F.G. EUROPE S.A.

SOCIETE ANONYME WHOLESALER OF ELECTRICAL AND ELECTRONIC APPLIANCES

128, Vouliagmenis Ave.
166 74 Glyfada - Greece
G.E.MI 121596799000 (P.C. Reg. No. 13413/06/B/86/111)

SIX - MONTHS
FINANCIAL REPORT

Six - month period ended June 30, 2017

In accordance with
article 5 of L. 3556/2007

F.G. EUROPE S.A.
Interim Financial Statements
As of June 30, 2017

CONTENTS

DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS
(In accordance with article 5 of L. 3556/2007)

Members of the Board of Directors, Mr. Georgios Fidakis, Chairman of the Board, Mr. Ioannis Pantousis, Managing Director and Mr. Konstantinos Demenagas, executive member of the Board, under their aforementioned capacity as Members of the Board, declare that to their best knowledge:

- The Interim Financial Statements Company and Consolidated for the period ended on June 30, 2017, which were prepared in accordance with the international accounting standards, present in a truthful manner the figures pertaining to assets, liabilities, shareholders equity and financial results of the Company and the F.G. EUROPE S.A. Group and companies consolidated, in accordance with provisions set forth in paragraphs 3 to 5, article 5 of Law 3556/30-4-2007.

- The Interim Board of Directors Report on the Financial Statements Company and Consolidated for the six-month period ended in June 30, 2017 presents in a truthful manner all information deemed necessary in accordance with provisions set forth in paragraph 6, article 5 of Law 3556/30-4-2007.

Glyfada, September 27, 2017

Chairman of the Board of Directors	Managing Director	Executive member of the Board of Directors
Georgios Fidakis	**John Pantousis**	**Konstantinos Demenagas**

F.G. EUROPE S.A.

SOCIETE ANONYME WHOLESALER OF ELECTRICAL AND ELECTRONIC APPLIANCES

BOARD OF DIRECTORS' REPORT ON THE COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

This Report has been prepared in accordance with provisions set forth in par. 6, article 5, L.3556/2007 and the relevant Hellenic Capital Market Commission Rules 1/434/3-7-2007, 7/448/11-10-2007 and 8/754/14-4-2016, issued by the Board of Directors of the Hellenic Capital Market Commission.
The purpose of this report is to inform investors with regards to:

- The financial status, outcome, and course of the Company and the Group during the period in question, as well as any changes having occurred,
- Any important events which took place during the period in question, and their effect on the Company and Consolidated Financial Statements for the same period,
- Any significant risks that may arise for the Group and the Company during the second semester of the fiscal year,
- All transactions conducted between the Company and any Group undertakings, affiliate companies or other related parties, in accordance with IAS 24.

A. First Half 2017 Report

Changes and Progress noted in the Financial Figures of the Company and the Group

The domestic sales of the Company during the first half of 2017 were increased by 19,42%, amounting to €19,06 mil., against sales of €15,96 mil. in the first half of 2016.
In the Group level, sales of durable consumer goods to customers amounted to €47,16 mil. during the first half of 2017, against €47,74 mil. in the corresponding period of 2016. 2017 sales appear slightly lower than last year, and this slight reduction is mainly attributed to the lower sales made by the subsidiaries operating in Italy and Turkey.
The sales abroad/ domestic sales ratio in the first half of 2016 amounted to 58/42, against 63/37 in the corresponding period of 2015. The domestic sales increase, as mentioned above, resulted to this ratio.
The Company's earnings before taxes for the first half of 2017 amounted to €1,33 mil. against €1,49 mil. in the corresponding period of 2016, decreased by 10,75%. This reduction is mainly attributed to the significant increase of the Company's finance costs, due to the ongoing appreciation of the euro exchange rate. As a result, the Company's debit exchange differences amounted to €1,01 mil. in the

first half of 2017, against €0,57 mil. in the first half of 2016. Furthermore, the valuation of derivatives in June 30, 2017 resulted to a loss of €0,76 mil., which also burdened the financial costs.
The Group's earnings before taxes in June 30, 2017 amounted to €2,20 mil., against €2,53 mil. in the corresponding period of 2016, due to the decrease of the Company's earnings and also due to the loss of €(0,20) mil. recorded by the subsidiary operating in Turkey and the loss of €(0,19) mil. recorded by the newly established subsidiary operating in the UK, which was not in business during the examinable period. The increase in sales and earnings of the subsidiaries operating in the energy sector, due to favourable wind conditions, contributed significantly to the Group's result for the first half of 2017.

At the Parent Company level:

Sales: Airconditioning sales during the first half of 2017 amounted to €42,74 mil. against €41,45 mil. in the first half of 2016, increased by 3,11%. Domestic sales of airconditioning were increased significantly by 17,01%, amounting to €16,51 mil. against €14,11 mil. in the first half of 2016.
ESKIMO white appliances, with their continuously renewed and better quality products, have an ongoing growing appeal in the domestic market, resulting a sales increase by 22,16%, amounting to €2,26 mil. against €1,85 mil. in the first half of 2016.

Gross Profit: The increase of sales by 4,62% (€45,29 mil. in the first half of 2017 against €43,29 in the corresponding period of 2016) combined with the increase in the Gross Profit Margin (22% in June 2017 against 21,4% in June 2016) resulted to the increase of the Gross Profit by 7,68%, which amounted to €9,96 mil. in June 2017 against €9,25 mil. in June 2016.

General Operating Expenses: The Company's operating expenses (Administration-Distribution-Other) were decreased by 4,24%, amounting to €6,46 mil. in June 2017 against €6,75 mil. in June 2016.

EBITDA: The reduction of the General Operating Expenses, combined with the slight increase in Sales, resulted to an increase of EBITDA by 14,93%, amounting to €3,85 mil. in the first half of 2017, against €3,35 mil. in the corresponding period of 2016. Furthermore, the EBITDA margin for the first half of 2017 resulted to 8,5% against 7,7% in the first half of 2016.

Finance Costs: The financial result for the period is significantly increased by 97,35% (net expense of a total €2,23 mil. against €1,13 mil. in the corresponding period), due to the increase of credit exchange differences and the loss from valuation of derivatives.

Net Profit: The abovementioned increase of the finance costs, affected both profits before and after taxes, amounting to €1,33 mil. and €0,93 mil. respectively in the first half of 2017, against €1,49 mil. and €1,06 mil. in the first half of 2016.

Inventories: The Company's inventories are increased by 40,40% since 31/12/2016, amounting to €48,20 mil. against €34,33 mil. Due to the seasonality of airconditioning sales and the fact that airconditioners are the main volume of stock, it is estimated that inventory levels will normalize, since an increase of sales is expected for the next period.

Trade and other receivables: Trade and other receivables amounted to €36,37 mil. in June 30, 2017 against €24,85 mil. in December 31, 2016, increased by 46,36%. The said increase is mainly attributed to the higher sales of the examinable period, along with the seasonality factors mentioned above. The receivables are expected to lower in the upcoming months, as the Company will be receiving payments from customers, under their credit terms.

Total Liabilities: The Company's total liabilities amounted to €113,55 mil. in June 30, 2016 against €80,66 mil. in December 31, 2016 due to the increased liabilities to the Company's main supplier. These liabilities will be significantly reduced in the following months, according to the payment schedule that the Company has drawn.

At the Group Level:

Revenue: The revenue of the Group amounted to €52,13 mil. in the first half of 2017 against €52,16 mil. in the first half of 2016. Also, sales from the energy sector were increased by 12,44% (€4,97 mil. in the first half of 2017 against €4,42 mil. in the first half of 2016), due to fvourable wind conditions in the current period.

Gross Profit: The Group's Gross Profit for the first half of 2017 remained in the same level, amounting to €14,41 mil. The Group's Gross Profit Margin remained at 27,63% in the first half of 2017, like in the corresponding period of 2016.

General Operating Expenses: The General Operating Expenses of the Group were decreased by 12,66% in the first half of 2017, amounting to €9,93 mil. against €11,37 mil. in the corresponding period of 2016. This decrease is attributed to the said decrease of the Company's General Operating Expenses, along with the decrease of the Group subsidiaries' administration and distribution expenses.

EBITDA: Group EBITDA was increased by 3,43% and amounted to €6,94 mil. in the first half of 2017 against €6,71 mil. in the first half of 2016. Furthermore, EBITDA margin for the period ended June 30, 2016 was calculated to 13,30% against 12,86% in June 30, 2016.

Finance Costs: The financial result of the Group for the period ended June 30, 2017 (expenses €2,54 mil. against €1,42 mil. in the corresponding period of 2016), is significantly increased by 78,87%, due to the significant increase of the Company's financial expenses.

Net Profit: The Group's Profit before Taxes amounted to €2,20 mil. in the first half of 2017, against €2,53 mil. in the first half of 2016, while Net Profit amounted to €1,32 mil. for the first half of 2017, against €1,70 mil in the corresponding period of 2016.

Trade and other receivables: Trade and other receivables of the Group at June 30, 2017 are increased by 32,78%, amounting to €45,85 mil. against €34,53 mil. at December 31,2016, due to increased receivables of the Company.

Inventories: Inventories are increased by 41,06% due to seasonality and the abovemenioned increase in stock of the parent company. Inventories, as of June 30,2017, amount to €53,11 mil. against €37,65 mil. on December 31,2016. Inventories are expected to be reduced significantly in the upcoming months.

Cash in hand: Cash in hand of the Group as of June 30,2017 amounted to €18,85 mil. against €9,92 mil. in December 31, 2016. This significant increase is attributed to the Company's cash in hand which has also increased significantly.

Total Liabilities: The Group's total liabilities increased by 27,24%, amounting to €147,58 mil. in June 30, 2017 against €115,99 mil. in December 31, 2016, due to the abovementioned increase in the parent Company's total liabilities.

B. ALTERNATIVE PERFORMANCE MEASURES (APM)

The Group is using APMs as a decision making tool regarding the assessment of its performance. These APMs could be helpful in the better understanding of the finance and operating results, the financial position and the cash flow statement of the Group. The APMs should always be examined in combination with the financial results according to IFRS and under any circumstances they cannot replace them.

For the assessment of the Group's and the Company's performance, several profitability ratios are used. These are: EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), EBITDA Margin (EBITDA/ Sales), Earnings Before Taxes Margin (EBT/ Sales), ROE (Return on Equity). Also, inventory turnover ratio and liquidity ratios are used (Current and Quick Ratio).

