shareholders held on 7 July 2017 and was completed in October with a payment amounting to €8.180. Minority interests' contribution in the share capital increase amounted to €1.979. Combined with the acquisition of shares from the Stock Exchange for €993, the total interest held reached 79,56%. As a result of the above transactions, Group's equity increased by €986 and the effect on non-controlling interests was a decrease of €6.339.

On 14 June 2017, the Company acquired from its subsidiary Intrakat 50% of the latter's shares in Intradevelopment for €1.500. The total consideration as at 31 December 2017 has not been repaid and is included in the Company's liabilities. Subsequently, the Company participated in two share capital increases of Intradevelopment contributing €7.752. As a result of the second share capital increase that took place on 30.11.2017, the direct shareholding of the Company in Intradevelopment became 62,39%, while the indirect shareholding reached 92,31% (31.12.2016: 61,76%). As a result of the above transactions, Group's equity increased by €1.199 with an equal increase in non-controlling interests.

The Company also participated in a share capital increase in the subsidiary Intracom Holdings International Ltd with the amount of €370.

Year 2016

The subsidiary Intrakat SA acquired from the minority shareholders 54,71% of its subsidiary EUROKAT ATE for €613 and, as a result, it's interest in the subsidiary reached 100%. The Group's equity decreased by €613 while non-controlling interests decreased by €386.

Intra-hospitality S.A, a subsidiary of Intrakat SA, increased its share capital by €24 which was covered in full by non-controlling interests. This resulted in the increase of the total interest held in Intrablue Hospitality by 50%, with Intrakat SA maintaining control. A further 50% interest was subsequently acquired for €24 by minority shareholders and as a result the total interest held in the subsidiary reached 100%. The above transactions had no effect on the Group's equity, while non-controlling interests increased by €2.

On 21.07.2016 the subsidiary Intrakat SA, acquired a 60% stake in AK ENERGEIAKI SA for €4.000, which holds an interest of 50% in the subsidiary of the Group A.KATSELIS ENERGEIAKI SA. As a result, the Group acquired an additional stake of 30% in the subsidiary A. KATSELIS ENERGEIAKI SA. and its total interest held reached 80%. The decrease in the Group's equity was €4.000 while the decrease in non-controlling interests was €1.897.

(All amounts in €'000)

The subsidiary Inrakat SA participated, through its own subsidiary, in the share capital increase of the associate INESTIA TOURISTIKI SA for €126. On 12.12.2016 the sub-group Intrakat SA acquired control of INESTIA TOURISTIKI SA, with no change in the interest held. As a result, on 12.12.2016 INESTIA TOURISTIKI SA was derecognised from investments in associates (note 11) and is now included in the Group's financial statements as a subsidiary. The effect of the acquisition of control in the subsidiary was not significant for the Group.

Information for subsidiaries with non-controlling interests

At 31 December 2017, total non-controlling interests amounted to €13.071 (2016: €20.927), out of which €11.694 relates to Intrakat Group (2016: €19.489), €118 relates to Advanced Passport Telematics (2016: €185) and €1.259 to Intrasoft International SA (2016: €1.254).

There are no significant restrictions as regards the Group's assets or settlement of liabilities.

Summarised financial information for Intrakat Group

Below is provided the summarised financial information of the subsidiary:

Summarised statement of financial position:

	Intrakat SA	
	31/12/2017	**31/12/2016**
Assets		
Current assets	187.688	178.311
Non-current assets	140.685	110.715
Total assets	328.373	289.026
Liabilities		
Current liabilities	169.960	180.802
Non-current liabilities	94.065	57.158
Total liabilities	264.025	237.960
Net assets	64.347	51.066

(All amounts in €'000)

Summarised income statement:

	Intrakat SA	
	1/1- 31/12/2017	**1/1- 31/12/2016**
Sales	160.326	182.384
Profit / (losses) before income tax	(6.508)	(3.852)
Income tax	(1.444)	(2.541)
Post tax profit / (losses) for the year	(7.952)	(6.392)
Other comprehensive income	171	(351)
Total comprehensive income	(7.781)	(6.743)
Total comprehensive income allocated to non-controlling interests	(2.168)	(2.438)

Summarised cash flow statement:

	Intrakat SA	
	1/1- 31/12/2017	**1/1- 31/12/2016**
Cash flows from operating activities		
Cash generated from operations	40.234	17.441
Interest paid	(12.958)	(9.314)
Income tax paid	831	121
Net cash generated from operating activities	28.107	8.248
Net cash used in investing activities	(19.251)	(16.104)
Net cash generated from/(used in) financing activities	18.513	(9.428)
Net increase / (decrease) in cash and cash equivalents	**27.369**	**(17.284)**
Cash and cash equivalents at beginning of year	14.040	31.324
Cash and cash equivalents at end of year	**41.409**	**14.040**

11. Investments in companies which are consolidated using the equity method

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Balance at the beginning of the year	**597**	**727**	**-**	**-**
Additions/Share capital increases	2.156	180	-	-
Additions from acquisitions (note 42)	815	-		
Disposals / Liquidations of joint ventures	(1)	(7)	-	
Transfer to subsidiary	-	(182)	-	
Transfer from subsidiary	7.108	-	-	
Share of loss	(521)	(117)	-	-
Effect of exchange differences and remeasurements of retirement benefit obligations	68	(3)	-	-
Balance at the end of the year	**10.221**	**597**	**-**	

(All amounts in €'000)

Year 2017

a) Loss of control in Devenetco

On 10.02.2017, the subsidiary Devenetco Ltd, wholly owned subsidiary of INTRADEVELOPMENT, acquired 100% of BENECIELO CO LTD shares for €2 mil. This amount is presented in the cash flow statement.

On 14.02.2017, Devenetco Ltd increased its share capital by €13.599. Intradevelopment participated in the share capital increase by €6.799 and another strategic investor participated by €6.800. After the completion of the share capital increase the interest in Devenetco held by the subsidiary Intradevelopment is 50%. As of 14.02.2017, Devenetco is incorporated in the Group's financial statements as an associate using the equity method (the carrying value on the date of the transfer was €7.108).

Fair values of Devenetco Ltd's assets and liabilities as of 14.02.2017 were as follows:

	14/2/2017
Cash	6.822
Investment property	11.824
Trade receivables	41
Trade liabilities	(6.448)
Other assets	1.679
Other liabilities	(11)
Net assets	**13.908**
Net assets of the Group (50%)	6.954
Previously held interest	100,00%
Interest transferred	-50,00%
Total interest	50,00%
Fair Value of net assets transferred	6.954
Less: Value of net assets transferred	(7.108)
Gains/Losses from associates	(154)

b) Share capital additions/increases

On 26.05.2017, the subsidiary Intrakat participated by 40% in the formation of two associates with trade names ELMEAS SA and SIRRA SA. The amount of share capital paid on 31.12.2017 was €200.

In addition to the above, as described in note 42, Intrapar participated in the share capital increase of the associate KEKROPS SA with the amount of €1.896.

(All amounts in €'000)

Year 2016

As disclosed in note 10, the subsidiary Intrakat SA acquired control of INESTIA TOURISTIKI SA, without change in the interest held. As a result, the investment in the subsidiary INESTIA TOURISTIKI SA of €182 was derecognised and it is now included in the financial statements of the Group as investment in subsidiary. This transaction had no significant impact on the Group.

Information about the Group's associates is presented below:

2017

Name	Country of incorporation	Assets	Liabilities	Revenue	Profit / (Loss)	Interest Held
ALPHA MOGILANY DEVELOPMENT SP. Z.O.O	POLAND	6.198	5.833	-	(309)	25,00%
MOBILE COMPOSTING S.A.	GREECE	472	407	-	(6)	24,00%
FRACASSO HOLDINGS D.O.O.	CROATIA	929	245	128	(24)	50,00%
COMPANY OPERATING THE UNIT OF URBAN SOLID WASTE TREATMENT FACILITY OF SERRES S.A. (ELMEAS S.A.)	GREECE	23	1	-	(3)	40,00%
COMPANY MANAGING THE URBAN SOLID WASTE IN THE MUNICIPALITY OF SERRES S.A. (SIRRA S.A.)	GREECE	8.468	7.586	4.445	(3)	40,00%
KEKROPS S.A.	GREECE	13.381	6.960	15	(932)	34,06%
DEVENETCO LTD	CYPRUS	16.253	2.789	122	(224)	50,00%
ATHENS TECH S.A.	GREECE	77	233	350	(310)	35,41%
		45.801	**24.055**	**5.061**	**(1.810)**	

2016

Επωνυμία	Country of incorporation	Assets	Liabilities	Revenue	Profit / (Loss)	Interest Held
ALPHA MOGILANY DEVELOPMENT SP. Z.O.O	POLAND	5.866	5.235	-	(206)	25,00%
MOBILE COMPOSTING S.A.	GREECE	505	170	73	58	24,00%
FRACASSO HOLDINGS D.O.O.	CROATIA	1.226	530	230	(1)	40,00%
ATHENS TECH S.A.	GREECE	66	213	228	(226)	50,00%
		7.663	**6.148**	**531**	**(375)**	

12. Joint operations

The following amounts show the Group's share of assets and liabilities in joint operations that are accounted for using the proportionate consolidation method and are included in the balance sheet:

(All amounts in €'000)

	31/12/2017	31/12/2016
Assets		
Non-current assets	1.487	89
Current assets	12.135	22.868
	13.622	22.957
Liabilities		
Non-current liabilities	-	-
Current liabilities	12.920	21.335
	12.920	21.335
Equity	701	1.622
Income	5.775	19.265
Expenses	(5.810)	(19.624)
Profit / (Loss) (after tax)	**(35)**	**(360)**

Information for the Group's investments in joint operations is included in note 41.

