GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

Abbreviated consolidated interim financial statements relating to the six month period ending on 30 June, 2018

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

INDEX OF ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AT 30 JUNE, 2018 (Thousand Euros)

ASSETS	Note	30.06.18	31.12.17
NON CURRENT ASSETS			
Property, Plant and Equipment	5	51,529	51,179
Goodwill	6	284,586	276,313
Other intangible assets	6	50,775	48,538
Non current financial assets	7	6,658	9,361
Investment in associates	7	18,740	11,747
Deferred tax assets		46,755	44,968
Other non-current assets		1,087	2,085
		460,130	**444,191**
CURRENT ASSETS			
Inventories		67,453	72,299
Trade and other receivables		190,366	301,101
Assets per contract	2.6	102,495	-
Other current assets		3,167	6,541
Current tax assets	14	16,775	16,595
Other current financial assets	7	34,599	30,866
Cash and cash equivalents	8	165,895	138,161
		580,750	**565,563**
TOTAL ASSETS		**1,040,880**	**1,009,754**

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AT 30 JUNE, 2018 (Thousand Euros)

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30.06.18	31.12.17
SHAREHOLDERS' EQUITY			
Shareholders' equity attributable to parent company's shareholders			
Share capital	9	21,187	21,187
Own shares	9	(670)	(530)
Share Premium	9	289,065	289,065
Retained earnings		15,341	5,214
Cumulative exchange differences		(26,678)	(25,101)
Non-controlling interests		**6,897**	**4,493**
		305,142	**294,328**
NON-CURRENT LIABILITIES			
Deferred income		-	26
Non-current provisions	12/13	17,828	19,294
Non-current borrowings	10	112,680	62,148
Deferred tax liabilities		11,454	12,200
Other non-current liabilities	11	24,608	23,021
		166,570	**116,689**
CURRENT LIABILITIES			
Current provisions	13	2,665	2,344
Current borrowings	10	966	4,127
Trade and other payables		492,885	496,647
Current tax liabilities	14	33,223	34,575
Current financial liabilities	10	657	627
Other current liabilities	11	38,772	60,417
		569,168	**598,737**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,040,880**	**1,009,754**

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM PROFIT & LOSS ACCOUNT FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2018
(Thousand Euros)

	Note	6 month period ending 30 June 2018	2017
ONGOING OPERATIONS			
OPERATING INCOME		**502,517**	**324,479**
Net turnover		501,863	322,968
Other operating income		654	1,511
OPERATING EXPENSES		**(484,592)**	**(309,448)**
Consumption of raw materials and secondary materials		(274,138)	(147,279)
Employee benefit expenses		(137,998)	(108,909)
Depreciation	5/6	(11,373)	(8,531)
Other operating expenses		(60,922)	(44,661)
Profit/(loss) on sale/impairment of assets		250	(5)
Other income and expenses		(411)	(63)
OPERATING PROFIT		**17,925**	**15,031**
Financial income		352	348
Financial expenses		(4,287)	(3,634)
Net exchange differences		462	(1,897)
Variation in the fair value of assets and liabilities attributed to profit and loss		627	-
Share in results obtained by associates	7	282	1,400
PROFIT BEFORE TAX		**15,361**	**11,248**
Income tax	14	(2,190)	(411)
PROFIT ON CONTINUING OPERATIONS AFTER TAXES		**13,171**	**10,837**
PROFIT ON DISCONTINUED OPERATIONS AFTER TAXES		**2**	**(10)**
PROFIT FOR THE YEAR		**13,173**	**10,827**
PROFIT/(LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**553**	**804**
PROFIT ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		**12,620**	**10,023**
Basic and diluted earnings from continuing and discontinued operations attributable to parent company shareholders (expressed in euros per share)			
- Basic and diluted earnings from continuing operations	15	0.075	0.060
- Basic and diluted earnings from discontinuing operations	15	0.000	(0.000)

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM COMPREHENSIVE INCOME STATEMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2018 (Thousand Euros)