Calculation on APMs presented below:

B1. Liquidity Ratios

In order to assess liquidity and count its ability to deal with current liabilities as they fall due, the Group is calculating below ratios:

	30/6/2017	30/6/2016	Definition
Current Ratio (Company level)	1,52	1,07	Current Assets / Current Liabilities
Current Ratio (Group level)	1,68	1,19	
Quick Ratio (Company level)	0,78	0,57	(Current Assets – Inventory) / Current Liabilities
Quick Ratio (Group level)	0,92	0,68	

B.2. Inventory Turnover Ratio

In order to show the efficient use of inventory, the Group is calculating Inventory Turnover Ratio. This ratio counts the number of days that inventory is stocked before it is sold.

	30/06/2017	30/06/2016	Definition
Inventory Turnover Ratio (Company level)	247	245	Inventory / Cost of Sales * 365
Inventory Turnover Ratio (Group level)	255	244	

B.3. Return of Equity Ratio (ROE)

In order to assess the effectiveness of equity, the Group is calculating the Return of Equity Ratio (ROE).
This ratio is showing the Profit after Taxes as a percentage of Equity.
Return of Equity Ratio is calculated in order to show how effective an entity is using its equity in order to create profit, expressed as a percentage.
ROE is used as an indication of effectiveness, showing how much profit can be realized by the use of resources invested by the shareholders (share capital) and reserves.

	30/06/2017	30/06/2016	Definition
Return of Equity Ratio (Company level)	2,82%	3,25%	Profit after tax / Equity
Return of Equity Ratio (Group level)	3,25%	4,33%	

B.4. Performance Ratios

In order for the assessment of its performance, the Group is calculating several performance ratios:

B.4.1. Profit before Taxes Margin is showing profit before taxes as a percentage of sales

	30/06/2017	30/06/2016	Definition
Profit before Taxes Margin (Company level)	2,93%	3,44%	Profit before Taxes / Sales
Profit before Taxes Margin (Group level)	4,22%	4,83%	

B.4.2. EBITDA Margin which shows EBITDA as a percentage of sales.

	30/06/2017	30/06/2016	Definition
EBITDA Margin (Company level)	8,49%	7,74%	EBITDA (*) / Sales
EBITDA Margin (Group level)	13,30%	12,81%	

(*) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization calculated as follows:

	Group		Company	
	30/06/2017	**30/06/2016**	**30/06/2017**	**30/06/2016**
Profit before Taxes	2.202	2.528	1.337	1.489
+ Finance cost	4.202	3.433	3.454	2.627
- Debit Exchange Differences	(1.351)	(835)	(1.014)	(575)
- Finance income	(1.666)	(2.012)	(1.224)	(1.494)
+ Credit Exchange Differences	1.659	1.725	1.224	1.230
+ Depreciation of PPE and intangible assets	2.741	2.721	76	75
- Depreciation of Grants for assets	(852)	(852)	-	-
EBITDA	**6.935**	**6.708**	**3.853**	**3.352**

C. Significant events occurred during the first half of 2017

Annual General Assembly of Shareholders was dully called and took place on Wednesday, June 28, 2017, with the participation of nine (9) shareholders, representing 71,11% of the Company's total Share Capital, and resolved as follows:

1. Company and Consolidated financial statements for the fiscal year 2016 (01/01/2016 to 31/12/2016) were unanimously approved.

2. The non–distribution of dividends to the Company's shareholders for the fiscal year 2016.

3. Decided the amendment of the Articles of Association of the Company (article 30 and article 31) as follows:

Article 30

The Board of Directors has the right, under special terms and conditions, to assign part of its responsibilities or rights, to one or more of its members or the Company's Directors or to one or more Company's executives or third party individuals. Following the assignment, all individuals mentioned above could bind the Company with their signature/ signatures.

Article 31.

In order for the Company to undertake valid affairs, two signature are required, except for those mentioned in the previous article. The resolutions of the BoD are taken by its Directors or Company's employees authorized by the Board of Directors.

4. Elected the new Board of Directors with a two-year term as follows:

- Executive Members: - Fidakis Georgios, son of Athanasios
  - Pantousis Ioannis, son of Dimitrios
  - Fidakis Athanasios, son of Konstantinos
  - Demenagas Konstantinos, son of Antreas-Fwtios
- Non Executive Member: - Oikonomopoulos Panagiotis, son of Konstantinos
- Independent Non-Executive Members: - Lioukas Spyros, son of Konstantinos
  - Pimblis Nikolaos, son of Evarestos
  - Katsoulakos Ioannis, son of Sokratis

5. Elected the Members of the Audit Committee, according to article 44. L.4449/2017, as follows:

- Psaltakis Charalambos, Certified Public Accountant (retd.) as President of the Audit Committee
- Lioukas Spyros, Independent Non-Executive Member of the BoD, Professor in the AUEB (retd.) as Member of the Audit Committee

- Oikonomopoulos Panagiotis, Non-Executive Member of the BoD as Member of the Audit Committee

6. Members of the BoD and the Certified Auditors- Accountants were exempt from any liability regarding the fiscal year 2016 (01/01/2016-31/12/2016).
7. Permission was granted, in accordance with Article 23 of Cod. Law 2190/1920, to establish contract agreements between the Company and members of the BoD, and between the Company and other companies related to the BoD members.
8. Permission was granted to the BoD members and to the Company's Management, according to Article 23, par.1 of Cod. Law 2190/1920 to participate as BoD members or management executives in other companies, of similar business scope.
9. GRANT THORNTON S.A. was elected as Certified Auditors and tax Auditors for the Company and Group Consolidated financial statements, for the fiscal year 2017 (01/01/2017-31/12/2017), and approved the proposed fee for their services.

D. Future Perspectives and Outlook, Main Risks with regard to the second half of fiscal year 2017

Future perspectives and outlook

Management believes that both the sales of the Company and the Group will improve during the second half of 2017, by further increase of sales from the subsidiary companies in Italy and Turkey, also from the commencement of business from the subsidiary established in the UK and also the improvement of wind conditions that will enhance the increase of sales of the Group's subsidiaries in the energy sector.

Risks and Uncertainties

Financial Risk Management

Financial risk factors: The Group's operations entail exposure to various financial risks (including foreign exchange risk, interest rates risk, cash flow risk and price risk credit risk and liquidity risk). The Group's risk management policy is focused in the unpredictability of the financial markets targeting the minimization of the factors that can negatively affect the financial performance of the Group. The Group uses in certain cases financial derivative products in order to hedge its exposure to certain risks. The risk management is conducted by the Company's financial management department in accordance with the policy authorized by the Company's Board of Directors. The financial management department detects, evaluates and hedges financial risks in close cooperation with the Group's other departments. The Board of Directors provides guidelines for the risk management in general and specifically covering such areas of risk as foreign exchange risk, interest rate risk, credit risk, the use of derivatives and non financial instruments as well as the investment of additional liquidity.

Market risks

Foreign exchange risk: The Group operates internationally and as a result, it is exposed to foreign exchange risks arising from commercial operations in foreign currencies (USD and TL) with customers and suppliers using currencies other than the Euro. In order to minimize risks the Group on occasion hedges its exposure to foreign currency risk through derivative contracts but does not use hedging accounting.

Price volatility risk: The Group is exposed to price volatility risks resulting from investment in shares of listed companies, which for the purposes of preparing the Financial Statements are recognized as available for sales assets. As of June 30, 2017, the financial assets of the Company and Group contain listed stocks of nominal value € 8.167 th., for which the valuation resulted to losses of € 3.432 th. Any possible loss of the said financial assets is assured by a signed agreement, in order to hedge the valuation result in the financial statements. In order to hedge this risk the Group diversifies its stock portfolio. Such diversification in the Group's portfolio is authorized by the Company's Board of Directors.

Cash flow and interest rate risks: The Group is exposed to cash flow risk that may arise: a) through the volatility noted in variable interest rates which may cause positive or negative variations in cash inflows and/or outflows of assets and/or liabilities connected with these variable interest rates, b) through the increase in receivables which may be caused due to extension in the time when receivables are due, as suggested current market conditions, or c) through the increase of reserves, due to failure to realize expected sales growth.

Interest rate risk results mainly from short and long term borrowing in Euro and in variable interest rates. The Group assesses its exposure to interest rate variation on a constant basis taking under examination any chance of refinancing of its existing obligations under different conditions and terms. On this basis the Group assesses any potential influence to its financial result arising out of contingent variations in interest rates pertaining to mid term and long term financing facilities.

Credit risk: Credit risk is hedged at Group level. Such credit risk mainly arises out of from the existence of potentially doubtful receivables. For credit risk management purposes the Group has policies in place in order to continuously assess clients' credibility taking into consideration the client's financial standing, previous transactions with the client, the client's credit history. Such factors and other are monitored on a steady basis and cannot be exceeding predefined levels for any individual client. Sales to individuals are conducted in cash.

Furthermore, from January 1st, 2017 and hereon, the Company signed a credit insurance policy with ATRADIUS company, in order to secure its receivables from customers, minimizing the credit risk.
Liquidity risk: Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing. The Group monitors and controls cash on a daily basis, taking into consideration expected cash flows.

Seasonality in sales of air-conditioners: Over the last year's sales of air-conditioners showed signs of a seasonal trend mainly increasing during the summer period. This resulted to concerns with regard to potential risks from doubtful debts due to the high number of credit openings in a relatively short period of time.
However over the last couple of years this seasonal trend seems to stabilize, helped by the significant increase in exports, and, finally, demand seems to spread more evenly throughout the year, nonetheless a relatively high demand sustained during summer months, and especially at times of extreme climate conditions. This fact contributes towards higher quality client services and mitigation of the abovementioned risks.

E. Related party transactions

According to IAS 24, related parties are subsidiary companies, affiliate companies and companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.
Company sales to related parties primarily concern sales of products and merchandiseIntercompany transactions take place in accordance with Law 3728/18-12-2008, and under such conditions and terms which do not materially differ from relevant conditions and terms in agreements between the Company and third parties.
The compensation of Directors concerns compensation of regular payment according to employment contracts.
The following paragraph lists important transactions between the company and its related parties, having occurred during the period under review, in accordance with provisions of IAS 24, pertaining to amounts over € 10 thousand.
During the 1st half of 2017, F.G. EUROPE S.A. sold products to its subsidiary in Turkey, FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICATER, which amounted to € 2,36 mil. From these sales, FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICATER owes to F.G. EUROPE S.A. the amount of € 3,41 mil.