13. Available-for-sale financial assets

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Balance at the beginning of the year	12.873	13.258	11.637	9.095
Additions from acquisitions (note 42)	2.475	-	-	-
Additions	27.070	3.735	68	3.524
Fair value (losses) / gains	295	(3.137)	264	-
Impairment	-	(462)	-	(462)
Other	-	(520)	-	(520)
Balance at the end of the year	**42.714**	**12.873**	**11.969**	**11.637**
Non current Assets	**42.714**	**12.873**	**11.969**	**11.637**
Current Assets	-	-	-	-
	42.714	**12.873**	**11.969**	**11.637**

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Listed securities:				
- Equity securities	2.791	2.466	2.332	2.067
Unlisted securities:				
- Equity securities	39.923	10.408	9.637	9.570
	42.714	**12.873**	**11.969**	**11.637**

(All amounts in €'000)

Investments in unlisted shares are shown at cost less impairment.

The investments in listed companies relate to companies listed in the Athens Stock Exchange and are measured at their quoted stock prices at the balance sheet date.

Available-for-sale financial assets include a 3,44% shareholding in Hellenic Energy and Development SA amounting to €1.220 and a 13,33% shareholding in Moreas SA amounting to €8.084 as at 31 December 2017.

From 28/12/2017, the Group participates through the subsidiary Intracom Operations ltd, in Goreward Ltd Group, which operates in China. The cost of investment amounts to €27 mil. and the interest held is 22,31%. The subsidiary Intracom Operations is a passive investor, with no representation in the company's board of directors. As a result, the investment was not consolidated using the equity method, but it was classified in investments available for sale.

The additions in the Group and the Company in the year 2016 refer to the acquisition of listed securities of Intralot of €2.066 as well as the Company's contribution to the share capital increase of Moreas SA by its interest held which amounted to €1.333.

14. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Deferred tax assets	(8.109)	(8.303)	-	-
Deferred tax liabilities	2.328	1.240	1.022	1.061
	(5.781)	**(7.063)**	**1.022**	**1.061**

The gross amounts are as follows:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Deferred tax assets:				
To be recovered after more than 12 months	(14.593)	(13.222)	(67)	(61)
To be recovered within 12 months	(1.128)	(2.064)	-	-
	(15.720)	**(15.286)**	**(67)**	**(61)**
Deferred tax liabilities				
To be settled after more than 12 months	5.875	4.162	1.089	1.123
To be settled within 12 months	4.066	4.063	-	-
	9.939	**8.224**	**1.089**	**1.123**
	(5.781)	**(7.063)**	**1.022**	**1.061**

(All amounts in €'000)

The gross movement on the deferred income tax account is as follows:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Balance at the beginning of the year	(7.063)	(6.749)	1.061	1.066
Exchange differences	(12)	8	-	-
Charge / (credit) to profit or loss (Note 34)	1.338	(276)	(37)	(28)
Charge / (credit) to other comprehensive income	(53)	(41)	(2)	23
Charge / (credit) to equity	(20)	(5)	-	-
Disposal of branch	29	-	-	-
Balance at the end of the year	**(5.781)**	**(7.063)**	**1.022**	**1.061**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdictions, is as follows:

Group

	Provisions	Tax losses	Other	Total
Balance 1 January 2016	(9.958)	(4.003)	(1.300)	(15.261)
Exchange differences	8	-	-	8
Charge / (credit) to profit or loss	(2.391)	2.487	(83)	13
Credit to other comprehensive income	(41)	-	-	(41)
Credit to equity	-	-	(5)	(5)
Balance 31 December 2016	**(12.383)**	**(1.516)**	**(1.388)**	**(15.286)**
Balance 1 January 2017	(12.383)	(1.516)	(1.388)	(15.286)
Exchange differences	(12)	-	-	12
Charge / (credit) to profit or loss	736	(1.037)	(59)	(360)
Credit to other comprehensive income	(53)	-	-	(53)
Credit to equity	(2)	-	(37)	(39)
Disposal of branch	-	-	30	30
Balance 31 December 2017	**(11.714)**	**(2.553)**	**(1.453)**	**(15.720)**

Deferred tax liabilities:

	Accelerated tax depreciation	Other	Total
Balance 1 January 2016	4.660	3.852	8.512
Charge / (credit) to profit or loss	(4)	(285)	(288)
Balance 31 December 2016	**4.656**	**3.568**	**8.224**
Balance 1 January 2017	4.656	3.568	8.224
Charge / (credit) to profit or loss	370	1.328	1.698
Disposal of branch	(2)	-	(2)
Balance 31 December 2017	**5.025**	**4.914**	**9.939**

(All amounts in €'000)

Company

Deferred tax assets:

	Provisions	Total
Balance 1 January 2016	(98)	(98)
Charge to profit or loss	13	13
Charge to other comprehensive income	23	23
Balance 31 December 2016	**(61)**	**(61)**
Balance 1 January 2017	(61)	(61)
Credit to profit or loss	(4)	(4)
Credit to profit or loss	(2)	(2)
Balance 31 December 2017	**(67)**	**(67)**

Deferred tax liabilities:

	Accelerated tax depreciation	Total
Balance 1 January 2016	1.164	1.164
Credit to profit or loss	(41)	(41)
Balance 31 December 2016	**1.123**	**1.123**
Balance 1 January 2017	1.123	1.123
Credit to profit or loss	(34)	(34)
Balance 31 December 2017	**1.089**	**1.089**

The Company has not recognised deferred tax asset on the losses of the previous and the current year. These losses amount to €115.573.

15. Long-term borrowings

In 2008, the Company participated in the issue of a subordinated bond loan of a total amount of €55.000 by Moreas SA, in which Intracom Holdings holds an interest of 13,33%. The Company participated in the issue of the bond loan up to its shareholding percentage in Moreas SA (13,33%), paying an amount of €7.332. The loan carries a floating interest rate (12m Euribor plus 4,0% margin).

The amount recorded on the balance sheet as at 31 December 2017 consists of the initial capital plus capitalised interest of the period 2008-2017.

Non-current borrowings also include other fixed interest loans granted to third parties amounting to €835 (interest rate ranging between 5,25% and 6,5%).

(All amounts in €'000)

16. Trade and other receivables

	Group		Company	
	31/12/2017	**31/12/2016 Restated***	**31/12/2017**	**31/12/2016**
Trade receivables	105.296	130.601	54	88
Less: provision for impairment	(16.128)	(16.109)	-	-
Trade receivables - net	89.167	114.491	54	88
Prepayments	26.297	29.144	-	-
Receivables from related parties (note 39)	18.538	18.574	24.694	25.403
Loans to related parties (note 39)	2.034	337	-	2.301
Prepaid expenses	5.583	6.808	84	84
Accrued income	57.043	53.316	416	416
Restricted cash	8.063	7.906	7.613	7.456
Other receivables	27.434	34.006	2.147	2.433
Less: provision for impairment of other receivabl	(3.033)	(3.000)	-	-
Total	**231.127**	**261.582**	**35.007**	**38.181**
Non-current assets	20.606	20.487	39	39
Current assets	210.520	241.095	34.968	38.142
	231.127	**261.582**	**35.007**	**38.181**

(*) Refer to note 43.

At 31 December 2017, out of the €27 million of other receivables, the amount of €12,2 million relates to receivables from the Greek State and the amount of €3,4 million relates to receivables from joint ventures.

(All amounts in €'000)

The analysis of trade receivables of the Group and the Company at the end of each year is as follows:

	Group		Company	
	31/12/2017	**31/12/2016 Restated***	**31/12/2017**	**31/12/2016**
Total	89.167	114.491	54	88
Not past due and not impaired at the balance sheet date	57.263	58.740	24	56
Impaired at the balance sheet date	16.128	16.109	-	-
Provision made for the following amount:	(16.128)	(16.109)	-	-
	-	-	-	-
Not impaired at the balance sheet date but past due in the following periods:				
< 90 days	8.073	14.276	7	9
90-180 days	9.774	8.111	6	12
180-270 days	11.818	17.208	8	-
270-365 days	1.237	2.931	2	4
1- 2 years	437	4.493	-	7
>2 years	565	8.731	6	-
	31.904	55.751	29	32
Total trade receivables	**89.167**	**114.491**	**54**	**88**

(*) Refer to note 43.

Receivables that are past due more than twelve months and for which no impairment provision has been recognised relate to receivables from the Greek State amounting to €2,1million (2016: €4,9 million).

There is no concentration of credit risk in relation to trade receivables, since the Group has a large number of customers. The Group has developed policies to ensure that the sales agreements take place with customers with sufficient credit quality. The credit policy of the Group is determined on a case by case basis and is set out in the agreed terms in the contract signed with each customer.

(All amounts in €'000)

The movement of provision for impairment of trade and other receivables is analysed as follows:

	Group	Company
Balance 1 January 2016	19.679	-
Exchange differences	(40)	-
Provision for impairment (note 29)	462	-
Receivables written-off during the year	(233)	-
Provisions used	(417)	
Unused amounts reversed (note 29)	(340)	-
Balance 31 December 2016	**19.110**	-
Exchange differences	197	-
Provision for impairment (note 29)	2.053	-
Provisions used	(2.197)	
Unused amounts reversed (note 29)	(1)	-
Balance 31 December 2017	**19.162**	-

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	31/12/2017	**31/12/2016 Restated***	**31/12/2017**	**31/12/2016**
Euro (EUR)	197.427	203.608	34.929	38.100
US Dollar (USD)	28.682	51.280	-	-
Polish Zloty (PLN)	1.240	1.756	-	-
Romanian Lei (RON)	1.189	1.451	79	81
Jordanian Dinar (JOD)	-	1.244	-	-
Danish Corona (DKK)	41	41	-	-
FYROM Dinar (MKD)	2.248	1.501	-	-
Other	300	701	-	-
	231.127	**261.582**	**35.007**	**38.181**

(*) Refer to note 43.