	Note	6 month period ending 30 June 2018	2017
PROFIT FOR THE YEAR		**13,173**	**10,827**
OTHER COMPREHENSIVE PROFIT/(LOSS)			
Entries that may not be subsequently classified to profit/(loss):			
- Actuarial gains	12/13	141	(95)
- Tax rate		(42)	(77)
		99	(172)
Entries that may be subsequently classified to profit/(loss):			
- Cash flow hedges for consolidated companies via global integration		17	(85)
- Cash flow hedges for equity-consolidated companies (net fiscal effect)	7	447	(569)
- Translation differences		(1,600)	(4,401)
		(1,136)	(5,055)
Total other comprehensive profit/(loss)		**(1,037)**	**(5,227)**
TOTAL COMPREHENSIVE PROFIT/(LOSS) OF THE PERIOD NET OF TAXES		**12,136**	**5,600**
Attributable to:			
- Parent company shareholders		11,606	5,492
- Non-controlling interests		530	108
TOTAL COMPREHENSIVE PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		11,606	5,492
Attributable to:			
- Continuing operations		11,604	5,502
- Discontinued operations		2	(10)

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ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2018
(Thousand Euros)

	Share capital (Note 9)	Treasury shares (Note 9)	Share Premium (Note 9)	Retained earnings	Cumulative exchange differences	Non-controlling interests	Total Shareholders' Equity
Balance on 31 December, 2017	**21,187**	**(530)**	**289,065**	**5,214**	**(25,101)**	**4,493**	**294,328**
Effect of modification in IFRS standard (Note 2.6)	-	-	-	(3,167)	-	-	(3,167)
Balance on 1 January, 2018	**21,187**	**(530)**	**289,065**	**2,047**	**(25,101)**	**4,493**	**291,161**
Profit/(loss) for the year	-	-	-	12,620	-	553	13,173
Other comprehensive profit/(loss) for the year	-	-	-	563	(1,577)	(23)	(1,037)
Total comprehensive profit/(loss) for 30 June, 2018	**-**	**-**	**-**	**13,183**	**(1,577)**	**530**	**12,136**
Dividends	-	-	-	-	-	(129)	(129)
Treasury share transactions	-	(140)	-	111	-	-	(29)
Scope changes	-	-	-	-	-	2,003	2,003
Other movements	-	-	-			-	
Balance as of 30 June, 2018	**21,187**	**(670)**	**289,065**	**15,341**	**(26,678)**	**6,897**	**305,142**

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	Share capital (Note 9)	Treasury shares (Note 9)	Share Premium (Note 9)	Retained earnings	Cumulative exchange differences	Non-controlling interests	Total Shareholders' Equity
Balance as of 31 December, 2016	**21,187**	**(1,715)**	**289,065**	**(24,268)**	**(15,477)**	**5,764**	**274,556**
Profit/(loss) for the year	-	-	-	10,023	-	804	10,827
Other comprehensive profit/(loss) for the year	-	-	-	(826)	(3,705)	(696)	(5,227)
Total comprehensive profit/(loss) for 30 June, 2017	**-**	**-**	**-**	**9,197**	**(3,705)**	**108**	**5,600**
Dividends	**-**	-	-	-	-	(348)	(348)
Treasury share transactions	**-**	397	-	-	-	-	397
Other movements	**-**	-	-	(309)	-	-	(309)
Balance as of 30 June, 2017	**21,187**	**(1,318)**	**289,065**	**(15,380)**	**(19,182)**	**5,524**	**279,896**

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2018
(Thousand Euros)

	Note	Financial year ended 30 June	
		2018	**2017**
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from continuing and discontinued operations	16	36,888	5,450
Interest paid		(4,287)	(3,634)
Interest received		352	348
Taxes paid		(498)	(581)
		32,455	**1,583**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition/ Removals of subsidiaries, net of cash acquired		(37,205)	(6,364)
Acquisition of property, plant and equipment and intangible assets	5 and 6	(10,779)	(7,584)
Income from sale of tangible fixed assets and intangible assets	16	458	448
Acquisition of financial assets	7	(8,727)	(665)
Removals of financial assets		1,740	1,768
Acquisition/ Removals of other assets		998	-
		(53,515)	**(12,397)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition/Removals of treasury shares	9	(29)	397
Income from loans granted	10	49,182	7,516
Repayment of loans	10	(67)	(5,718)
Concession of other debts		(549)	-
Changes in non-current other borrowings		-	604
Dividends paid		(129)	(348)
		48,408	**2,451**
EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**386**	**(4,436)**
NET (DECREASE)/INCREASE IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS		**27,734**	**(12,799)**
Cash, cash equivalents and bank overdrafts at the beginning of the year	8	138,161	176,253
Cash, cash equivalents and bank overdrafts at the end of the year	8	165,895	163,454

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

EXPLANATORY NOTES FOR THE ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2018
(In Thousand Euros)

1. GENERAL INFORMATION

1.1. ACTIVITY

Global Dominion Access, S.A. (hereinafter the Company) was incorporated on 1 June, 1999 and its registered domicile for Mercantile and tax purposes and its corporate seat are located in Bilbao (Spain), at calle Ibañez de Bilbao, floor 8, 1B.