During the 1st half of 2017, F.G. EUROPE S.A. sold products to its subsidiary in Italy, FG EUROPE ITALIA SPA, which amounted to € 10,34 mil. F.G. EUROPE S.A., as well as sales of software support services worth € 0.03 mil. From these sales, FG EUROPE ITALIA SPA owes to F.G. EUROPE S.A. the amount of € 8,63 mil.

Moreover as at June 30, 2017, F.G. EUROPE S.A., from purchases of products that made during the previous year, owes to its subsidiary in Italy, FG EUROPE ITALIA SPA the amount of € 0,02 mil.

During the 1st half of 2017, F.G. EUROPE S.A., sold products to its subsidiary in Great Britain FG EUROPE UK LTD, which amounted to € 0.04 mil. F.G. EUROPE SA also invoiced FG EUROPE UK for rents paid on its behalf at an initial stage amounted to € 0.03 mil. From these sales, as well as from temporary cash facilities amounted to € 0.08, FG EUROPE UK LTD owes on 30/6/2017 to FG EUROPE A.E. the amount of € 0.15 mil.

CYBERONICA S.A.'s income from leasing offices and storing facilities rose to € 1,64 mil. during the period from January 1 to June 30, 2017. From that amount the contribution of F.G. EUROPE S.A. was € 1,58 mil. The corresponding payments of the Group and the Company for 2016 amounted to the same amount. The biggest share concerns storage facilities of 25,000 s.m. in Aspropyrgos and Glyfada.

Group companies have paid as leasing guarantees to CYBERONICA S.A. the amount of € 0,58 mil. during the period from January 1 to June 30, 2017. The corresponding receivable from CYBERONICA S.A. in 2016 was the same amount The amount paid as guarantee from F.G. EUROPE S.A. is € 0,56 mil., remaining the same from the year 2015.

F.G. EUROPE S.A. till June 30, 2017 has prepaid rental to CYBERONICA SA the amount of € 0,14 mil.

As of June 30, 2017 FG EUROPE S.A. has received temporary facilities from its subsidiary KALLISTI ENERGIAKI S.A. for an amount of €0,30 mil., the amount of €0,10 mil. from the subsidiary AIOLIKI KYLINDRIAS S.A., the amount of €0,60 mil. from the subsidiary RF ENERGY S.A. and the amount of €1,75 mil. from the subsidiary AIOLIKI ADERES S.A.

F. Corporate Governance

FG EUROPE S.A. is committed to maintain high standards of corporate governance. In applying the principles of of corporate governance, the Company has applied the principles laid down in the Code of Governance, established by the Federation of Enterprises, and was first amended from the Greek Corporate Governance Council (GCGC) in June 28, 2013.

F.G. EUROPE S.A. pays great significance and undertakes all necessary actions to secure the necessary levels of transparency for all its actions and internal procedures, aiming to further strengthening its credibility for the sake of its shareholders and the investment community in general.

The Company fully abides by and implements all provisions set forth by the statutory laws and legal framework. Corporate Governance practices implemented by the Board of Directors' relevant sub-committees, are a major factor towards achieving the Company's corporate mission, which is maximizing the value of the shareholders' equity.

H. Internal Policies and Procedures

The Company operates under an internal code of Policies and Procedures, which is updated and kept abreast of current events, in order to incorporate any issues arising pertaining to matters of corporate governance, as well as any changes in the organizational structure of the Company.

I. Corporate Social Responsibility

F.G. EUROPE S.A. is especially sensitive to matters of environmental awareness and protection. Respect for the environment, promoting renewable energy sources, taking part in recycling initiatives and implementing recycling policies, all are guidelines incorporated in F.G. Europe's strategy.

The abovementioned are elements that define the Company's new corporate identity and guided the design of the new corporate logo of F.G. EUROPE S.A.

All the above information mentioned with regard to the financial standing of the Company and the Group is accurate and can be confirmed through the Financial Statements for the period ending June 30, 2017.

Glyfada, September 27, 2017

Chairman of the Board of Directors

Georgios Fidakis

Report on Review of Interim Financial Information

To the Shareholders of company "F.G. EUROPE SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES"

Introduction

We have reviewed the accompanying separate and consolidated condensed statement of financial position of F.G. EUROPE S.A. (the "Company") and its subsidiaries (the "Group") as of 30 June 2017 and the related separate and consolidated condensed statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim financial information, which form an integral part of the six-month financial report of article 5 of Law 3556/2007.

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

Scope of Review

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

Conclusion

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

Reference to other legal requirements

Based on our review, we concluded that the content of the six-month financial report, as required by article 5 of L.3556/2007, is consistent with the accompanying condensed interim financial information.

F.G. EUROPE S.A.

Interim Financial Statements
As of June 30, 2017

Athens, 27 September 2017
The Chartered Accountant

Manolis Michalios
I.C.P.A. Reg.: No. 25131

GrantThornton
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SIX - MONTHS FINANCIAL STATEMENTS
COMPANY AND CONSOLIDATED FOR THE SIX – MONTHS PERIOD
ENDED JUNE 30, 2017

F.G. EUROPE S.A.
Interim Financial Statements
As of June 30, 2017

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F.G. EUROPE S.A.

Statement of Total Comprehensive Income (Consolidated and Company)
As of June 30, 2017
(All amounts in Euro thousands unless otherwise stated)

		Consolidated		Company	
	Note	**1/1-30/6/2017**	**1/1-30/6/2016**	**1/1-30/6/2017**	**1/1-30/6/2016**
Sales…………………………………......................	4	52.131	52.159	45.289	43.293
Less: Cost of sales………………………………		(37.719)	(37.748)	(35.333)	(34.046)
Gross profit		**14.412**	**14.411**	**9.956**	**9.247**
Other operating income…………………………		283	909	63	121
Distribution expenses…………………………...	10	(7.661)	(8.379)	(5.429)	(5.711)
Administrative expenses………………………..		(2.152)	(2.830)	(988)	(1.001)
Other operating expenses ………………………		(144)	(162)	(43)	(34)
Earnings before interests and taxes		**4738**	**3.949**	**3.559**	**2.622**
Finance income………………………………....	5	1.666	2.012	1.224	1.494
Finance costs...………………………………….	5	(4.202)	(3.433)	(3.454)	(2.627)
Earnings before taxes		**2.202**	**2.528**	**1.329**	**1.489**
Income tax expense………………....................	6	(880)	(830)	(402)	(430)
Net profit for the period		**1.322**	**1.698**	**927**	**1.059**
Attributable as follows:					
Equity holders of the Parent…………………….		956	1.485	-	-
Minority interest………………………………...		366	213	-	-
Net profit (after tax) attributable to the Group		**1.322**	**1.698**	**927**	**-**
Amounts reclassified to the income statement:					
Exchange differences		(222)	73	-	-
Other Comprehensive Income after taxes		**(222)**	**73**	**-**	**-**
Total Comprehensive Income after taxes		**1.100**	**1.771**	**927**	**1.059**
Attributable as follows:					
Equity holders of the Parent…………………….		827	1.525	-	-
Minority interest………………………………...		273	246	-	-
Net profit (after tax) attributable to the Group		**1.100**	**1.771**	**-**	**-**
Earnings per share (expressed in €s):					
Basic……………………………………………	7	0,0181	0,0281	0,0176	0,0201

F.G. EUROPE S.A.

Statement of Financial Position (Consolidated and Company)
As of June 30, 2017
(All amounts in Euro thousands unless otherwise stated)

		Consolidated		Company	
	Note	30/6/2017	31/12/2016	30/6/2017	31/12/2016
ASSETS					
Non-current assets					
Property, plant and equipment…….........	8	49.772	52.291	674	709
Investments in real estate property………	8	239	241	239	241
Intangible assets………………………….	8	6.583	6.724	3	4
Investments in subsidiaries………………	1.2	-	-	33.808	33.221
Long term receivables……………………	11	5.357	7.923	5.295	7.897
Deferred taxes ……………..………….		4.994	5.387	3.803	4.205
Available for sale investments…………...	14	3.471	875	3.471	875
Total non-current assets		**70.416**	**73.441**	**47.293**	**47.152**
Current assets					
Inventories……………………………….	9	53.107	37.648	48.203	34.330
Trade receivables………………………...	10	45.854	34.532	36.369	24.846
Cash and cash equivalents……………….	12	18.852	9.923	14.604	6.317
Total current assets		**117.813**	**82.103**	**99.176**	**65.493**
Total assets		**188.229**	**155.544**	**146.469**	**112.645**
SHAREHOLDERS' EQUITY & LIABILITIES					
SHAREHOLDERS' EQUITY					
Shareholders equity attributable to the equity holders of the parent company					
Share capital……………………………...		15.840	15.840	15.840	15.840
Share premium……………..……………		6.731	6.731	6.731	6.731
Reserves………………………………….		3.929	3.972	3.915	3.904
Retained earnings………………………...		(7.000)	(7.907)	6.429	5.513
		19.500	**18.636**	**32.915**	**31.988**
Minority interest…………………………		21.154	20.918	**-**	**-**
Total shareholders' equity		**40.654**	**39.554**	**32.915**	**31.988**
LIABILITIES					
Non-current liabilities					
Long term Borrowings…………………...	13	55.719	62.311	47.843	53.324
Retirement benefit obligations…………..		758	766	619	635
Deferred government grants……………..		15.292	16.144	-	-
Long-term provisions…………………….		2.043	1.979	-	-
Deferred taxes		3.732	3.326	-	-
Total non-current liabilities		**77.544**	**84.526**	**48.462**	**53.959**
Current liabilities					
Short term Borrowings…………………..	13	630	2.012		2.012
Short term portion of long term borrowings…….………………………	13	12.192	12.000	10.471	10.200
Current tax liabilities…………………….		133	27	-	-
Trade and other payables……………….	15	57.076	17.425	54.621	14.486
Total current liabilities		**70.031**	**31.464**	**65.092**	**26.698**
Total liabilities		**147.575**	**115.990**	**113.554**	**80.657**
Total equity and liabilities		**188.229**	**155.544**	**146.469**	**112.645**

F.G. EUROPE S.A.