(All amounts in €'000)

17. Inventories

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Raw materials	23.447	24.429	-	-
Semi-finished goods	13.415	12.573	-	-
Finished goods	8.281	8.522	-	-
Work in progress	3.283	2.327	-	-
Merchandise	2.095	3.144	-	-
Other	250	284	-	-
Total	**50.770**	**51.278**	**-**	**-**
Less: Provisions for obsolete and destroyed inventories				
Raw materials	7.143	7.509	-	-
Semifinished goods	2.823	2.633	-	-
Finished goods	1.551	1.527	-	-
Merchandise	301	301	-	-
	11.818	**11.970**	**-**	**-**
Net realisable value	**38.952**	**39.309**	**-**	**-**

The movement of the provision is as follows:

	Group	Company
Balance 1 January 2016	9.943	-
Provision for impairment (note 29)	2.084	-
Used provisions during the year (note 29)	(57)	-
Balance 31 December 2016	**11.970**	**-**
Provision for impairment (note 29)	431	-
Used provisions during the year (note 29)	(583)	-
Balance 31 December 2017	**11.818**	**-**

(All amounts in €'000)

18. Construction contracts

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Assets				
Contracts in progress at the balance sheet date:				
Receivables from construction contracts	39.874	36.066	-	-
Total	**39.874**	**36.066**	**-**	**-**
Liabilities				
Contracts in progress at the balance sheet date:				
Liabilities from construction contracts	1.324	3.733	-	-
Total	**1.324**	**3.733**	**-**	**-**
Accumulated contract costs plus accumulated recognised profits less accumulated recognised losses	595.866	605.073	-	-
Less: Progress billings	(557.317)	(572.740)	-	-
Construction contracts	**38.550**	**32.333**	**-**	**-**

The contractual revenue from construction contracts for financial year 2017 amounts to €105 million (2016: €96 million).

At 31 December 2017, the prepayments received for contracts in progress amount to €67 million (2016: €7 million) and the amounts withheld by project clients amount to €2 million (2016: €2 million).

(All amounts in €'000)

19. Right to payments from the Greek State

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Balance at the beginning of the year	14.159	11.647	-	-
Increase of receivables	19.661	22.450	-	-
Decrease of receivables	(15.075)	(19.938)	-	-
Total	**18.745**	**14.159**	**-**	**-**
Non-current assets	-	-	-	-
Current assets	18.745	14.159	-	-
	18.745	**14.159**	**-**	**-**
Total prepayments received	9.453	14.399	-	-

20. Financial assets at fair value through profit or loss

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Balance at the beginning of the year	167	170	-	-
Fair value adjustments (note 32)	97	(3)	-	-
Balance at the end of the year	**264**	**167**	-	-

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Listed securities				
- Equity securities	264	167	-	-
	264	**167**	**-**	**-**

(All amounts in €'000)

21. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Cash at bank and in hand	140.064	106.306	61.130	52.005
Short-term bank deposits	8.162	1.665	-	-
Total	**148.226**	**107.971**	**61.130**	**52.005**

In 2017, the effective interest rate on short-term bank deposits for the Company was 0% (2016: 0%).

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Euro (EUR)	135.537	94.263	60.248	51.053
US Dollar (USD)	12.061	9.859	803	951
Japanese Yen (JPY)	-	1.055	-	-
Romanian Lei (RON)	109	605	79	-
Bulgarian Leva (BGN)	175	863	-	-
Polish Zloty (PLN)	-	446	-	-
Other	345	880		
	148.226	**107.971**	**61.130**	**52.005**

22. Share capital

	Number of shares	Share capital	Share premium	Total
Balance 1 January 2016	133.025.996	187.567	194.204	381.771
Balance 31 December 2016	**133.025.996**	**187.567**	**194.204**	**381.771**
Balance 1 January 2017	133.025.996	187.567	194.204	381.771
Balance 31 December 2017	**133.025.996**	**187.567**	**194.204**	**381.771**

On 31 December 2016 and on 31 December 2017 the Company's share capital amounts to €187.567 divided into 133.025.996 shares with a nominal value of €1,41 each.

(All amounts in €'000)

23. Reserves

Group

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Other reserves	Remeasurments of retirement benefit obligations	Fair value reserves	Total
Balance 1 January 2016	30.662	8.305	107.225	56.470	(29.237)	(2.855)	(3.251)	167.318
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(2.283)	(2.283)
Transfer to profit or loss of available-for-sale financial assets due to impairment	-	-	-	-	-	-	2.291	2.291
Exchange differences	-	-	-	-	-	-	149	149
Effect of change in interest held in subsidiaries	6	-	-	-	2	-	-	8
Transfers between reserves	30	-	(276)	-	-	-	-	(246)
Balance 31 December 2016	**30.697**	**8.305**	**106.949**	**56.470**	**(29.235)**	**(2.855)**	**(3.094)**	**167.237**
Balance 1 January 2017	30.697	8.305	106.949	56.470	(29.235)	(2.855)	(3.094)	167.237
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	294	294
Transfer to profit or loss of available-for sale reserve due to impairment	-	-	-	-	-	-	26	26
Exchange differences	-	-	-	-	-	-	(1.006)	(1.006)
Disposal of subsidiaries	-	-	(23)	-	-	-	-	(23)
Effect of change in interest held in subsidiaries	3	-	-	-	512	-	-	515
Remeasurements of retirement benefit obligations, net of tax	-	-	-	-	-	(140)	-	(140)
Transfers between reserves	88	-	(439)	-	-	-	-	(350)
Balance 31 December 2017	**30.789**	**8.305**	**106.487**	**56.470**	**(28.723)**	**(2.995)**	**(3.779)**	**166.553**

Company

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Remeasurments of retirement benefit obligations	Fair value reserves	Total
Balance 1 January 2016	26.719	8.069	47.149	56.981	(201)	-	138.717
Remeasurements of retirement benefit obligations, net of tax	-	-	-	-	57	-	57
Balance 31 December 2016	**26.719**	**8.069**	**47.149**	**56.981**	**(144)**	**-**	**138.774**
Balance 1 January 2017	26.719	8.069	47.149	56.981	(144)	-	138.774
Fair value gain on available-for-sale financial assets	-	-	-	-	-	264	264
Remeasurements of retirement benefit obligations, net of tax	-	-	-	-	(5)	-	(5)
Balance 31 December 2017	**26.719**	**8.069**	**47.149**	**56.981**	**(149)**	**264**	**139.033**

(a) Statutory reserve

The statutory reserve is created under the provisions of Greek law (Law 2190/20, articles 44 and 45) according to which an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the paid share capital. The statutory reserve can only be used with the approval of the Annual General Meeting of shareholders to offset accumulated losses and therefore cannot be used for any other purpose.

(b) Special reserves

Special reserves include amounts that were created according to decisions of the Annual General Meetings, have no specific purpose and can therefore be used for any reason following the approval of the Annual General Meeting, as well as amounts that were created under the provisions of Greek law. These reserves have been created from after-tax profits and are therefore not subject to any additional taxation in case of distribution or capitalisation.

(c) Tax free reserves

Tax-free reserves under special legal provisions

This account includes reserves created from profits which were used for the acquisition of new fixed assets employed in the production process and are therefore regarded as tax-free under special provisions of the development laws in force. In essence, this reserve is created from profit for which no tax is calculated or paid.

During financial year 2015, under the provisions of paragraphs 12 and 13 of article 72 of Law 4172/2013, tax-free reserves of the Company amounting to €8.841 were offset against tax losses.

Reserves created under the provisions of tax law from tax-free income or from income taxed under special provisions

This reserve includes the portion of the net income carried forward every year that comes from tax-free profits and profits taxed under special provisions by using up the tax liability.

The aforementioned reserves can be capitalised or distributed following the approval of the Annual General Meeting, after taking into consideration the restrictions that may apply. In case of capitalisation or distribution, tax is calculated at the current tax rate.

(d) Fair value reserve

Fair value reserves mainly include foreign currency translation differences from investments denominated in foreign currency.

During the year, a reserve amounting to €26 (2016:€2.291) was transferred to the Group's income statement due to the impairment of investments available for sale.

(All amounts in €'000)

24. Borrowings

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Non-current borrowings				
Bank loans	69.033	33.895	-	-
Finance lease liabilities	8.445	7.676	7.112	7.440
Bond loans	29.285	26.835	-	-
Total non-current borrowings	**106.764**	**68.405**	**7.112**	**7.440**
Current borrowings				
Bank loans	123.787	96.024	43.954	15.500
Bond loans	10.798	11.950	-	-
Other loans	1.132	1.086	-	-
Finance lease liabilities	1.007	534	328	311
Total current borrowings	**136.724**	**109.594**	**44.282**	**15.811**
Total borrowings	**243.487**	**178.000**	**51.394**	**23.251**

The loans of the Group and Company are denominated in the following currencies:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Euro	242.698	176.641	51.394	23.251
US dollar (USD)	725	1.358	-	-
Other	64	-	-	-
	243.487	**178.000**	**51.394**	**23.251**

The contractual undiscounted cash flows of the borrowings, excluding finance leases (including interest payments), are as follows:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Not later than 1 year	134.762	112.154	43.954	15.500
Between 1 and 2 years	8.036	6.165	-	-
Between 2 and 3 years	16.107	6.793	-	-
Between 3 and 5 years	18.956	21.128	-	-
More than 5 years	60.026	31.529	-	-
	237.887	**177.770**	**43.954**	**15.500**

The weighted average interest rate of the Group's short-term and long-term borrowings in 2017 was 5,85% and 5,17% respectively (2016: 5,95% and 4,86% respectively).

(All amounts in €'000)

The weighted average interest rate of the Company's short-term borrowings in 2017 was 5,27% (2016: 5,53%).

Guarantees relating to the above borrowings are disclosed in note 38.