In accordance with Article 2 of its articles of association, Global Dominion Access, S.A. engages in the preparation of studies regarding the creation, structure and viability of companies and markets both in Spain and abroad, developing, promoting, directing and managing business activities grouped by production sectors by organizing human and material resources for the group of companies, acquiring those that are already in operation and creating new companies, merging, taking over, spinning off or liquidating them in order to directly carry out the activities as is most appropriate in each case for the most efficient management of the business.

Dominion Group is a global supplier of multi-technology services and specialized engineering and solutions. The chief objective of the Group is to offer solutions to make customers' production processes more efficient, assuming the management of the entire process as well as applying solutions based on specialized engineering. The Group carries out its operations through two main segments:

- Segment of Multi-technological Services: Value-added services in which the Company offers customers the management of a complete production process by the recurrent outsourcing of the client service.

- Segment of Solutions and specialist Engineering: In this segment, "one-off" projects are executed in order to facilitate solutions or improve specific processes for customers, but in this case the processes are not managed directly.

In accordance with the above segmentation, the Group offers its Multi-technological Services and solutions in three main fields of activities or specialization:

- T&T (Technology and Telecommunications), in which it offers Multi-technological Services and solutions and EPC's in sectors such as Health, Education, Telecommunications, Transport, Logistics or Public Administration.

- Industry, with Multi-technological Services and Solutions for the metal, petrochemical, glass or cement sectors, among others.

- Renewable energies, primarily in the photovoltaic, thermal solar and wind areas.

The different activities of the Group are classified into segments as described in Note 4.

Its facilities are located in Europe (Spain, Germany, France, Italy, the United Kingdom, Poland and Denmark), Latin America (Mexico, Brazil, Peru, Argentina, Chile, Ecuador, the Dominican Republic and Colombia), the United States and Canada, so on in Asia (Saudi Arabia, India, Oman, Qatar, UAE, Israel, Vietnam, the Philippines and Japan), and Africa (South Africa and Angola).

Stock market listing process

The parent Company announced the start of trading its shares on the Spanish Stock Exchange on 27 April 2016. The offer for sale, addressed to qualified investors and the brochure of which was approved by the Spanish Securities Market Commission (CNMV) on 14 April, 2016

As a result of the transaction, 54,744,525 company shares were issued, representing 33.31% of share capital post offering (once all shares were issued). In addition, the stabilisation agent made use of the "greenshoe" option available to the financial entities involved in the operation, resulting in the issue of an additional 5,130,938 shares (Note 9).

1.2. GROUP STRUCTURE

The Company is the Parent of a Group of companies (hereafter, the Group or Dominion Group) in accordance with current legislation. The reporting of consolidated annual accounts is necessary in accordance with accounting principles generally accepted in Spain in order to present a true and fair view of the Group's financial situation and the results of its operations.

Appendix I hereto sets out the identification details of the Subsidiaries included in consolidation under the full consolidation method, proportional method and equity method.

Appendix II hereto sets out the identification details of the joint ventures (UTEs) and joint operations included in consolidation under the proportional method.

The following companies are included in the consolidation with the application of the equity method of accounting:

	% working interest	
	30.06.2018	**31.12.2017**
Advanced Flight Systems, S.L.	30%	30%
Abside Smart Financial Technologies, S.L. (Previously Centro Near Servicios Financieros, S.L.)	(**)	23%
Sociedad Concesionaria Chile Salud Siglo XXI, S.A.	30%	30%
Solfuture Gestión, S.L.	-	(*)
Bas Project Corporation, S.L.	35%	16.84%
Cobra Carbon Grinding B.V.	50%	50%
Smart Nagusi, S.L.	50%	-

(*) Although this was a wholly owned subsidiary of the Group at 31 December, 2017, the Company was registered as available-for-sale investments under "Other current assets" in the attached consolidated balance sheet, because as of 31 December, 2017 there was a binding Tender Offer which materialized in 2018 prior to the preparation of the consolidated annual accounts relating to the financial year ending on 31 December, 2017.

(**) The Group currently owns 50.01% of the company with effective control over it, included in the consolidation at 30 June, 2018 via global integration.

1.3. CHANGES IN THE SCOPE OF CONSOLIDATION

Six month period ending on 30 June, 2018

a) Specialist Engineering and Solutions

In January, 2018, a series of capital extensions were arranged in the associate company BAS Projects Corporation, S.L. which have implied for the Group greater investment in said company increasing from 16.84% to 35% through monetary contribution and disbursements for € 6,550 thousand.