Statement of Changes in Equity (Consolidated)
For the Six-Months Period ended June 30, 2017

(All amounts in Euro thousands unless otherwise stated)

Consolidated	Share capital	Share premium	Legal reserve	Available for sales - Fair value reserves	Actuarial gains / (Losses)	Special tax reserves	Retained earnings /(Losses)	Total	Minority interest	Total equity
Balance on January 1, 2016	**15.840**	**6.731**	**4.175**	**-**	**-**	**(143)**	**(9.588)**	**17.015**	**19.540**	**36.555**
Year's changes:										
Net profit for the period	-	-	-	-	-	-	1.485	**1.485**	213	**1.698**
Other Comprehensive Income..	-	-	-	-	-	40	-	**40**	33	**73**
Total Comprehensive Income..	**-**	**-**	**-**	**-**	**-**	**40**	**1.485**	**1.525**	**246**	**1.771**
Expenses of shares issuance	-	-	136	-	-	-	(95)	41	(41)	-
(Increase)/ Decrease shareholding of Subsidiaries	-	-	-	-	-	-	-	-	863	**863**
Balance on June 30, 2016	**15.840**	**6.731**	**4.311**	**-**	**-**	**(103)**	**(8.198)**	**18.581**	**20.608**	**39.189**
Balance on January 1, 2017	**15.840**	**6.731**	**4.310**	**-**	**-**	**(338)**	**(7.907)**	**18.636**	**20.918**	**39.554**
Year's changes:										
Net profit for the period	-	-	-	-	-	-	956	**956**	366	**1.322**
Other Comprehensive Income..	-	-	-	-	-	(129)	-	**(129)**	(93)	**(222)**
Total Comprehensive Income..	**-**	**-**	**-**	**-**	**-**	**(129)**	**956**	**827**	**273**	**1.100**
Legal reserve	-	-	86	-	**-**	**-**	(49)	**37**	**(37)**	**-**
(Increase)/ Decrease shareholding of Subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance on June 30, 2017	**15.840**	**6.731**	**4.396**	**-**		**(467)**	**(7.000)**	**19.500**	**21.154**	**40.654**

F.G. EUROPE S.A.

Statement of Changes in equity (Company)
For the Six-Months Period ended June 30, 2017
(All amounts in Euro thousands unless otherwise stated)

Company	**Share capital**	**Share premium**	**Legal reserve**	**Available for sales - Fair value reserves**	**Actuarial gains / (Losses)**	**Special tax reserves**	**Retained earnings**	**Total**
Balance on January 1, 2016	**15.840**	**6.731**	**3.939**	**-**	**(85)**	**-**	**5.051**	**30.287**
Year's changes:								
Net profit for the period	-	-	-	-	-	-	1.059	**1.059**
Other Comprehensive Income..	-	-	-	-	-	-	-	**-**
Total Comprehensive							**1.059**	**1.059**
Legal reserve...	**-**	**-**	54	**-**	**-**	**-**	**(54)**	**0**
Balance on June 30, 2016	**15.840**	**6.731**	**3.993**	**-**	**(85)**	**-**	**6.056**	**32.535**
Balance on January 1, 2017	**15.840**	**6.731**	**3.994**	**-**	**(90)**	**-**	**5.513**	**31.988**
Year's changes:								
Net profit for the period	-	-	-	-	-	-	927	**927**
Total Comprehensive Income..	**-**	**-**	**-**	**-**	**-**	**-**	**927**	**927**
Legal reserve	**-**	**-**	11	**--**	**-**	**-**	(11)	**-**
Balance on June 30, 2017	**15.840**	**6.731**	**4.005**	**-**	**(90)**	**-**	**6.429**	**32.915**

F.G. EUROPE S.A.

Statement of Changes in equity (Company)
For the Six-Months Period ended June 30, 2017
(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	For the Six-Months Period Ended June 30,			
CASH FLOWS FROM OPERATING ACTIVITIES	**2017**	**2016**	**2017**	**2016**
Profit before tax (and minority interest)…………………………………	2.202	2.528	1.329	1.489
Add / (less) adjustments for:				
Depreciation and amortization……………………………………………	2.741	2.721	76	75
Provisions…………………………………………………………………	791	803	186	734
Exchange rate differences…………………………………………………	621	(27)	625	(40)
Result of investment activity……………………………….…………..	(7)	(97)	(1)	(74)
Interest and similar expenses……………………………….…………..	2.023	2.430	1.682	1.969
Government grants recognized in income……………………………..	(852)	(852)	-	-
Employee benefits……………………………………….……………..	27	40	17	35
Impairment charges……………………………………………………….	-	-	-	-
Operating result before changes in working capital	**7.546**	**7.546**	**3.914**	**4.188**
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories…………..…………………………..	(16.018)	(15.903)	(13.966)	(15.222)
(Increase) / decrease in receivables and prepayments...………...………....	(14.297)	(10.319)	(14.431)	(6.158)
Increase / (decrease) in trade and other payables…………………………	39.517	28.224	39.993	25.424
(Increase) in long term receivables…………………………..…	2.565	-	2.602	-
Total cash inflow / (outflow) from operating activities	**19.313**	**9.548**	**18.112**	**8.232**
Interest and similar expenses paid………………………..……………..	(2.511)	(2.249)	(2.238)	(1.846)
Income taxes paid…………………………………………………………	-	-	-	-
Total net inflow / (outflow) from operating activities	**16.802**	**7.299**	**15.874**	**6.386**
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase) of subsidiaries and other investments…………………………	-	-	(234)	(1.053)
(Purchase) of PPE and intangible assets…………………………………..	(81)	(33)	(40)	(14)
Proceeds from the sale of subsidiaries and other investments………….....	2	16	2	16
Interest income.……………………………………………….……………..	12	34	6	13
Total net cash inflow / (outflow) from investing activities	**(67)**	**17**	**(266)**	**(1.038)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share capital increase…………………………………….	-	863	-	-
Proceeds from borrowings……………………………………………….	-	19.994	-	19.994
Payments of borrowings…………………………………………………	(7.761)	(28.714)	(7.291)	(28.010)
Total net cash inflow from financing activities	**(7.761)**	**(7.857)**	**(7.291)**	**(8.016)**
Net increase / (decrease) in cash and cash equivalents	**8.974**	**(541)**	**8.317**	**(2.668)**
Exchange rate differences	**(45)**	**301**	**(30)**	**301**
Cash and cash equivalents at beginning of period	**9.923**	**20.615**	**6.317**	**15.380**
Cash and cash equivalents at end of period	**18.852**	**20.375**	**14.604**	**13.013**

(All amounts in € thousands unless otherwise stated)

1. Incorporation and Business of the Group

1.1 General information and activities

The parent company F.G. EUROPE S.A. (hereinafter referred to as "the Company") and its subsidiaries (hereinafter referred to as "the Group) activate:

- The company in the import and wholesale of all types of air conditioners, all types of white and consumer electronics electrical appliances, televisions and in the wholesale of rendered services of mobile telephony.

- The subsidiaries **F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S. and F.G. EUROPE ITALIA S.P.A.,** in the import and wholesale of all types of air conditioners, while R.F. ENERGY S.A. and its subsidiaries below activate in the field of electric energy production from renewable energy sources.

    - HYDROELECTRICAL ACHAIAS S.A.
    - CITY ELECTRIC S.A.
    - AIOLIKI KYLINDRIAS S.A.
    - KALLISTI ENERGIAKI S.A.
    - R.F. ENERGY S.A. OMALIES S.A.
    - AIOLIKI ADERES S.A.

The Company and the Group are domiciled in Greece, in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of June 30, 2017 is 92 for the Company and 135 for the Group.

The Company's shares are listed on the primary market segment of the Athens Exchange.

"Other comprehensive income after tax" represents loss for the Group of € 222 which concerns difference in exchange at the consolidation of Group Companies in foreign currency.

1.2 Group structure and activities

The subsidiaries contained with the method of full consolidation in the attached consolidated financial statements of the group are the following:

Name	Country	Share as of June 30, 2017	Method of consolidation
• F.G. EUROPE S.A.	Greece	Parent company	Full consolidation
• F.G. EUROPE ITALIA S.P.A.	Italy	100.00% (a)	Full consolidation
• F.G. EUROPE UK L.T.D.	U.K.	100.00% (a)	Full consolidation
• F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S.	Turkey	55.00% (a)	Full consolidation
• R.F. ENERGY S.A.	Greece	50.00% (a)	Full consolidation
• HYDROELECTRICAL ACHAIAS S.A.	Greece	50.00% (b)	Full consolidation
• CITY ELECTRIC S.A.	Greece	50.00% (b)	Full consolidation
• AIOLIKI KYLINDRIAS S.A.	Greece	50.00% (b)	Full consolidation
• KALLISTI ENERGIAKI S.A.	Greece	50.00% (b)	Full consolidation
• AIOLIKI ADERES S.A.	Greece	50.00% (b)	Full consolidation
• R.F. ENERGY S.A. OMALIES S.A.	Greece	50.00% (b)	Full consolidation

Note: a) Direct investments, b) Indirect investments

F.G. EUROPE's holding share in the company R.F. ENERGY S.A. is to 50.00%. Due to the fact that the existing shareholders' agreement concerning the appointment of the majority of Board

(All amounts in € thousands unless otherwise stated)

Members through F.G. EUROPE S.A., R.F. ENERGY is fully consolidated in the Company's financial statements, with the method of full consolidation.

F.G. EUROPE S.A. participates with 10.00% in the share capital of ANAKYKLOSI SYSKEVON SYMMETOCHIKI S.A. which is not included in the consolidated financial statements of the Group and the Company as 'Available for sale investment'.