Finance leases

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	1.429	897	654	654
Between 2 and 5 years	6.556	4.398	5.148	4.134
More than 5 years	3.154	4.823	3.154	4.823
Total	11.139	10.117	8.956	9.611
Less: Future finance charges on finance leases	(1.686)	(1.907)	(1.516)	(1.860)
Present value of finance lease liabilities	**9.452**	**8.210**	**7.440**	**7.751**
Present value of finance lease liabilities:				
Not later than 1 year	1.007	534	328	311
Between 2 and 5 years	5.448	3.191	4.115	2.955
More than 5 years	2.997	4.485	2.997	4.485
Total	**9.452**	**8.210**	**7.440**	**7.751**

25. Retirement benefit obligations

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Balance sheet obligations for:				
Pension benefits	**7.691**	**7.046**	**379**	**360**
Income statement charge				
Pension benefits (note 30)	**805**	**954**	**12**	**326**
Charge / (credit) to equity				
Remeasurements of retirement benefit obligations	**198**	**118**	**7**	**(80)**

The amounts recognised in profit or loss are determined as follows:

	Group		Company	
	1/1 - 31/12/2017	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Current service cost	523	380	6	11
Interest cost	68	77	6	10
Losses on curtailment	214	496	-	305
Total, included in staff costs	**805**	**954**	**12**	**326**

(All amounts in €'000)

Total charge is allocated as follows:

	Group		Company	
	1/1 - 31/12/2017	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Cost of goods sold	660	482	-	-
Selling costs	116	86	-	-
Administrative expenses	29	386	12	326
	805	**954**	**12**	**326**

The movement in the liability recognised in the balance sheet is as follows:

	Group		Company	
	1/1 - 31/12/2017	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Balance at the beginning of the year	7.046	6.666	360	485
Total expense charged to the income statement	805	954	12	326
Contributions paid	(357)	(692)	-	(371)
Remeasurements of retirement benefit obligations	198	118	7	(80)
Balance at the end of the year	**7.692**	**7.046**	**379**	**360**

The principal actuarial assumptions used are as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
Discount rate	1,5% - 1,7%	1,5% - 1,8%	1,70%	1,80%
Future salary increases	1,8% - 2,3%	1,8% - 2,3%	2,00%	2,00%

In the following table is presented the analysis of the liability's sensitivity to changes in the key assumptions.

Group

	Change in the assumption		Increase / (Decrease) in the present value of the liability in case of an increase in the assumption		Increase / (Decrease) in the present value of the liability in case of an decrease in the assumption	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Discount rate	0,5%	0,5%	(671)	(598)	415	416
Future salary increases	0,5%	0,5%	365	379	(635)	(576)

Company

	Change in the assumption		Increase / (Decrease) in the present value of the liability in case of an increase in the assumption		Increase / (Decrease) in the present value of the liability in case of an decrease in the assumption	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Discount rate	0,5%	0,5%	(22)	(22)	23	23
Future salary increases	0,5%	0,5%	17	21	(18)	33

(All amounts in €'000)

26. Grants

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Balance at the beginning of the year	49	55	-	-
Amortisation charge (note 31)	(5)	(5)	-	-
Balance at the end of the year	**44**	**49**	**-**	**-**
Non-current portion	44	49	-	-
Total	**44**	**49**	**-**	**-**

27. Provisions

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Current liabilities	8.911	14.157	3.316	4.966
Non-current liabilities	1.076	1.528	-	-
Total	**9.987**	**15.685**	**3.316**	**4.966**

Group

	Warranties	Unaudited tax years	Other	Total
Balance 1 January 2016	735	761	9.322	10.818
Additional provisions of the year	400	-	10.171	10.571
Unused amounts reversed	-	-	(981)	(981)
Provisions used during the year	(385)	-	(4.339)	(4.723)
Balance 31 December 2016	**750**	**761**	**14.174**	**15.685**
Balance 1 January 2017	750	761	14.174	15.685
Additional provisions of the year	226	-	8.679	8.905
Unused amounts reversed	-	(107)	(1.766)	(1.872)
Provisions used during the year	(131)	-	(12.598)	(12.730)
Balance 31 December 2017	**844**	**654**	**8.489**	**9.987**

At 31 December 2017, the amount of €8.489 in other provisions includes €367 for the recognition of losses from loss making contracts (2016: €297), €3.415 for accrued employee benefits (2016: €4.137), €2.836 for court decisions and disputes subject to judicial proceedings or arbitration (2016: €2.666) and €550 for provisions related to the agreement for the transfer of Hellas online concerning liabilities that will be assumed by the Company after the sale of Hellas online (2016: €2.200). During

(All amounts in €'000)

the year, €1.650 out of the initial provision, which amounts to €2.200, relating to the transfer agreement of Hellas online was transferred to revenue. This amount is included in "Other profit/(loss)".

As regards the provision of €4.300 recognised in 2016 by Intrakat for the fine imposed by the Hellenic Competition Commission, it is noted that the amount has been finalised and it has been arranged to be repaid in 24 monthly instalments.

Company

	Other	Total
Balance 1 January 2016	4.966	4.966
Balance 31 December 2016	**4.966**	**4.966**
Balance 1 January 2017	4.966	4.966
Unused amounts reversed	(1.650)	(1.650)
Balance 31 December 2017	**3.316**	**3.316**

At 31 December 2017, other provisions include a provision for court decisions and disputes subject to judicial proceedings or arbitration amounting to €2.666 and provisions related to the agreement for the transfer of Hellas online concerning liabilities that will be assumed by the Company after the sale of Hellas online amounting to €550. During the year, €1.650 out of the initial provision, which amounts to €2.200, was transferred to revenue due to the finalisation of the Company's liabilities arising from the transfer of Hellas online. This amount is included in "Other profit/(loss)".

28. Trade and other payables

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Trade payables	72.148	100.990	264	1.496
Prepayments from customers	119.007	90.628	-	-
Deferred income	9.825	8.291	-	-
Amounts due to related parties (note 39)	10.861	7.828	7.739	6.634
Accrued expenses	14.347	15.477	236	242
Social security and other taxes	15.686	8.264	350	464
Other liabilities	10.256	13.903	2.374	2.451
Total	**252.130**	**245.380**	**10.963**	**11.286**
Non-current liabilities	28.299	3.305	-	-
Current liabilities	223.831	242.075	10.963	11.286
	252.130	**245.380**	**10.963**	**11.286**

The credit payment terms provided to the Group are determined on a case-by-case basis and are set out in the contracts signed with each supplier.

(All amounts in €'000)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Euro (EUR)	172.660	186.344	10.963	11.286
US Dollar (USD)	25.197	51.875	-	-
Romanian Lei (RON)	794	1.868	-	-
Polish Zloty (PLN)	1.299	1.445	-	-
Bulgarian Leva (BGN)	306	853	-	-
Jordanian Dinar (JOD)	504	445	-	-
FYROM Dinar (MKD)	3.451	2.504	-	-
British Pound (GBP)	47.899	23	-	-
Other	19	25	-	-
	252.130	**245.380**	**10.963**	**11.286**

29. Expenses by nature

	Note	Group		Company	
		1/1 - 31/12/2017	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Employee benefits	30	102.520	98.755	1.496	2.163
Inventory cost recognised in cost of goods sold		85.464	94.589	-	-
Depreciation of PPE	6	6.159	6.433	577	280
Depreciation of investment property	9	1.034	1.022	882	1.200
Amortisation of intangible assets	8	890	972	10	2
Impairment of inventories	17	431	2.016	-	-
Write-off of inventories		(587)			
Repairs and maintenance of PPE		2.174	1.946	154	189
Operating lease payments		8.239	5.216	-	-
Subcontractors' fees		119.545	149.458	-	-
Exchange gains/ (losses)		375	-	-	-
Impairment of bad debts	16	2.052	122	-	-
Telecommunications cost		1.502	1.633	-	-
Transportation and travelling expenses		6.378	6.531	124	155
Third party fees		30.261	1.917	627	488
Advertisement		1.567	1.776	164	81
Other		13.848	11.166	1.774	1.988
Total		**381.851**	**383.552**	**5.808**	**6.546**
Split by function:					
Cost of goods sold		324.019	331.899	2.189	2.472
Selling and research costs		22.079	19.102	-	-
Administrative expenses		35.753	32.551	3.619	4.075
		381.851	**383.552**	**5.808**	**6.547**
Split of depreciation and amortisation by function:					
Cost of goods sold		4.907	5.137	144	115
Selling and research costs		598	574	-	-
Administrative expenses		2.578	2.716	1.326	1.367
		8.083	**8.428**	**1.469**	**1.482**

The fees for the provision of audit services (statutory audit and other services) amount to approximately €570 for the Group and €57 for the Company. During the year, the Company and the Group have not received any non-audit services.

(All amounts in €'000)

30. Employee benefits

	Group		Company	
	1/1 - 31/12/2017	1/1 - 31/12/2016	1/1 - 31/12/2017	1/1 - 31/12/2016
Wages and salaries	81.702	79.199	1.253	1.613
Social security costs	17.616	16.093	205	198
Other employers' contributions and expenses	610	723	26	26
Pension costs - defined contribution plans	-	132	-	-
Pension costs - defined benefit plans (note 25)	805	954	12	326
Other post-employment benefits	1.787	1.654	-	-
Total	**102.520**	**98.755**	**1.496**	**2.163**

31. Other operating income

	Group		Company	
	1/1 - 31/12/2017	1/1 - 31/12/2016	1/1 - 31/12/2017	1/1 - 31/12/2016
Dividend income	3	4	-	-
Rental income	1.679	2.382	2.197	2.687
Amortisation of grants received (note 26)	5	5	-	-
Other income from grants	43	179	-	-
Insurance compensations	416	9	-	-
Other	2.236	2.210	-	-
Total	**4.382**	**4.790**	**2.197**	**2.687**

The future minimum lease payments expected to be received by the Group and the Company are as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Up to 1 year	1.648	1.670	2.219	2.135
From 2 to 5 years	7.607	7.099	10.211	9.346
More than 5 years	8.571	10.458	8.974	11.674
	17.826	**19.227**	**21.404**	**23.155**

(All amounts in €'000)

32. Other gains/(losses) - net

	Group		Company	
	1/1 - 31/12/2017	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Gains / (losses) from sale of PPE	(92)	6	-	(10)
Gains / (losses) from sale of investment property	56	-	-	-
Fair value gains /(losses) of financial assets at fair value through profit or loss	97	(3)	-	-
Gains / (losses) from disposal/liquidation of available-for-sale financial assets	(1)	2	-	2
Impairment of available-for-sale financial assets	(44)	(3.613)	-	(462)
Gains from disposal of associates	1	-	-	-
Gains/ (losses) from liquidation of joint ventures	148	-	-	-
Write-offs of other receivables	(685)	(174)	(685)	(174)
Net foreign exchange gains / (losses)	(376)	54	-	-
Provision for penalty from competition commission (note 27)	-	(4.300)	-	-
Other	2.453	911	1.650	841
Total	**1.557**	**(7.118)**	**965**	**196**

In financial year 2017, «Other» in the Group and the Company include an amount of €1.650 which relates to an unused provision recognised in a prior year for expenses that might arise from the disposal of Hellas online. In financial year 2016, «Other» include an amount of €841 which relates to an extra receipt as a result of the terms for the sale agreement of Hellas online to Vodafone.