At the end of February, 2018, the Global Near, S.L. Group company acquired the additional 77% (up to 100%) of the associate company up to that moment Centro Near de Servicios Financieros, S.L. For a price of € 1 euro before subsequently entering into an investment agreement with a third party via which Global Near contributed € 2 million and the third party technology for a value of € 2 million, resulting in a stake and effective control over the same of 50.01%. At that time, the name of the company was also changed to Abside Smart Financial Technologies, S.L.

On 5 March, 2018, the Spanish company Smart Nagusi, S.L. was incorporated at 50% with a third partner having contributed € 45 thousand. The activity of this company will focus on the commissioning and operation of IT applications, systems and solutions in the home automation sector and other management tools in the home and/or outpatient and/or welfare care and management tools designed to establish rapid means of communication with assistance public services: police, fire brigade, hospitals and clinics, etc. However, its activity is not yet significant.

On 8 March, 2018, the purchase-sale agreement was registered as a notarised public instrument for 80% of the shareholdings of the Spanish company Labopharma Healthcare, S.L. by the Danish subsidiary Steelcon Esjberg AS (Appendix I), whose current activity is minimum and intended for the realisation of 360 projects in the pharmaceutical sector. The total price of these actions amounted to € 5 thousand, which were paid in full in the first half of 2018.

In April, 2018, 100% of the shares the Group owned of the subsidiary Solfuture Gestión, S.L., were sold following the negotiations open since the end of financial year 2017. The value the shares of this company were recorded at in the consolidated report amounted to € 1.7 million, which were completely recovered as a result of the sale.

b) Multi-Technological Services

On 28 March, 2018, the purchase/sale agreement was recorded to a public instrument for the production unit dedicated to providing industrial maintenance services to the Spanish company Go Specialist System, S.L. by Dominion Industry & Infrastructure, S.L. The price was established at € 1 million, of which the variable part of the same, € 300 thousand, is pending payment. This will be payable in 2021 dependent upon the fulfilment of the future sales objectives established for upcoming financial years. The effects of the transfer of ownership of the new assets and employees involved in the activity is established on 1 April, 2018.

In June, 2018, the purchase-sale agreement was entered into for 100% of the shares of the Spanish companies Instalaciones Eléctricas Scorpio, S.A. and Instalaciones Eléctricas Scorpio Rioja, S.A. whose activities consist in taking on design, construction and assembly projects for supply networks and electrical equipment, control panels, automation and energy management, for industrial, commercial and residential facilities (public and private). The operation sale price involves a fixed price, amounted to a total of € 3,914 thousand, 25% of which is paid when the agreement is entered into, via the issuing of cheques which were cashed in July, 2018. An agreement was reached to pay the other 75% in January, 2019 as well as a variable price which was calculated by means of a multiplier on the mean EBITDA for the periods from 1 July, 2018 to 30 June, 2019 and from 1 July, 2019 to 30 June, 2020, which will be made in the second half of financial year 2020. This amount was estimated on the date of operation and recorded in these interim 6-monthly financial statements for € 1,250 thousand, coinciding with the ceiling limit to be paid.

Also, on 27 June, 2018, 100% of the shares were purchased of the Columbian company DITECSA Colombia Soluciones Industriales y Medioambientales, S.A.S. the business of which consists of the management, transport and treatment of waste products, as well as the rendering of other engineering services. The total price of the shares amounted to € 2,510 thousand as a fixed price plus a contingent price of a maximum of 900 million Columbian pesos (equivalent to € 272 thousand on the purchase date), corresponding to the maximum amount to be charged by the purchased company with regards to reimbursement of pending taxes. 10% of the fixed price was paid in June, 2018 and the remaining 90% in January, 2019.

Six month period ending on 30 June, 2017

a) Specialist Engineering and Solutions

In the first half of financial year 2017, two mergers took place in the Specialised Engineering and Solutions segment. First, there was a reverse merging of the Spanish companies Global Ampliffica, S.L. by its subsidiary Ampliffica, S.L. which had no impact on the Group consolidated results. Likewise, the reverse merger involving American companies Karrena International LLC by its subsidiary Karrena International Chimneys LLC also took place with no impact on the Group consolidated results.

In 2017, the Vietnamese subsidiary Chimneys and Refractories International Vietnam Co. Ltd., was incorporated at the end of 2016. The company's activity focuses on Industrial Solutions and it has been included in the scope of consolidation.