The investments in subsidiaries of the Company are as follows:

Investments in Subsidiaries as at 30/6/2016

	Subsidiary name	Balance as at 31/12/2016	Additions 1/1-30/6/17	Reductions 01/01 - 30/6/2017	Balance as at 30/6/2017
1	R.F. ENERGY S.A……………………	29.287	-	-	**29.287**
2	F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S…………………………	2.532		-	**2.532**
3	F.G. EUROPE ITALIA S.P.A…………	1.402		-	**1.402**
4	F.G EUROPE UK LTD……………….	-	587	-	587
	Total	**33.221**	**587**	**-**	**33.808**

Investments in Subsidiaries as at 31/12/2015

	Subsidiary name	Balance as at 31/12/2015	Additions 1/1 – 31/12/2016	Reductions 1/1 - 31/12/2016	Balance as at 31/12/2016
1	R.F. ENERGY S.A………………………	29.287	-	-	**29.287**
2	F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S…………………………..	1.479	1.053	-	**2.532**
3	F.G. EUROPE ITALIA S.P.A…………..	252	1.150	-	**1.402**
	Total	**31.018**	**2.203**	**-**	**33.221**

With regard to the expansion of the Company's business in England and Ireland, a new 100% subsidiary company under the name FG EUROPE UK LIMITED was established in February 14,2017 with a business scope of selling all types of air conditioners. The initial share capital of the subsidiary amounts to €588.

2. Significant Accounting Policies used by the Group

2.1 Basis of Preparation of Financial Statements

These consolidated and company financial statements (hereinafter referred to as "Financial Statements") have been prepared according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Interpretations that have been issued by the Standing Interpretations Committee.

These financial statements have been prepared according to IAS 34 (Interim Financial Reporting) and therefore should be considered in combination with the audited financial statements as of December 31, 2015 that are accessible on the internet site of the Company.

The Accounting policies, estimations and calculation methods adopted for the preparation of these interim Financial Statements are those used for the preparation of the Annual Financial Statements for the year ended December 31, 2016, apart from the adoption of new standards and interpretations that were adopted for first time as of January 1, 2017, the impact of which on the Financial Statements is mentioned below in note 2.2.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Using the available information and the implementation of subjective evaluation are necessary in order to conduct forecasts. Actual results may differ from estimates and deviations can have serious impacts on the Financial Statements.

The operating results of the six-months period ended June 30, 2017, are not indicative for the results expected by management for the year ending December 31, 2017 because of the seasonality of the core business. This seasonality results from fact that air conditioners sales that are the company's core business in terms of profitability multiply during the second and third quarter of the year dependent on the weather conditions.

2.2. Changes in Accounting Policies

2.2.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

There are no new Standards, Interpretations, Revisions or Amendments to existing Standards that have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2017.

2.2.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2018.

- **IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

- **IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognize assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 12: " Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)**

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018)**

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 01/01/2018)**

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle are the following: IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds.

(All amounts in € thousands unless otherwise stated)

The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

3. *Operating Segments*

The operating segments of Group are strategic units that sell different goods. They are monitored and managed separately by the Board of Directors, because these goods are of completely different nature, demand in the market and mixed profit margin.

The Groups' segments are the following:

Long Living Consumer Goods
The sector of Long Living Consumer Goods constitutes the import and wholesale of all types of air conditioners for domestic and professional use and the import and wholesale of white and brown house appliances.

Energy
The sector of Energy constitutes the development and operation of energy projects, focused on Renewable Energy Sources (RES).

The accounting policies for the operating segments are those used for the preparation of the Financial Statements.

The efficiency of the sectors is determined by the net profit after taxes.

The sales of the Group are completely wholesale and all assets are located in Greece.

The segments results of the Group are analyzed as follows:

Six-month period ended 01/01-June 30, 2017	**Long Living Consumer Goods**	**Energy**	**Total**
Sales to third parties…………….	59.958	4.970	64.928
Sales within the Group…............	(12.797)	-	(12.797)
Gross profit……………………	**47.161**	**4.970**	**52.131**
Depreciation of Fixed/ Intangible assets	(148)	(2.617)	(2.765)
Gain / Loss before taxes, investing activities, total depreciations……………………	3.459	3.476	6.935
Finance income…………………	1.660	6	1.666
Finance costs……………………	(3.889)	(313)	(4.202)
Profits before tax……………….	855	1.347	2.202
Income tax expense…………….	(423)	(457)	(880)
Profits after tax………………..	**432**	**890**	**1.322**
Expenses for Fixed/ Intangible assets	77	4	81
Assets per sector	113.238	74.991	188.229
Liabilities per sector	114.656	32.919	147.575

(All amounts in € thousands unless otherwise stated)

Six-month period ended 01/01-June 30, 2016	Long Living Consumer Goods	Energy	Total
Sales to third parties…………….	62.775	4.422	67.177
Sales within the Group…...........	(15.018)	-	(15.018)
Gross profit……………………..	**47.737**	**4.422**	**52.159**
Depreciation of Fixed/ Intangible assets	(155)	(2.566)	(2.721)
Gain / Loss before taxes, investing activities, total depreciations…………………….	3.781	2.927	6.708
Finance income………………….	1.992	20	2.012
Finance costs……………………	(3.000)	(433)	(3.433)
Profits before tax……..………….	1.836	692	2.528
Income tax expense……………...	(524)	(306)	(830)
Net profit……………………..…	**1.312**	**386**	1.698
Expenses for Fixed/ Intangible assets	31	2	33
Assets per sector	115.032	79.807	194.839
Liabilities per sector	60.363	39.628	99.991

The gains or losses after taxes per operating sector are analyzed as follows:

Profit after taxes	30/6/2017	30/6/2016
Profit per sector	1.267	1.494
Deletion of Intersectional profit	17	172
Depreciations	55	55
Income tax	(17)	(23)
Total profit after taxes	**1.322**	**1.698**

The geographic results of the Groups sales are analyzed as follows:

Year ended 1/1-June 30, 2017	Long Living Consumer Goods	Energy	Total
Parent company (sales on internal market)	19.063	-	**19.063**
Subsidiaries (sales on internal market)	-	4.970	**4.970**
Parent company (sales on external market)	26.226	-	**26.226**
Subsidiaries (sales on external market)	14.668	-	**14.668**
Sales within the Group	(12.797)	-	**(12.797)**
Total	**47.161**	**4.970**	**52.131**

Year ended 1/1-June 30, 2016	Long Living Consumer Goods	Energy	Total
Parent company (sales on internal market)	15.957	-	**15.957**
Subsidiaries (sales on internal market)	-	4.422	**4.422**
Parent company (sales on external market)	27.336	-	**27.336**
Subsidiaries (sales on external market)	19.462	-	**19.462**
Sales within the Group	(15.018)	-	**(15.018)**
Total ……………………….………..	**47.737**	**4.422**	**52.159**

4. Income

Analysis of the Groups' income:

	Consolidated		Company	
	1/1 - 30/6/2017	**1/1 - 30/6/2016**	**1/1 - 30/6/2017**	**1/1 - 30/6/2016**
Sales of goods	47.067	47.600	45.195	43.156
Sales of goods (electric Energy)	4.970	4.422	-	-
Sales of services	94	137	94	137

(All amounts in € thousands unless otherwise stated)

Total Sales	**52.131**	**52.159**	**45.289**	**43.293**
Other income	283	909	63	121
Total	**52.414**	**53.068**	**45.352**	**43.414**

Total sales of F.G EUROPE S.A. for the six-month period ended June 30, 2017 amounted to € 45,289 against sales of €43,293 in the corresponding period of 2016, increased by 4,60%. The increase of total sales is attributed to the increase of sales at the domestic market, exports to Balkans and Turkey.

At the Group level, revenues remained hardly the same as the corresponding period of 2016, mainly attributed to the decrease of sales in Italy, maintained by the Group's 100% subsidiary, and, despite the fact that sales of the Company and sales of the energy sector subsidiaries have increased.

5. *Finance income and expenses*

Finance income and expenses are analyzed as follows:

	Consolidated		Company	
	1/1-30/6/2017	**1/1-30/6/2016**	**1/1-30/6/2017**	**1/1-30/6/2016**
Finance costs:				
Interest and similar expenses…………………....	(1.691)	(2.083)	(1.579)	(1.730)
Related interest expenses……………………….	(215)	(204)	(91)	(201)
Bank charges and commissions…………………	(12)	(38)	(12)	(38)
Financial cost of provision of equipment removal………………………………………….	(105)	(105)	-	-
Foreign exchange differences.............................	(1.351)	(835)	(1.014)	(575)
Valuation of derivatives………………………...	(828)	(85)	(758)	-
Devaluation of investments and securities……....	-	-	-	-
Prepaid interest of the actuarial research………..	-	(7)	-	(7)
Others…………………………………………...	-	(76)	-	(76)
Total Finance costs	**(4.202)**	**(3.433)**	**(3.454)**	**(2.627)**
Finance income:				
Interest and similar income………....................	6	24	-	3
Gains from sale of securities…………………….	1	25	-	23
Foreign exchange differences ………..………...	1.659	1.725	1.224	1.230
Valuation of Derivatives………………………..	-	107	-	107
Valuation of investments and securities……...	-	131	-	131
Total Finance income	**1.666**	**2.012**	**1.224**	**1.494**
Finance costs, net	**(2.536)**	**(1.421)**	**(2.230)**	**(1.133)**

The company in order to cover the exchange risk during purchasing inventories, which comes from liabilities in foreign currency, makes advance purchase of foreign exchange contracts through the use of derivative financial products (level 2), by various banks. Differences in exchange rates for the period 01/01-30/06/2017 resulted to debit foreign exchange differences of €(1.351) and (1.014) for the Group and the Company, which, however, were oversubscribed by €1.659 and €1.224 respectively, through the use of derivative financial products. For the corresponding period of 2016, debit exchange differences amounted to €(835) and €(575) for the Group and the Company and covered by €1.725 and €1.230 respectively, through the use of derivative financial products.
Within the net finance cost there is a specific loss from the evaluation of ''Financial assets available for sale'' which amounts to €4.735 and an equal gain of a long term coverage receivable for the said loss (Note 11).

6. *Income taxes*

The parent company and its subsidiaries have not been audited by the tax authorities for the following fiscal years:

(All amounts in € thousands unless otherwise stated)

Company	Unaudited fiscal years
• F.G. Europe S.A.	2008 to 2016
• R.F. Energy S.A.	2010 to 2016
• Hydroelectrical Ahaias S.A.	2010 to 2016
• City Electrik S.A	2010 to 2016
• Aioliki Kylindrias S.A.	2009 to 2016
• Kallisti Energiaki S.A.	2009 to 2016
• R.F. Energy Omalies S.A.	2010 to 2016
• Aioliki Aderes S.A..	Unaudited from inception (2009)
• F.G. Europe Italia S.P.A.	Unaudited from inception (2014)
• F.G. Europe Klima Teknolojileri Sanayive Ticaret A.S.	Unaudited from inception (2014)
• F.G. EUROPE U.K. L.T.D.	Unaudited from inception (2017)

According to par 5, article 82 of law 2238/1994 and POL 1159/2011, statutory auditors and audit firms carry out statutory audits on public limited companies and limited liability companies which are obliged to issue annual certificate. This certificate is issued after audit, regarding the implementation of tax provisions for specific tax issues. Tax infringements, as well as non-performance and incorrect performance of taxes recorded in the books during audit, are referred in detail in the certificate. Public limited companies and limited liability companies are subject to tax audit by statutory auditors for the annual financial statements from 30/06/2011 onwards.