33. Finance expenses/(income) - net

	Group		Company	
	1/1 - 31/12/2017	**1/1 - 31/12/2016 Restated***	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Finance expenses				
Interest and related expense				
- Bank borrowings	9.907	9.245	999	989
- Bond loans	1.563	1.214	-	-
- Finance leases	382	533	344	483
- Letters of credit and related costs	5.299	3.862	-	342
- Net foreign exchange gains / (losses)	1.439	(586)	114	(22)
- Other	2.412	2.391	-	-
	21.003	16.658	1.457	1.792
Finance income				
Interest income	(58)	(31)	(1)	(4)
Interest income from loans	(1.128)	(644)	(548)	(496)
Other	(3.287)	(1.410)	(990)	(1.088)
	(4.473)	(2.086)	(1.539)	(1.589)
Finance expenses / (income) - net	**16.531**	**14.573**	**(82)**	**203**

(*) Refer to note 43.

(All amounts in €'000)

«Other» in the Group refer mainly to interest income relating to sales to the public sector of €2.056 and interest on due receivables of €1.231. In the Company, other interest income refers exclusively to interest on due receivables.

34. Income tax

	Group		Company	
	1/1 - 31/12/2017	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Current tax	(3.935)	(6.300)	-	-
Deferred tax (note 14)	(1.338)	276	37	28
Total	**(5.273)**	**(6.024)**	**37**	**28**

At 31/12/2017 the Group has recognised deferred tax assets of €8.109 (31/12/2016: €8.303). The Group expects that within the next years, future taxable profits will be available against which the temporary differences that give rise to the deferred tax asset can be utilised.

Unaudited tax years

The financial years for which the Company and its subsidiaries have not been audited and, therefore, the tax liabilities for these open years have not been finalised, are presented in note 41. The cumulative provision for unaudited tax years for the Group amounts to €654.

The parent company and other Greek companies of the Group, which have been tax audited by the statutory auditors pursuant to the provisions of article 82 paragraph 5 of Law 2238/1994 and article 65^A of Law 4174/2013, obtained the Tax Compliance Certificate for financial years 2012-2016, out of which no additional tax liabilities arose in excess of the tax expense and the tax provision recognised in the annual financial statements of these years. The tax audit performed by the statutory auditors for financial year 2017, according to the provisions of Law 4174/2013, article 65^A, paragraph 1, as applicable, is still in progress and the tax compliance report is expected to be issued after the publication of the annual financial statements of year 2017. In any case and according to POL 1006/2016 there are no exemptions from the statutory tax audit by the tax authorities for the companies for which a tax compliance report is issued with no issues for the years after 2014. As a result, tax liabilities from 2012 onwards are not final. The Group's Management do not expect that significant additional tax liabilities will arise at the end of the tax audit, in excess of these provided for and disclosed in the financial statements.

The tax on losses before tax of the Group and the Company differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits/losses of group companies as follows:

	Group		Company	
	1/1 - 31/12/2017	1/1 - 31/12/2016 Restated*	1/1 - 31/12/2017	1/1 - 31/12/2016
Gain / (Loss) before tax	4.166	1.001	(9)	(2.184)
Tax calculated at tax rates applicable to Greece	(1.208)	(290)	3	633
Income not subject to tax	-	2.684	-	-
Expenses not deductible for tax purposes	(4.093)	(8.273)	(14)	(949)
Differences in tax rates	11	752	-	-
Effect of change in applicable tax rate	325	343	49	343
Utilisation of previously unrecognised tax losses	(276)	(1.143)	-	-
Other	(32)	(97)	-	-
Tax charge / (income)	**(5.273)**	**(6.024)**	**37**	**28**

(*) Refer to note 43.

35. Earnings/(losses) per share

Basic earnings/(losses) per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 22).

Diluted earnings/(losses) per share

Diluted earnings/(losses) per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, such as stock options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

From the calculation of the weighted average number of ordinary shares of diluted earnings, no difference has occurred in relation to basic earnings per share.

	Group		Company	
	1/1 - 31/12/2017	1/1 - 31/12/2016 Restated*	1/1 - 31/12/2017	1/1 - 31/12/2016
Profit / (loss) attributable to equity holders of the Company	925	(3.011)	28	(2.156)
Weighted average number of ordinary shares in issue (thousands)	133.026	133.026	133.026	133.026
Total profit / (losses) per share	0,01	(0,02)	0,00	(0,02)

(*) Refer to note 43.

(All amounts in €'000)

36. Cash generated from operations

		Group		Company	
	Note	1/1 - 31/12/2017	1/1 - 31/12/2016 Restated*	1/1 - 31/12/2017	1/1 - 31/12/2016
Profit / (loss) for the year		(1.107)	(5.023)	28	(2.156)
Adjustments for:					
Tax		5.273	6.024	(37)	(28)
Depreciation of PPE	6	6.159	6.433	234	280
Amortisation of intangible assets	8	890	972	10	2
Depreciation of investment property	9	1.034	1.022	1.225	1.200
Impairment of investment property	9	-	25	-	58
Impairment of PPE	6	-	61	-	28
(Profit) / loss on sale of PPE	32	92	(6)	-	10
(Profit) / loss on sale of investment property	32	(56)	-	-	-
Fair value losses / (gains) of financial assets at fair value through profit or loss	32	(97)	3	-	-
Losses / (gains) from disposal/liquidation of available-for-sale financial assets	32	-	(2)	-	(2)
Impairment of available - for - sale financial assets	32	-	3.613	-	462
Impairment of subsidiaries	10	-	-	-	1.065
Impairment of loans and trade and other receivables	29, 32	2.737	297	685	174
Interest income		(4.473)	(2.086)	(1.539)	(1.589)
Interest expense		21.003	16.658	1.457	1.792
Dividend income	31	-	(4)	-	-
Amortisation of grants received	26	(5)	(5)	-	-
Share of loss from associates and joint ventures	11	521	117	-	-
Exchange (gains) / losses		(402)	-	-	-
		31.569	**28.099**	**2.063**	**1.297**
Changes in working capital					
(Increase) / decrease in inventories		2.686	(2.698)	-	-
(Increase) / decrease in trade and other receivables		20.933	28.521	943	45.112
Increase / (decrease) in trade and other payables		8.774	12.630	(1.777)	343
Increase / (decrease) in provisions		(5.698)	4.867	(1.650)	-
Increase / (decrease) in retirement benefit obligations		972	379	12	(45)
		27.668	**43.698**	**(2.471)**	**45.410**
Cash generated from operations		**59.237**	**71.797**	**(409)**	**46.707**

(*) Refer to note 43.

37. Commitments

Capital commitments

There are no capital commitments for property, plant and equipment for the Group at the balance sheet date (2016: €-).

(All amounts in €'000)

Operating lease commitments

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Up to 1 year	4.195	3.319	100	105
From 2 to 5 years	10.472	7.022	118	182
More than 5 years	15.158	4.222	-	-
	29.825	**14.563**	**218**	**287**

38. Contingencies/Outstanding legal cases

The Group and the Company have contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business as follows:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Guarantees for advance payments	84.486	30.646	47.080	16.546
Guarantees for good performance	146.339	142.455	129.785	99.827
Guarantees for participation in contests	19.349	19.437	11.272	8.208
Other	18.029	17.853	-	3.500
	268.204	**210.392**	**188.136**	**128.081**

The Company has provided guarantees to banks for subsidiaries' and other companies' loans amounting to €126.231.

Outstanding legal cases

There is an outstanding legal case against a subsidiary company filed by the Ministry of Mercantile Marine (MMM) concerning violations during the execution of a project completed and delivered to the MMM in a prior period. The penalties and rebates that were initially claimed have been reduced to €9 mil., following relevant appeals of the Company and ministerial decisions. Subsequently, according to a decision by the Administrative Court of Appeals of Piraeus, the above mentioned penalties and rebates were cancelled. On the appeal filed by the Greek State, the Council of State issued decision No 1742/2016 by which the appeal of the Greek State was upheld and the case was referred back to the Administrative Court of Appeal of Piraeus in order to be tried again. The case was discussed on 10.01.2018 and the decision of the Administrative Court of Appeal is pending. The legal advisor assesses that the decision of the Administrative Court of Appeal will be in favour of our subsidiary.

Teledome SA has taken legal action against Intracom Holdings, Hellas online and members of the Management requesting, among others, the revocation of the earlier decisions of key management personnel (Board of Directors and General Meeting) of the Group for the cancellation of the merger of Hellas online, Unibrain and Teledome. Through this lawsuit, an amount of approximately €141 mil. is claimed from the parent company, the former subsidiary Hellas OnLine and the members of the Management, for the loss and the moral damage that the plaintiffs allege to have suffered. Out of these lawsuits, the lawsuits submitted by the major shareholders of Teledome SA against Intracom Holdings SA as of 31/12/2007 (No 279874/12598/2007), 18/01/2008 (No 38548/1838/2008) and 18/01/2008 (No 38520/1835/2008) have been discussed and were partly accepted by the No

3389/2014 decision of the Multi-Member Court of First Instance of Athens. This decision, however, was nullified by the subsequent No 224/2016 decision of the Athens Court of Appeal. According to the nullified first instance decision, a receivable had been recognised up to the amount of €17,6 million plus interest of €10,9 million as well as the withdrawal of their guarantees up to the amount of €12,4 million, while the plaintiffs were also provided with six (6) letters of guarantee according to No 190/2015 decision for interim relief issued by the Athens Court of First Instance with a Single Judge. This decision was however nullified by virtue of No 224/2016 decision of the Athens Court of Appeal, following which the return of the letters of guarantee to Intracom Holdings SA was ordered. Following the above final decision, the six (6) letters of guarantee were cancelled at 5.2.2016 in accordance with their terms. Subsequently, the plaintiffs filed an appeal before the Supreme Court against decision No 224/2016 of the Athens Court of Appeal. This was discussed in the hearing of 27.3.2017, and subsequently the Supreme Court issued decision No 1852/2017 according to which the above appeal as well as the additional reasons were rejected. Consequently, the above lawsuits have been irrevocably rejected.