For the years 2011, 2012 and 2013, the companies of the Group operating in Greece and are subject to tax audit by statutory auditors, according to par 5, article 82, law 2238/1994, received Tax Compliance Report, without any substantial differences to arise.

For the tax audit of fiscal year 2014 and 2015, the companies of the Group operating in Greece and meet the relevant criteria for falling under the tax audit of Certified Auditors provided by the provisions of par. 65A, par.1, law 4174/2013, received Tax Compliance Report, without any substantial differences to arise.

For the tax audit of fiscal year 2016, the companies of the Group operating in Greece, have been fallen under the tax audit of Certified Auditors, provided by the provisions of par. 65A, par.1, law 4174/2013. This tax audit is in progress and the relevant tax certificates are expected to be granted. If until the completion of the tax audit, additional tax liabilities arise, these will not have substantial impact on financial statements. According to recent legislation changes, tax audits by statutory auditors and the relevant certificate are optional.

For the tax audit of fiscal year 2017, the companies of the Group operating in Greece which meet the relevant criteria for falling under the tax audit of Certified Auditors provided by the provisions of par. 65A, par.1, law 4174/2013, are going to receive Tax Compliance Report.

A tax audit on the Company for the fiscal years 2008, 2009 and 2010 is in progress. Furthermore, the tax obligations of the Company's subsidiaries have not been audited for several years, and, as consequence, there is a possibility of additional tax and several surcharges when finalized. The relevant provision by the Group and the Company amounts to €345 and €292 respectively.

Income taxes as presented in the financial statements are analyzed as follows:

(All amounts in € thousands unless otherwise stated)

	Consolidated		Company	
	1/1-30/6/2017	1/1-30/6/2016	1/1-30/6/2017	1/1-30/6/2016
Income tax (current period)………...............	(584)	(927)	(478)	(850)
Deferred tax………………………………….	(296)	(418)	76	420
Adjustment of deferred taxes, because of the tax's rate change……………………………	-	515	-	-
Income taxes	**(880)**	**(830)**	**(402)**	**(430)**

7. *Earnings per share*

The basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the year.

	Consolidated		Company	
	1/1-30/6/2017	1/1-30/6/2016	1/1-30/6/2017	1/1-30/6/2016
Net profit attributable to shareholders…………………..	956	1.485	927	1.059
Weighted average number of shares outstanding…………….	52.800.154	52.800.154	52.800.154	52.800.154
Basic earnings per share (in €)	**0,0181**	**0,0281**	**0,0176**	**0,0201**

8. *Property, plant and equipment and intangible assets*

Property, plant and equipment are analyzed as follows:

	Fixed Assets						
Consolidated	**Land**	**Buildings**	**Plant & machinery**	**Vehicles**	**Furniture & fixture**	**Work in progress**	**Total**
January 1, 2016							
Value at cost……………...	1.087	10.440	70.659	536	1. 177	3.182	**87.081**
Accumulated depreciations.	-	(3.478)	(24.898)	(341)	(790)	-	**(29.507)**
Net book value…………	**1.087**	**6.962**	**45.761**	**195**	**387**	**3.182**	**57.574**
January 1 to December 31, 2016							
Additions………………….	-	-	1	-	123	13	**137**
Deletion of assets …………	-	-	-	-	129	(148)	**-**
Disposals……..	-	-	-	(73)	-	(140)	**(213)**
Depreciations……………..	-	(603)	(4.428)	(43)	(144)	-	(5.218)
Depreciations of deletions...	-	-	-	-	-	-	-
Depreciations of disposed assets...	**-**	**-**	-	30	**-**	**-**	**-**
December 31, 2016							
Value at cost……………...	1.087	10.440	70.660	463	1.429	2.907	**86.986**
Accumulated depreciations.	-	(4.081)	(29.326)	(354)	(934)	-	**(34.695)**
Net book value…………	**1.087**	**6.359**	**41.334**	**109**	**495**	**2.907**	**52.291**
January 1 to June 30, 2017							
Additions………………….	-	1	-	-	49	31	**81**
Transfers………………….	-	-	-	-	-	-	**-**
Disposals…………………	-	-	-	-	(2)	-	**(2)**
Depreciations……………..	-	(296)	(2.205)	(13)	(84)	-	**(2.598)**
Depreciations of disposals.	-	-	-	-	-	-	**-**
Value at cost……………...	1.087	10.441	70.660	463	1.476	2.938	**87.065**
Accumulated depreciations.	-	(4.377)	(31.531)	(367)	(1.018)	-	**(37.293)**
Net book value…………	**1.087**	**6.064**	**39.129**	**96**	**458**	**2.938**	**49.772**

(All amounts in € thousands unless otherwise stated)

Consolidated	Investments in real estate			Intangible assets		
	Land	Buildings	Total	License for wind energy	Licenses	Total
January1, 2016						
Value at cost……………....	48	241	**289**	7.113	1.297	**8.410**
Accumulated depreciations.	-	(43)	**(43)**	(982)	(421)	**(1.403)**
Net book value…………	**48**	**198**	**246**	**6.131**	**876**	**7.007**
January 1 to December 31, 2016						
Additions………………….	-	-	**-**	-	-	**-**
Deletion of assets ………	-	-	**-**	-	-	**-**
Transfers………………….	-	-	**-**	-	-	**-**
Disposals …………………	-	-	**-**	-	-	**-**
Depreciations……………..	-	(5)	**-**	(202)	(81)	**(283)**
Depreciations of deletions...	-	-	**-**	-	-	**-**
Depreciations of disposals..	-	-	**-**	-	-	**-**
December 31, 2016						
Value at cost……………....	48	241	**289**	7.113	1.297	**8.410**
Accumulated depreciations.	-	(48)	**(48)**	(1.184)	(502)	**(1.686)**
Net book value………..	**48**	**193**	**241**	**5.929**	**795**	**6.724**
January 1 to June 30, 2017						
Additions………………….	-	-	**-**	-	-	**-**
Depreciations……………..	-	(2)	**(2)**	(100)	(41)	**(141)**
June 30, 2016						
Value at cost……………....	48	241	**289**	7.113	1.297	**8.410**
Accumulated depreciations.	-	(50)	**(50)**	(1.284)	(543)	**(1.827)**
Net book value………..	**48**	**191**	**239**	**5.829**	**754**	**6.583**

Company	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	Total
January 1, 2016							
Value at cost……………....	5	320	261	523	798	302	**2.209**
Accumulated depreciations.	-	(183)	(7)	(331)	(610)	**-**	**(1.131)**
Net book value………..	**5**	**137**	**254**	**192**	**188**	**302**	**1.078**
January 1 to December 31, 2016							
Additions………………….	-	-	-	-	15	3	**18**
Transfers…..………………	-	-	-	-	(129)	(148)	**(19)**
Disposals……………..	-	-	-	(63)	-	(140)	**(203)**
Depreciations……………..	-	(12)	(43)	(43)	(89)	-	**(187)**
Depreciations of disposals…………………..	-	-	-	22	-	-	**22**
December 31, 2016							
Value at cost……………....	5	320	261	460	942	17	**2.005**
Accumulated depreciations.	-	(195)	(50)	(352)	(699)	**-**	**(1.296)**
Net book value………..	**5**	**125**	**211**	**108**	**243**	**17**	**709**
January 1 to June 30, 2017							
Additions………………….	-	-	-	-	12	28	**40**
Transfers………………….	-	-	-	-	-	-	**-**
Disposals………………….	-	-	-	-	(2)	**-**	**(2)**
Depreciations………………	-	(7)	(13)	(12)	(41)	**-**	**(73)**
Depreciations of disposals.	-	-	-	-	-		**-**
June 30, 2017							
Value at cost……………....	5	320	261	460	952	45	**2.043**
Accumulated depreciations.	-	(202)	(63)	(364)	(740)	**-**	**(1.369)**
Net book value………..	**5**	**118**	**198**	**96**	**212**	**45**	**674**

(All amounts in € thousands unless otherwise stated)

Company	**Investments in real estate**			**Intangible assets**	
	Land	**Buildings**	**Total**	**Licenses**	**Total**
January 1, 2016					
Value at cost……………....	48	241	**289**	5	**5**
Accumulated depreciations.	-	(43)	**(43)**	(1)	**(1)**
Net book value…………	**48**	**198**	**246**	**4**	**4**
January 1 to December 31, 2016					
Additions………………….	-	-	**-**	-	**-**
Transfers………………….	-	-	**-**	-	**-**
Depreciations……………..	-	(5)	**(5)**	-	**-**
Depreciations of disposals..	-	-	**-**	-	**-**
December 31, 2016					
Value at cost……………....	48	241	**289**	5	**5**
Accumulated depreciations.	-	(48)	**(48)**	(1)	**(1)**
Net book value………..	**48**	**193**	**241**	**4**	**4**
January 1 to June 30, 2016					
Additions………………….	-	-	**-**	-	**-**
Depreciations……………..	-	(2)	**(2)**	(1)	**(1)**
June 30, 2016					
Value at cost……………....	48	241	**289**	5	**5**
Accumulated depreciations.	-	(50)	**(50)**	(2)	**(2)**
Net book value………..	**48**	**191**	**239**	**3**	**3**

There are no pledged assets in the Group.
It is also noted that work in progress amount for the Group and the Company concerns the cost of wind farms development and construction from the subsidiaries of R.F. Energy Group and the cost of the installation of accounting software to the Group companies.

9. *Inventories*

The Company's and group's inventory is analyzed as follow:

	Consolidated		**Company**	
	30/6/2017	**31/12/2016**	**30/6/2017**	**31/12/2016**
Merchandise	54.126	38.255	48.800	34.834
Provision	(1.019)	(607)	(597)	(504)
Total	**53.107**	**37.648**	**48.203**	**34.330**

The noted increase in inventories in 30/6/2017 is mainly attributed to the seasonality of sales. The Group estimates that, during the second half of the year, inventories will be significantly reduced through sales.