In addition, at 10/02/2015 the Company was notified of a lawsuit by which the major shareholders of Teledome SA claims once more the release of the above guarantees to Banks up to approximately the amount of €13 mil. The hearing before the Multi-Member Court of First Instance of Athens had been set for 14.12.2017, but it was cancelled. In light of Supreme Court's decision No 1852/2017, which irrevocably rejected the above main lawsuits, the outcome of this case, which is dependent on this irrevocable outcome, is subject to the plaintiffs' decision to continue or not the judicial proceedings. In any case, it is evaluated that the probability of rejection of the above lawsuit is higher that the probability of a negative for the Company outcome, thus it has not recognised a relevant provision.

The Company was notified within the scope of the judicial assistance provided by the Greek Authorities to the Romanian Authorities that the latter are conducting a criminal investigation against CNLR state lottery for potentially committing the offence of providing gambling services without the necessary licence, which is linked to the latter's activity, as well as for complicity in the said offence. The Company in the past had entered into a contractual cooperation with the aforementioned state lottery CNLR within the scope of the Supply Credit Agreement FN/2003 which was signed between COMPANIA NATIONALA LOTERIA ROMANIA ("CNLR") and the companies LOTROM SA, INTRALOT SA and INTRACOM HOLDINGS SA – former INTRACOM SA According to the aforementioned notification received by the Company, both the Company itself as well as Intralot SA and Lotrom SA (a subsidiary of Intralot SA) are alleged accomplices of the above CNLR state lottery in the said offence. The Company has contested the above accusation through a statement of defence. The early stage and the nature of the case allows neither the provision of further information on the matter nor the assessment of any potential negative financial impact on the Company's results.

Intracom Telecom has filed three law suits before the Athens Multimember Court of First Instance against the Company and the group companies a) Intrakat SA and b) Rural Connect SA requesting:

(a) that the above three companies be ordered and held liable to pay to Intracom Telecom in the form of penalties and unsupported compensation the total amounts of €4,5mil. as regards Intrakat, €2mil. as regards Intracom Holdings and €1mil as regards Rural Connect on the grounds of alleged breaches of specific terms of the contract dated 1.10.2014 entered into between these companies and the claimant

(b) that Intrakat be ordered to pay to Intracom Telecom the total amount of €4,9mil as unpaid and outstanding construction consideration under a sub-construction agreement and

(c) that Intrakat and Rural Connect be ordered to pay to Intracom Telecom, jointly and severally, the amount of €11,4mil. approximately as outstanding (owing to contract termination) construction consideration under a sub-construction agreement as well as the amount of € 200 th. as compensation for moral damage.

(All amounts in €'000)

The above claims were heard before the Athens Multimember Court of First Instance on 15.02.2017 which issued decision No 4338/2017, by which the discussion was adjurned until the issuance of a final arbitral decision on a relevant jointly tried dispute which was referred to arbitration.

Correspondingly, the Company, jointly with Intrakat and Rural Connect, has filed three arbitral actions in order to be held that termination of the agreement with Intracom Telecom is legitimate, that there is no obligation for compensation against Intracom Telecom for any reason, legal basis or amount whatsoever and that Intracom Telecom is obliged to pay to the claimants, as joint and several creditors, the amount of €10mil as compensation arising from penalty clauses. Developments in the course of arbitral proceedings are pending.

The Company, together with the other co-defendants, has not made any provision on this account, based on its legal advisor's opinion according to which the probability of having Intracom Telecom's claims rejected is clearly stronger than the probability of being upheld.

The Group and the Company have recognised provisions for court decisions and disputes subject to judicial proceedings or arbitration amounting to €2,7 mil.

39. Related party transactions

The following transactions were carried out with related parties:

	Group		Company	
	1/1 - 31/12/2017	1/1 - 31/12/2016	1/1 - 31/12/2017	1/1 - 31/12/2016
Sales of goods / services:				
To subsidiaries	-	-	2.166	2.366
To other related parties	5.061	3.729	317	337
	5.061	**3.729**	**2.483**	**2.703**
Purchases of goods / services:				
From subsidiaries	-	-	139	168
From other related parties	573	716	-	39
	573	**716**	**139**	**206**
Rental income:				
From subsidiaries	-	-	1.022	957
From other related parties	691	727	560	563
	691	**727**	**1.582**	**1.520**
Interest income:				
From subsidiaries	-	-	408	325
From other related parties	-	-	637	779
	-	**-**	**1.045**	**1.104**

	Group		Company	
	1/1 - 31/12/2017	1/1 - 31/12/2016	1/1 - 31/12/2017	1/1 - 31/12/2016
Purchases of fixed assets:				
From subsidiaries	-	-	49	367
	-	**-**	**49**	**367**

(All amounts in €'000)

Services from and to related parties as well as sales and purchases of goods take place based on the price lists that apply to non-related parties. Other related parties are mainly associates and companies in which the major shareholder of the Company holds an interest.

Year-end balances arising from transactions with related parties are as follows:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Receivables from related parties				
From subsidiaries	-	-	10.804	12.044
From other related parties	20.572	18.910	13.890	15.660
	20.572	**18.910**	**24.694**	**27.704**
Payables to related parties				
To subsidiaries	-	-	1.556	59
To other related parties	10.861	7.828	6.183	6.575
	10.861	**7.828**	**7.739**	**6.634**

Key management compensation

During 2017 a total of €571 and €3.212 was paid by the Company and the Group respectively as Directors' remunerations, key Management and other related party compensations (2016: €891 and €3.344 respectively). At 31 December 2017 and 2016 there were no receivables or payables from/to Directors with regards to the Company. At 31 December 2017 the Group has outstanding payables to Directors amounting to €26 (2016: €208), while there were no receivables from Directors (2016: €14).

40. Post balance sheet events

There are no significant post balance sheet events.

(All amounts in €'000)

41. Group structure

The companies and joint ventures included in the consolidated financial statements and the related direct percentage interests held are as follows.

31 December 2017

	Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
*	Intracom S.A Defence Electronic Systems	Greece	100,00%	Full	2014-2017
*	Intracom Holdings International Ltd	Cyprus	100,00%	Full	2012-2017
	- Intracom Technologies Ltd	Cyprus	100,00%	Full	2012-2017
	- Intracom Operations Ltd	Cyprus	100,00%	Full	2012-2017
	- Intracom Group USA	USA	100,00%	Full	From establishment until 2017
	- Duckelco Holdings Ltd	Cyprus	100,00%	Full	2012-2017
	- Ingrelenco Trading Co. Ltd	Cyprus	100,00%	Full	2012-2017
	- Athens Tech Sa	Greece	35,41%	Equity	2014-2017
*	Intrasoft International S.A.	Luxemburg	99,99%	Full	2015-2017
	- Intrasoft SA	Greece	99,00%	Full	2012-2017
	- Intrasoft International Belgium	Belgium	100,00%	Full	2012-2017
	- Intrasoft International Bulgaria	Bulgaria	100,00%	Full	2012-2017
	- Global Net Solutions Ltd	Bulgaria	100,00%	Full	2009-2017
	- Intrasoft International Scandinavia (πρώην IT Services Denmark AS)	Denmark	100,00%	Full	2007-2017
	- Intracom Exports Ltd	Cyprus	100,00%	Full	2012-2017
	- Intracom Cyprus Ltd	Cyprus	100,00%	Full	2012-2017
	- Intrasoft Information Technology UK Ltd	Great Britain	100,00%	Full	2011-2017
	- Intrasoft International USA Inc	USA	100,00%	Full	2014-2017
	- Intrasoft International ME FZC	UAE	80,00%	Full	-
	- Intracom IT Services Middle East & Africa	Jordan	100,00%	Full	2010-2017
	- Intrasoft International East Africa	Kenya	88,00%	Full	2015-2017
	- Valeu Consulting	Belgium	50,00%	Full	2017
	Advanced Transport Telematics SA	Greece	89,78% (note 1)	Full	2014-2017
*	Rural Connect SA	Greece	87,73% (note 2)	Full	2014-2017
*	- Intradevelopment SA Estate Development & Management	Greece	92,31% (note 3)	Full	2011-2017
	- Anaptyxiaki Kykladon SA Estate Development	Greece	100,00%	Full	2014-2017
	- Intrakyklades Estate Development	Greece	100,00%	Full	2014-2017
	- Inestia Touristiki SA	Greece	50% (note 4)	Full	2015-2017
	- Intra-hospitality SA Hotel and Tourism business	Greece	100,00%	Full	2015-2017
	- Alpha Anaptyxiaki Kykladon SA	Greece	100,00%	Full	2016-2017
	- Beta Anaptyxiaki Kykladon SA	Greece	100,00%	Full	2016-2017
	-Intrapar SA**	Greece	100,00%	Full	2010-2017
	- Kekrops SA**	Greece	34,06%	Equity	2010-2012, 2016-2017
	- Devenetco Ltd.	Cyprus	50,00%	Equity	2017
	-Grayalfa Holdings Ltd.**	Cyprus	100,00%	Equity	2017
	- B.L. Bluepro Holdings Ltd.	Cyprus	100,00%	Equity	2016-2017
	- Benecielo Co Ltd**	Cyprus	100,00%	Equity	2017
	- Stuerza Properties Ltd**	Cyprus	100,00%	Equity	2017

Note 1: The total indirect shareholding in Advanced Transport Telematics (89,78%) results from the participation of the subsidiaries Intrasoft International SA (direct shareholding 50%) and Intrakat SA (direct shareholding 50%).

Note 2: The total indirect shareholding in Rural Connect SA (87,73%) results from the interests held by the Company (direct shareholding 30%) and the subsidiaries Intrakat SA (direct shareholding 60%) and Intrasoft International SA (direct shareholding 10%).

Note 3: The total indirect shareholding in Intradevelopment (92,31%) results from the interests held by the Company (direct shareholding 62,39%) and the subsidiary Intrakat (direct shareholding 37,61%).

Note 4: The control on Inestia Touristiki SA is exercised through the majority of the members of the Board of Directors.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
* Intrakat SA	Greece	79,56%	Full	2013-2017
- Intracom Construct SA	Romania	97,17%	Full	2009-2017
- Oikos Properties SRL	Romania	100,00%	Full	2009-2017
- Rominplot SRL	Romania	99,99% (note 5)	Full	2009-2017
- J/V Aktor ATE - Lobbe Tzilalis - Eurokat ATE (Total administration of ooze KEL)	Greece	33,33%	Proportional	2011-2017
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2017
- Alpha Mogilany Development SP Z.O.O.	Poland	25,00%	Proportional	2008-2017
-K-Wind Kithaironas SAA(former A. Katselis Energeiaki SA)	Greece	80,00%	Full	2011-2017
- A.K. Energeiaki SA	Greece	60,00%	Full	2011-2017
- System of Controllable Parking of Thessaloniki SA (STELSTATH)**	Greece	95,00%	Full	2017
- Company of special purpose "System of Controllable Parking of Thessaloniki SA"**	Greece	60,00%	Full	2017
- Company Operating the Unit of Urban Solid Waste Treatment Facility of Serres SA (ELMEAS SA)**	Greece	40,00%	Equity	2017
- Company Managing the Urban Solid Waste in the Municipality of Serres SA (SIRRA SA)**	Greece	40,00%	Equity	2017
- Intrablue Hotel and Tourist Enterprises	Greece	68,81%	Full	2014-2017
- Fracasso Hellas AE Design & construction of road safety systems	Greece	80,00%	Full	2016-2017
- Fracasso Holdings D.O.O	Croatia	40,00%	Equity	2015-2017
- J/V Intrakat. - "J/V Archirodon Hellas ATE - Prisma Domi ATE" (General Detainment Facility of Eastern Macedonia & Thrace)	Greece	80,00%	Full	2011-2017
- J/V Intrakat - Proteas (Ombria Anavisou)	Greece	50,00%	Proportional	2014-2017
- J/V Intrakat - Proteas (Project for completion of Xiria stream)	Greece	50,00%	Proportional	2014-2017
- Intrapower SA Energy Projects	Greece	100,00%	Full	2016-2017
- ß-WIND Power SA	Greece	30,00% (note 6)	Full	2015-2017
- Mobile Composting S.A.	Greece	24,00%	Equity	2012-2017
J/V Mohlos - Intrakat (Swimming pool)	Greece	50,00%	Equity	2011-2017
J/V Panthessaliko Stadium	Greece	15,00%	Equity	2011-2017
J/V Intrakat - ATTIKAT (Egnatia Road)	Greece	50,00%	Proportional	2011-2017
J/V Intrakat - Elter (Natural gas school installation project)	Greece	30,00%	Proportional	2011-2017
J/Vintrakat - Elter (Gas distribution network expansion Xanthi, Serres, Komotini)	Greece	50,00%	Proportional	2011-2017
J/V AKTOR ATE - J&P Avax - Intrakat (J/V Moreas)	Greece	13,33%	Proportional	2011-2017
J/V Intrakat- Elter (EPA 7 - Natural gas pipeline distribution network Attica South Region)	Greece	49,00%	Proportional	2011-2017
J/V Anastilotiki - Getem - Eteth - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2011-2017
J/V Anastilotiki - Getem - Intrakat (Peiros-Parapeiros Dam)	Greece	33,30%	Proportional	2011-2017
J/V Intrakat - K.Panagiotidis & Co (Project of transfer line 1)	Greece	60,00%	Proportional	2011-2017
J/V Intrakat - K.Panagiotidis & Co (Project of transfer line 1)	Greece	46,90%	Proportional	2011-2017
J/V Ekter SA - Erteka SA - Themeli SA - Intrakat (Networks of Filothei region in Kifisia)	Greece	24,00%	Proportional	2011-2017
J/V Intrakat - G.D.K. Texniki E.P.E. "J/V for the construction of Filiatrinou Dam"	Greece	70,00%	Proportional	2011-2017
J/V Intrakat - G.D.K. Texniki E.P.E. "J/V for the construction of Filiatrinou Dam"	Greece	33,33%	Proportional	2012-2017
J/V AKTOR ATE - Porto Karras AE - Intrakat (Eschatias Dam)	Greece	25,00%	Proportional	2013-2017
J/V Intrakat - Proteas (Xiria Corinth)	Greece	50,00%	Proportional	2012-2017
J/V AKTOR ATE - J&P AVAX - Intrakat (Panagopoulas Tunnel)	Greece	25,00%	Proportional	2014-2017
J/V AKTOR ATE - INTRAKAT (Tracking Payment Aposelemis reservoir)	Greece	50,00%	Proportional	2014-2017
J/V ATERMON ATE - INTPAKAT (Supply of materials & construction of transmission line 400 KV KIT-Lagada KIT Philipon and change of transmission line 400 KIT Thessalonikis - KIT Lagada KYT Philipon)	Greece	50,00%	Proportional	2014-2017
J/V TERNA - AKTOR (Votanikos Mosque)**	Greece	25,00%	Proportional	2016-2017
J/V INTRAKAT -ERGO ATE (Construction of distribution network & and gas pipelines in Attiki)	Greece	50,00%	Proportional	2014-2017
J/V INTPAKAT - Archirodon-Envitec (Construction of Unit of Urban Solid Waste Treatment Facility Of Serres S.A.) **	Greece	40,00%	Proportional	2017
J/V INTRAKAT -Watt S.A. (Construction of Unit of Waste Treatment Facility 2nd D.E. S.Voiotias)**	Greece	50,00%	Proportional	2017

Note 5: The total shareholding in Rominplot SRL is 100% through the participation of another subsidiary.

Note 6: The total shareholding in BWIND Power is 100% through the shareholding of the subsidiary Intrapower which is 70%.

(*) Direct shareholding

(**) These companies have been included in the Group for the first time in the current year but were not included in the corresponding period of 2016.

On the contrary, the companies Inmaint, Ambtila Enterprises Limited and ICMH SA Medical Services were included in the consolidated financial statements of 2016 but are not included in current year's financial statements.

Except for the above, there are no further changes in the consolidation method for the companies included in the consolidated financial statements.

(All amounts in €'000)

31 December 2016

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
* Intracom S.A Defence Electronic Systems	Greece	100,00%	Full	2010
* Intracom Holdings International Ltd	Cyprus	100,00%	Full	2012-2016
- Intracom Technologies Ltd	Cyprus	100,00%	Full	2012-2016
- Intracom Operations Ltd	Cyprus	100,00%	Full	2012-2016
- Intracom Group USA	USA	100,00%	Full	From establishment - 2016
- Duckelco Holdings Ltd	Cyprus	100,00%	Full	2012-2016
- Ingrelenco Trading Co. Ltd	Cyprus	100,00%	Full	2012-2016
- Athens Tech Sa	Greece	50,00%	Equity	2014-2016
* Intrasoft International S.A.	Luxemburg	99,99%	Full	2015-2016
- Intrasoft SA	Greece	99,00%	Full	2010-2016
- Intrasoft International Belgium	Belgium	100,00%	Full	2012-2016
- Intrasoft International Bulgaria	Bulgaria	100,00%	Full	2012-2016
- Global Net Solutions Ltd	Bulgaria	100,00%	Full	2009-2016
- Intrasoft International Scandinavia (πρώην IT Services Denmark AS)	Denmark	100,00%	Full	2008-2016
- Intracom Exports Ltd	Cyprus	100,00%	Full	2012-2016
- Intracom Cyprus Ltd	Cyprus	100,00%	Full	2012-2016
- Intrasoft Information Technology UK Ltd	Great Britain	100,00%	Full	2011-2016
- Intrasoft International USA Inc	USA	100,00%	Full	2012-2016
- Intrasoft International ME FZC	UAE	80,00%	Full	-
- Intracom IT Services Middle East & Africa	Jordan	100,00%	Full	2010-2016
- Intrasoft International East Africa	Kenya	88,00%	Full	2015-2016
Advanced Transport Telematics A.E.	Greece	80,88% (note 1)	Full	2014-2016
Rural Connect AE	Greece	67,06% (note 2)	Full	2014-2016

Note 1: The total indirect shareholding in Advanced Transport Telematics (80,88%) results from the participation of the subsidiaries Intrasoft International SA (direct shareholding 50%) and Intrakat SA (direct shareholding 50%).

Note 2: The total indirect shareholding in Rural Connect SA (67,06%) results from the interests held by the Company (direct shareholding 30%) and the subsidiary Intrakat SA (direct shareholding 60%).

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
* Intrakat SA	Ελλάδα	61,76%	Ολική	2016
- Inmaint SA	Greece	62,00%	Full	2011, 2015-2016
- Intracom Construct SA	Romania	97,17%	Full	2009-2016
- Oikos Properties SRL	Romania	100,00%	Full	2009-2016
- Rominplot SRL	Romania	99,99% (note 3)	Full	2009-2016
- Eurokat SA	Greece	100,00%	Full	2016
- J/V Aktor ATE - Lobbe Tzilalis - Eurokat ATE (Total administration of ooze KEL)	Greece	33,33%	Proportional	2011-2016
- J/V Eurokat ATE - Proteas ATEE (Rainwater runoff networks in Paiania's Municipality)	Greece	50,00%	Proportional	2011-2016
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2016
- Alpha Mogilany Development SP Z.O.O.	Poland	25,00%	Equity	2008-2016
- Ambtila Enterprises Limited	Cyprus	100,00%	Full	2008-2016
- A. Katselis Energeiaki SA	Greece	80,00%	Full	2011-2016
- A.K. Energeiaki SA**	Greece	60,00%	Full	2011-2016
- Intrablue Hotel and Tourist Enterprises	Greece	50,00%	Full	2014-2016
- Intradevelopment SA Estate Development & Management	Greece	100,00%	Full	2011-2016
- Anaptyxiaki Kykladon SA Estate Development	Greece	100,00%	Full	2014-2016
- Intrakyklades Estate Development	Greece	100,00%	Full	2014-2016
- Inestia Touristiki SA	Greece	50% (note 4)	Full	2015-2016
- Intra-hospitality SA Hotel and Tourism business	Greece	50,00%	Full	2015-2016
- Alpha Anaptyxiaki Kykladon SA **	Greece	100,00%	Full	2016
- Beta Anaptyxiaki Kykladon SA**	Greece	100,00%	Full	2016
- Devenetco Ltd. **	Cyprus	100,00%	Full	2016
- B.L. Bluepro Holdings Ltd. **	Cyprus	100,00%	Full	2016
- Fracasso Hellas AE Design & construction of road safety systems	Greece	80,00%	Full	2016
- Fracasso Holdings D.O.O	Croatia	40,00%	Equity	2015-2016
- J/V Intrakat. - "J/V Archirodon Hellas ATE - Prisma Domi ATE" (General Detainment Facility of Eastern Macedonia & Thrace)	Greece	80,00%	Full	2011-2016
- J/V Intrakat - Mesogeios ES SA (Biological purification operation and maintentance in Oinofita Shimatariou)	Greece	50,00%	Proportional	2011-2016
- J/V Intrakat - Proteas (Ombria Anavisou)	Greece	50,00%	Proportional	2014-2016
- J/V Intrakat - Proteas (Project for completion of Xiria stream)	Greece	50,00%	Proportional	2014-2016
- Intrapower SA Energy Projects	Greece	100,00%	Full	2016
- ICMH SA Medical Services	Greece	50,00% (note 5)	Full	2014-2016
- B-WIND Power SA	Greece	30,00% (note 6)	Full	2015-2016
- Mobile Composting S.A.	Greece	24,00%	Full	2012-2016
J/V Mohlos - Intrakat (Swimming pool)	Greece	50,00%	Equity	2011-2016
J/V Panthessaliko Stadium	Greece	15,00%	Equity	2011-2016
J/V Intrakat - Ergas - ALGAS	Greece	33,33%	Equity	2011-2016