The provision of the depreciated stocks is as follows

	Consolidated	**Company**
Remaining stocks depreciated preview 01.01.2016	**(466)**	**(453)**
Using predictive 01.01.-31.12.15	(140)	(50)
Remaining stocks depreciated preview 31.12.2016	**(607)**	**(504)**
Expense chargeable period 01.01.-30/06/2016	(413)	(93)
Remaining stocks depreciated preview 30.06.2017	**(1.019)**	**(597)**

The reduction of inventories from book value to net realisable value affects the "cost of sales".

The difference in the cost of sales, is mainly due to the increase/decrease of sales, given that the gross profit margin for the first half of 2017 remained hardly the same with the corresponding period of 2016 (Group : 27.6 % in the first half of 2017 and 2016 and Company : 22,00 % in the first half of 2017 versus 21,40 % in the first half of 2016) .

(All amounts in € thousands unless otherwise stated)

10.Receivables and prepayments

The account of receivables and prepayments is as follows:

	Consolidated		Company	
	30/6/2017	**31/12/2016**	**30/6/2017**	**31/12/2016**
Customers	36.978	26.052	34.911	21.790
Postdated customers' cheques	4.835	5.092	4.835	5.092
Customers' bills	3.652	2.021	143	93
Predictions of doubtful Customers	(6.028)	(5.889)	(5.840)	(5.747)
	39.437	**27.276**	**34.049**	**21.228**
Other debtors	6.417	7.256	2.320	3.618
Total	**45.854**	**34.532**	**36.369**	**24.846**

The provision of bad debts is as follows:

	Consolidated	Company
Prediction's balance for insecure clients 01.01.2016	**(5.079)**	**(5.062)**
Reversal of Provision for insecure clients	6	-
Expense chargeable period 01.01.-31.12.2016	(815)	(684)
Prediction's balance for insecure clients 31.12.2016	**(5.889)**	**(5.747)**
Expense chargeable period 01.01.-30.06.2017	(139)	(93)
Prediction's balance for insecure clients 30.06.2017	**(6.028)**	**(5.840)**

The predictions for the insecure clients of the company and of the group influenced the "distribution expenses"

The balance of the account "Trade and other receivables - Customers" of the Group and the Company on 30/6/2017 is increased by 45,70% and 27,50% respectively, compared to the balance on 31/12/2016. This increase is due to higher sales of the Company, since the Group sales remained the same, compared to the corresponding period, along with the nature of the Company's and Group's activities, governed by seasonal sales, contributes to larger open balances during the interim reporting period. The liquidation of the major part of trade requirements is expected to be completed soon in coming months and the remaining customers balance would be significantly reduced, recurring to normal.

	Consolidated		Company	
	30/6/2017	**31/12/2016**	**30/6/2017**	**31/12/2016**
Greek state - requirement of taxes	1.704	1.736	201	355
Blocked deposits	2.212	1.807	-	-
Requirement for grants	5	19	-	-
Prepayments	672	446	226	50
Downpayments for stock purchases	125	-	125	-
Receivables from assigned securities	1.638	3.174	1.638	3.174
Other	61	74	130	39
Σύνολο	**6.417**	**7.256**	**2.320**	**3.618**

(All amounts in € thousands unless otherwise stated)

11.Long term receivables

Long term receivables are analyzed as follows:

	Consolidated		Company	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
Receivable on given guarantees on financial assets	4.735	7.331	4.735	7.331
Given guarantees for rentals	617	583	560	562
Other given guarantees	5	9	-	4
	5.357	**7.923**	**5.295**	**7.897**

The receivable on given guarantees on financial assets concerns a signed agreement for the coverage of any contingent losses from the valuation of financial assets with a nominal value of €8,167.

12.Cash and cash equivalents

	Consolidated		Company	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
Cash in hand	587	666	206	205
Bank deposits	18.265	9.257	14.398	6.112
Total	**18.852**	**9.923**	**14.604**	**6.317**

Cash and cash equivalents comprise petty cash of the group and the company and short term bank deposits.

13.Borrowings

The company's borrowings at 30/06/2016 analyzed as follows:

	Consolidated		Company	
<u>Long term borrowings:</u>	30/6/2017	31/12/2016	30/6/2017	31/12/2016
Bonded loan………………………………….………….	67.911	74.311	58.314	63.524
Long term debt payable within the next 12 months...………	(12.192)	(12.000)	(10.471)	(10.200)
Total long term borrowings	**55.719**	**62.311**	**47.843**	**53.324**
Short term of long term borrowings	12.192	12.000	10.471	10.200
Short term borrowings	630	2.012	-	2.012
	12.822	**14.012**	**10.471**	**12.212**

Within the 1st half of 2017, the Group and the Company entered into credit agreement with overdrafts with an average interest rate of 5.20% and received short-term financing from banks, pledging receivables from customers of € 2,591.

According to the Decision of the BoD on 18/12/2013, the Company issued a Common Bond Loan of €65,000. On 19/12/2013, the Bond Purchase Agreement and Program were singed with the initial bondholder EFG EUROBANK ERGASIAS S.A., PIRAEUS BANK, ALPHA BANK and NBG, with participation stake 33.31%, 29.80%, 23.82% and 13.08% respectively (PIRAEUS BANK also undertook the initial stake 3.08% of GENIKI BANK) . The purpose of the loan is the refinancing of the existing long-term and short-term debt and the financing of the Company's needs in working capital. The duration of the loan is 5 years.

The possibility of a two year extension is also provided by the agreement. The repayment of the loan will be in 10 semi-annual installments, from which nine of €5,050.5 each plus interest and the tenth of € 19,545.5 plus interest. The first 6 installments of the loan plus applicable interest have already been paid till 30/6/2017. The interest rate of the Loan was agreed at Euribor plus margin of 5.5%. The margin is based in agreed covenants, ranging from 4% to 7%. Based on the the Loan contract, the Company has undertaken the obligation calculate financial covenants annually and semi-annually. The loan was disbursed in January 2014.
The loan is secured with the personal guarantee of Mr Georgios Fidakis, and also by pledging receivables and securities of the Company's portfolio for an amount of 10% of the current balance of the Loan. Following the Company's request and the bondholders' consent, the covenants' calculation on 30/6/2017 was waived.
The Company is in debate with the bondholders to restructure the financial terms of the Bond Loan, which are expected to be finalized within the next months.

Within 2016, the Company issued a common Bond Loan of €20,000 and signed the relevant Bond Purchase Agreement and Program with ATTICA BANK, which undertook 100% of the Bonds being the sole Bondholder and Agent. The purpose of the Bond Loan is the repayment of other short-term loans, raised by the Company as working capital. The duration of the Loan is ten years, with the possibility of a three year extension provided by the contract. The applicable interest is set at EURIBOR plus margin 3.6%. The loan is secured with the personal guarantee of Mr Georgios Fidakis. The repayment of the Loan will be made in ten- or thirteen- annual instalments, starting from 31/03/2017. The first instalment has already been paid. Interest is paid in a quarterly basis.

On 05/08/2016, the Company issued a Bond Loan of €5,000 and signed the relevant Bond Purchase Agreement and Program with Piraeus Bank, which undertook 100% of the Bonds being the sole Bondholder and Agent. The purpose of the Loan is the financing of stock purchase for an amount of €5,000 and the interest, paid in a quarterly basis, is set at EURIBOR plus margin 6.00%. The duration is three years and the repayment will be made in five semi-annual instalments, starting from 08/08/2017. Interest is paid in a quarterly basis and the first instalment has already been paid. The Loan is secured with a pledge of €5,000 over stock.

The 100% subsidiary company KALLISTI ENERGIAKI S.A. proceeded to refinancing of its existing short-term loan by issuing a Common Bond Loan in the amount of €12,800, according to the decision of the Shareholders' Extraordinary General Assembly on 3/4/2009. The disbursal of the Bond Loan amounted to €12,800 and was used for both the long-term financing of the investing plan of the company of €6,065 (duration of 12 years and to be paid in 24 semi-annual installments with a fixed rate of 5.80% - the first 16 installments have already been paid till 30/6/2017) and the short-term financing against income from approved subsidy of €6,735. The purpose of the loan is financing of the investing plan of the company and has been partially been paid through income from approved public subsidy, cash and cash equivalents and refinancing. Within September 2010, KALLISTI refinanced its existing short-term borrowing by issuing Long Term Bonds for the amount of €2,935, with duration of 11 years, to be paid in 22 semi-annual installments. For the conclusion of the above loan, securities were given, including company's bank deposits, its productive equipment and its future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO). Furthermore, the loan agreement also includes a financial covenant, which should be calculated by the company on a 6 month-basis, and if not fulfilled, it will trigger an event of default.

In previous years the subsidiary company voluntarily prepaid Bonds, using own funds. The amount of prepayment proportionally reduced the remaining installments, in order not to change the duration of the loan.
The 100% subsidiary company AIOLIKI KYLINDRIAS S.A., maintains a Common Bond Loan of initial amount of €5,934 with a duration of 14 years, for which the applicable interest is set at Euribor plus fixed margin 2.30%. For the purpose of this loan, the securities used include the subsidiary's future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and the pledge on the shares of the issuer, as well. The loan will be paid in 28 semi-annual installments, of which up to 30/6/2017 fifteen (15) have already been paid.

The 100% subsidiary company Aioliki Aderes S.A., signed a bond loan agreement up to an amount of € 35,246, for 11.5 years with a grace period of 12 and 24 months by case and floating rate Euribor plus a fixed margin of 3.80% and 4.00% by case, depending on the case and its subject of financing is: a) long-term financing of investment cost for the construction of three wind farms, b) short-term financing against subsidies and c) the medium-term financing to cover the VAT of investment cost of the three wind farms. The Bond series relating to the long-term financing of the investment cost for the construction of the 3 wind farms of the Company will be paid in 21 equal installments, of which up to 30/6/2017 thirteen (13) have been paid. In December 2016, the subsidiary company proceeded to prepayment of an amount equal to € 2,179,000 corresponding to the last three installments of the bond loan issued, using own funds. According to the terms of the loan, any prepaid amount repays bonds in reverse order of maturity. Therefore, the loan will be repaid in about a year and a half earlier. For the purpose of this loan, collateral have been used and the sole shareholder of Aioliki Aderes, RF Energy, has provided full and unconditional guarantee. Additionally, according to the term of the loan, the company has pledged its future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits, on insurance policies and contracts that it has to maintain and on approved subsidies relating to investing plans, as well.