Note 3: The total shareholding in Rominplot SRL is 100% through the participation of another subsidiary.

Note 4: The control on A. Katselis Energeiaki SA was exercised through the majority of the members of the Board of Directors.

Note 5: The control on ICMH Medical Services SA is exercised through the majority of the members of the Board of Directors.

Note 6: The total shareholding in BWIND Power is 100% through the shareholding of the subsidiary Intrapower which is 70%.

(All amounts in €'000)

Name	Country of incorporation	Direct % interest held	Consolidation method	Unaudited tax years
J/V Intrakat - ATTIKAT (Egnatia Road)	Greece	50,00%	Proportional	2011-2016
J/V Intrakat - Elter (Natural gas school installation project)	Greece	30,00%	Proportional	2011-2016
J/V Intrakat - Intracom Telecom (DEPA Network)	Greece	70,00%	Proportional	2011-2016
J/Vintrakat - Elter (Gas distribution network expansion Xanthi, Serres, Komotini)	Greece	50,00%	Proportional	2011-2016
J/V AKTOR ATE - J&P Avax - Intrakat (J/V Moreas)	Greece	13,33%	Proportional	2011-2016
J/V Intrakat- Elter (EPA 7 - Natural gas pipeline distribution network Attica South Regio	Greece	49,00%	Proportional	2011-2016
J/V Eurokat - Intrakat (Ionios General clinic)	Greece	100,00%	Proportional	2011-2016
J/V Anastilotiki - Getem - Eteth - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2011-2016
J/V Anastilotiki - Getem - Intrakat (Peiros-Parapeiros Dam)	Greece	33,30%	Proportional	2011-2016
J/V Intrakat - K.Panagiotidis & Co (Project of transfer line 1)	Greece	60,00%	Proportional	2011-2016
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2011-2016
J/V Intrakat - Filippos SA (Amfipolis project)	Greece	50,00%	Proportional	2011-2016
J/V Ekter SA - Erteka SA - Themeli SA - Intrakat (Networks of Filothei region in Kifisia)	Greece	24,00%	Proportional	2011-2016
J/V Intrakat - G.D.K. Texniki E.P.E. "J/V for the construction of Filiatrinou Dam"	Greece	70,00%	Proportional	2011-2016
J/V J&P AVAX - AEGEK - Intrakat (Construction of railway Kiato - Rododafni)	Greece	33,33%	Proportional	2012-2016
J/V AKTOR ATE - Porto Karras AE - Intrakat (Eschatias Dam)	Greece	25,00%	Proportional	2013-2016
J/V Intrakat - Proteas (Xiria Corinth)	Greece	50,00%	Proportional	2012-2016
J/V AKTOR ATE - J&P AVAX - Intrakat (Panagopoulas Tunnel)	Greece	25,00%	Proportional	2014-2016
J/V AKTOR ATE - INTRAKAT (Tracking Payment Aposelemis reservoir)	Greece	50,00%	Proportional	2014-2016
J/V ATERMON ATE - INTPAKAT (Supply of materials & construction of transmission line 400 KV KIT-Lagada KIT Philipon and change of transmission line 400 KIT Thessalonikis - KIT Lagada KYT Philipon)	Greece	50,00%	Proportional	2014-2016
J/V TERNA - AKTOR ATE (Votanikos Mosque)**	Greece	25,00%	Proportional	2016
J/V INTRAKAT -ERGO ATE (Construction of distribution network & and gas pipelines in Attiki)	Greece	50,00%	Proportional	2014-2016

42. Business combinations

On 12.06.2017, the subsidiary INTRADEVELOPMENT acquired from natural persons related to the parent company 100% of INTRAPAR SA, shareholder of 25,72% of KEKROPS SA (as described in detail in the Notice of significant changes in the voting rights of KEKROPS SA dated 15.06.2017, pursuant to Law 3556/2007), for €7 mil. and an additional contingent consideration of €2,7 mil. which pertained to conditional payment.

As of that date the relevant shares and voting rights in INTRAPAR SA were transferred and the Company gained control over INTRAPAR SA as stipulated by IFRS 10. The Company followed IFRS 3 guidance to account for this transaction. This acquisition was performed in accordance with the Group's strategy to expand its activities to the real estate industry.

On 12.6.2017, the equity of INTRAPAR SA amounted to -€7,66 mil. including an investment in the associate KEKROPS SA of 25,72% carried at its market value of €815.

The consideration of the transaction was considered fair based on the following:

a) The valuation of the associate KEKROPS SA performed by an independent valuer who determined a fair value range between €67,4 mil. and €74,3 mil.

b) The letter of the legal advisor of KEKROPS SA according to which a positive outcome is expected with respect to the claim filed by KEKROPS SA for the nullification of decision No. 3401/2014 of the Athens Court of Appeal which validated the lawsuit filed by the Greek Government. With the above lawsuit the Greek Government claims the ownership of approximately 30 hectares of land at the Tourkovounia region, part of which belongs to KEKROPS SA.

(All amounts in €'000)

c) The terms of the purchase and sale agreement of the shares of INTRAPAR SA which include an option to transfer these shares back to the sellers in case of a negative legal outcome for an amount equal to the purchase consideration.

Finally, as expressly stated in the sale and purchase contracts of the shares of INTRAPAR SA, in case the above nullification claim of KEKROPS SA becomes inadmissible, the acquired shares of INTRAPAR SA, including the relevant voting rights, are transferred to the Sellers, who are obliged to refund the consideration received with interest.

The Company has recognised the assets of the subsidiary based on their carrying values of -€7,66 mil. and as a result recognised goodwill of €17,4 mil.

The assets and liabilities of the acquired company are as follows:

	12/6/2017
Investments in associates	815
Trade receivables	138
Other receivables and borrowings	(11.090)
Other assets	2.475
Net assets	**(7.661)**
Acquisition/Takeover cash outflows:	
Acquisition price in cash	7.000
	7.000

The estimation of fair values and the allocation of the consideration were finalised on 31/12/2017 with no adjustments to initial recognition.

The effect of the initial accounting treatment was as follows:

Acquisition date	**12/6/2017**
Acquired shareholding	*100%*
Acquisition price	
Cash	7.000
Contingent consideration payable in cash	2.727
Total acquisition price	9.727
Less: fair value of net assets acquired	(7.661)
Goodwill	**17.388**

The cash outflow for the transaction included in the cash flow statement was €7 million.

It must be noted that following the acquisition, the Supreme Court issued decision No 589/2018 which upheld the appeal filed by KEKROPS against the Supreme Court's decision No 3401/2014 against the Greek State. More specifically, this decision nullified the decision of the Court of Appeals against the company, as, in breach of article 281 AK, it had rejected as illegitimate the objection for abusive use of the Greek State's right of ownership, by which KEKROPS claimed that the Greek State for at least 70 years expressly acknowledged the company's ownership through a number of declaratory actions. As a result, the case will be discussed again before the Athens Court of Appeal for essential judgement, according to the above binding for the Court of Appeal judgements of the Supreme Court.

Following the above development, the transaction of sale and purchase of INTRAPAR shares dated 12.06.2017 and the total purchase consideration have been finalised.

Subsequently, the subsidiary INTRADEVELOPMENT participated in INTRAPAR's share capital increase at 100% with the amount of €4,48 mil.

INTRAPAR participated in the share capital increase of KEKROPS SA which was carried out through initial public offering in the Athens Stock Exchange. Following this, INTRAPAR's interest held in the associate KEKROPS SA became 34,06%.

43. Restatements

The Group restated certain amounts in the statement of profit or loss for 2016 and in the balance sheet as at 31.12.2016, in order to rectify errors.

The restatement did not affect the Company's financial statements.

The restatement concerns the following:

Investment property

The Group transferred the amount of €8.476 from property, plant and equipment to investment property. This amount concerned construction work in progress related to investment property. This transfer did not have any impact on the revenue, profit after tax and total equity of the Group.

Trade and other receivables

The Group transferred trade and other receivables of €6.987 from current assets to non-current assets, as these receivables will not be settled within 12 months from the end of the reporting date. The Group discounted these receivables recognising a loss of €1.138 in profit or loss of 2016, and more specifically of the second half of 2016 (finance expenses), and in the Group's equity.

The effect of the above corrections in the statement of comprehensive income for the year 2016 was €703 attributable to equity holders of the parent and €435 attributable to non-controlling interests.

The effect of the above corrections in equity as at 31 December 2016 was €703 in retained earnings and €435 in non-controlling interests.

No changes in the cash flow statement for 2016 were required as a result of the restatement.