The fair value of these loans approximates their nominal value and the effective interest rate for the remaining short-term loans was around 5.20%.

14.Available for sale Financial Instruments

The available for sale securities contain shares of Athens Exchange and NASDAQ listed companies that were valued with closing prices of June 30, 2017 (1st level) as well as companies, not listed, that were valued at cost and examined for impairment through the statement of income due to the fact that fair value cannot be specified in a reliable manner. During the first Semester 2017, there has not been any change in the classification of available for sale financial assets.

Fair value of financial assets

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets through valuation techniques.

Level 1: Investments are valued at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Investments are valued at fair value by using valuation techniques in which all inputs that affect significantly the fair value are based (either directly or indirectly) on observable market data.

(All amounts in € thousands unless otherwise stated)

Level 3: Investments are valued at fair value by using valuation techniques in which all inputs that affect significantly the fair value are based on observable market data.

The following table reflects the financial assets valued at fair value on 30/6/2017 for the Group and the Company:

Group

Financial assets	**Level 1**	**Level 2**	**Total**
Available for Sale Financial Instruments – ASE Listed Companies	3.436	-	**3.436**
Total	**3.436**	-	**3.436**

Shareholders' equity	**Level 1**	**Level 2**	**Total**
Derivatives	-	1.151	**1.151**
Total	**-**	**1.151**	**1.151**

Company

Financial assets	**Level 1**	**Level 2**	**Total**
Available for Sale Financial Instruments – Listed Companies	3.436	-	3.436
Total	**3.436**	**-**	**3.436**

Shareholders' equity	**Level 1**	**Level 2**	**Total**
Derivatives		1.026	**1.026**
Total	-	**1.026**	**1.026**

	Group		**Company**	
	30/6/2017	**31/12/2016**	**30/6/2017**	**31/12/2016**
Listed companies	3.436	840	3.436	840
Non-listed domestic companies	32	32	32	32
Non-listed foreign companies	3	3	3	3
Total	**3.471**	**875**	**3.471**	**875**

	Group		**Company**	
	30/6/2017	**31/12/2016**	**30/6/2017**	**31/12/2016**
Balance at 01/01/2017	**875**	**104**	**875**	**104**
Additions	-	9.284	-	9.284
Sales	-	(1.182)	-	(1.182)
Change of fair value through P&L	2.596	(7.331)	2.596	(7.331)
Balance at 30/6/2017	**3.471**	**875**	**3.471**	**875**

15. Trade and other payables

Trade and other payables are analyzed as follows:

	Group		**Company**	
	30/6/2017	**31/12/2016**	**30/6/2017**	**31/12/2016**
Suppliers	49.315	9.633	48.115	8.782
Cheques payables postdated	444	578	444	412
Accrued expenses	733	166	501	124
Accrued Interest	786	1.412	740	1.366

(All amounts in € thousands unless otherwise stated)

Derivatives	1.151	233	1.026	268
Prepayments	1.913	1.958	272	1.923
Tax provision for unaudited fiscal years	262	345	209	292
Payable dividends	27	27	27	27
Payables to related parties	-	1.000	3.103	1.00
Refundable subsidy	1.042	1.042	-	-
Taxes	973	629	95	112
Other short term obligations	430	402	89	180
Total	**57.076**	**17.425**	**54.621**	**14.486**

The noted increase of liabilities on 30/6/2017 compared to liabilities on 31/12/2016, is mainly due to the increase of liabilities towards the main suppliers of the Company (FUJITSU GENERAL LTD) by €28.869 and MIDEA ELECTRIC TRADING (SINGAPORE) CO PTE LTD by €10.792, as a result of increased deliveries of goods during the first half of 2017.

The Group sometimes uses derivative financial products (buy foreign exchange - level 2) to hedge exposure to changes in foreign exchange rates which arises from its commercial transactions. Changes in exchange rates for these derivative products, which are not designated as hedging instruments, have a direct impact at the recognition of "Other Liabilities" in the Statement of Financial Position.

16.Related party transactions

According to IAS 24, related parties are subsidiaries companies, companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Sales of company's products to related parties concern primarily sales of merchandise. The sale prices are at cost plus a low profit margin.

The compensation of the members of the Board of Directors concern paid Board's of Directors compensation to Non-executive and independent members.

The compensation of Directors concern compensation regular payment according to employment contracts

The table below presents the receivables and obligations that arose from transactions with related parties as defined by IAS 24:

Subsidiaries	**Company**	
Receivables from:	**30/6/2017**	**31/12/2016**
FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICATER	3.405	2.369
F.G. ITALIA SPA	8.632	5.142
FG EUROPE UK	-	149
R.F. ENERGY S.A.	149	-
	12.186	**7.523**

(All amounts in € thousands unless otherwise stated)

	Company	
Obligation to:	**30/6/2017**	**31/12/2016**
FG EUROPE KLIMA TEKNOLOJILERI SANYI VE TICATER	3	71
FG EUROPE UK LTD	341	**-**
	344	**71**

	Company	
	1/1 - 30/6/2017	**1/1 - 30/6/2016**
Inventories	**12.737**	**14.806**
Administrative Support	25	-
Others	24	-
Total	**12.785**	**14.806**

Purchases of goods and services:

Inventories	18	**-**
Other	3	**-**
Total	**21**	**-**

Companies with common shareholding structure	Consolidated		Company	
Receivables from:	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Cyberonica S.A.	**719**	**576**	**698**	**555**

Obligations to:				
Kallisti Energiaki S.A.	-	-	300	-
Aioliki Kylindrias S.A.	**-**	**-**	100	**-**
R.F. Energy S.A.	**-**	**-**	600	**-**
Aioliki Aderes S.A.	**-**	**-**	1.750	**-**
	-	**-**	**2.750**	**-**

	Consolidated		Company	
Expenses:	**1/1 - 30/6/2017**	**1/1 - 31/12/2016**	**1/1 - 30/6/2017**	**1/1 - 31/12/2016**
Rentals	(1.637)	(1.637)	(1.581)	(1.581)

The compensation and the transactions of the members of the Board of Directors and the Directors analyzed as follows:

	Consolidated		Company	
Receivables from:	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Members of the Board and Directors	4.758	7.354	4.758	7.354

(All amounts in € thousands unless otherwise stated)

Compensation:	Consolidated 1/1 - 30/6/2017	Consolidated 1/1 - 31/12/2016	Company 1/1 - 30/6/2017	Company 1/1 - 31/12/2016
Personnel expenses	(832)	(940)	(540)	(635)
Provision for staff leaving indemnity	(3)	(20)	(3)	(13)
Total	**(835)**	**(960)**	**(543)**	**(648)**

17.Employee benefits: pension obligations

According to the Greek labour legislation employees are entitled to termination benefits in case of dismissal or retirement dependent on their current remuneration, the length of service and the reason for leaving (dismissal or retirement). Employees who leave or are dismissed with cause are not entitled to termination benefits.

1) Contract termination due to retirement
Employees covered by any pension sector of any insurance organizations, as long as they meet the requirements for full retirement, if they are craftsmen, they are able to retire and if they are employees, they can retire or be dismissed by the employer. In these cases, they are entitled to 50% of the statutory compensation if they do not have supplementary insurance or 40 if they do. Employees, with-fixed term contract, who are made redundant or leave before its end to retire, are also entitled to this reduced compensation. It is noted that the employer cannot fire technicians who meets the requirements of full retirement age, with a reduced payment of compensation. He has this option only in case of employees.

With 15 years of service:

Employees associated with permanent work contracts and have completed 15 years of service with the same employer or the age limit laid down by the concerned Insurance Organization and if the limit of 65 years of their age does not exist, then they can leave their work with their employer's consent and as a result they are entitled to receive 50% of legal compensation.

The provision for employee termination benefits is based on an independent actuarial study calculated as of December 31, 2016, using the Projected Unit Credit method.

The obligation for employee termination benefits amounts to € 750 for the Group and € 610 for the Company as of June 30, 2017 (31/12/2016 : € 765 and € 636 for the Group and the Company respectively). The amount charged to the income statement for the six-month period ended June 30, 2017 is € 52 for the Group and € 18 for the Company. The amount charged to the income statement for the six-month period ended June 30, 2016 was € 40 for the Group and € 28 for the Company and influenced the "Administrative expenses".

18.Contingencies

Within 2011, competitors filed before the Council of State applications for cancellation of production licenses granted by RAE to the 100% subsidiary R.F. ENERGY OMALIES S.A., which has brought assistance to discharge these applications. A trial date, after postponing, has been set for November 2017.

19. Commitments

19.1 Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of June 30, 2017. The future aggregate minimum lease payments arising from rental agreements until year 2030 are estimated to amount to € 29,406 for the Group and € 29,314 for the Company. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2017 are estimated to amount to € 239 approximately for the Group and the Company.

19.2 Guarantees

To cover the bond loan of € 65,000 received on 10/1/2014, the Company pledged receivables and securities of Company's portfolio by 10% of the current balance of the loan and its 50% participation stake in the subsidiary company RF ENERGY S.A..

Under the loan agreement from 6/4/2009, productive equipment of the subsidiary KALLISTI ENERGIAKI S.A. has been pledged. (balance € 5,499 on 30/6/2017)

On 30/6/2017, the subsidiary company R.F. ENERGY S.A has guaranteed loans of subsidiaries of the total amount of € 8.565 (31/12/2016: € 9,503), which are gradually repaid until 2023 and letters of guarantee granted to a subsidiary company amounting to € 2,062. As collateral for the issuance of the letters of guarantee, the Bank has blocked a deposit of € 515 and has pledged the total number of shares of the subsidiary company RF ENERGY OMALIES SA.

Moreover the group has contingent liabilities in relation to banks, other guarantees and other issues that arise from the ordinary course of the business. No material impact is expected to arise from contingent liabilities. The amount of issued letters of guarantees on 30/6/2017 is €41,128 (€ 8,909 on 31/12/2016).

20. Post Balance Sheet Events

There are no significant post balance sheet events having occurred after June 30, 2017 concerning the Company that should have been disclosed