On 27 April, 2017, the American subsidiary Commonwealth Dynamics Inc. established the Company Commonwealth Dynamics Co. Ltd in Japan with the same corporate purpose as its parent company and with the minimum capital of 1 yen. The company had not started its activity in the first half of 2017.

At the end of the first half of financial year 2017, a financial swap agreement was signed to exchange 37% of the shares of the subsidiary formed as a result of the business combination from Abantia, Huerto Solar La Alcardeteña, S.A., by 50% of the shares of the subsidiary formed by the same business combination, Solfuture Gestión, S.L. The latter currently owns 100% which was classified on 30 June, 2017 as an available-for-sale financial asset (Note 7) as its sale is expected to be completed in the short term. The value recognised for this item corresponded to the estimated value to be recovered from the sale of shares: € 1,740 thousand at the end of financial year 2017.

b) Multi-Technological Services

At the beginning of 2017, the German subsidiary Beroa Deutschland GmbH established along with a third-party partner the Dutch company, Cobra Carbon Grinding B.V., whose shares are divided 50% between both shareholders. The corporate purpose of this company is to provide services through a state-of-the-art technology robot which is specially designed for the machining of heat-resistant carbon and graphite materials used for the lining and refractory lining of industrial blast furnaces. The company is included in the Group's scope of consolidation through the equity method as the Management considers it a joint venture (Note 1.2).

1.4. PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

These abbreviated consolidated interim financial statements were drawn up by the Board of Directors of the Parent Company on 19 July, 2018.

2. SUMMARY OF THE MAIN ACCOUNTING POLICIES

With the exception of that laid down in Notes 2.1 and 2.6 below, the accounting policies applied for the preparation of these abbreviated consolidated interim financial statements for the six-month period ending on 30 June, 2018, are consistent with those used to prepare the consolidated annual accounts for financial year 2017 of Global Dominion Access, S.A. and subsidiaries.

The abbreviated consolidated interim financial statements for the six-month period ending 30 June, 2018, were prepared pursuant to International Accounting Standard (IAS) 34, "Intermediate Financial Information" and must be read together with the consolidated annual accounts at 31 December, 2017, prepared pursuant to IFRS-EU of Global Dominion Access, S.A. and subsidiaries.

2.1. BASIS OF REPORTING

The abbreviated consolidated interim financial statements for the six-month period ending 30 June, 2018 have been drawn up in accordance with the International Financial Reporting Standards adopted for application in the European Union (IFRS-EU) and approved under European Commission Regulations in force at 30 June 2018.

The interim financial statements were prepared on a historical cost basis, but modified by reassessing the available financial assets for sale and the financial assets and liabilities (including derivatives) at fair value through profit and loss.

The preparation of the interim financial statements as well as the consolidated annual accounts in accordance with IFRS-EU requires the application of certain significant accounting estimates. It also requires that Management exercise judgement in the process of applying the Company's accounting policies. The judgements and estimates made by the Management when preparing the abbreviated consolidated interim financial statements at 30 June, 2018, are consistent with those used to prepare the consolidated annual accounts at 31 December, 2017 of Global Dominion Access, S.A. and subsidiaries.

The profit and loss accounts for the first half of 2018 and 2017 do not include any unusual items requiring breakdown or reconciliation of figures.

It should be pointed out that, given the industrial maintenance services it performs in the Summer and the delivery of projects and EPCs for States and major corporations in the last quarter, the Group has a statistically a record of higher income weight for the second half of the year.

2.2. CONSOLIDATION PRINCIPLES

Appendix I hereto breaks down the identification details of the subsidiaries included in the scope of consolidation.

The criteria employed in the consolidation process, except for that indicated in Notes 1 and 2.6, have not changed with respect to those employed in the financial year ended 31 December, 2017 of Global Dominion Access, S.A. and subsidiaries.

The consolidation methods used are described in Note 1.2. The financial statements used in the consolidation process are, in all cases, those relating to the six-month period as of 30 June, 2018 and 2017.

2.3. SEGMENT FINANCIAL REPORTING

Operating segments are reported consistently with the internal reporting provided to the chief operating decision-makers (Note 4). The highest decision-making body is responsible for allocating resources to and assessing the performance of the operating segments. The Board of Directors have been established as the highest decision-making body to manage resources in new acquisitions.

Note 5 of the consolidated annual accounts relating to financial year 2017 for Global Dominion Access, S.A. and subsidiaries describes the aforementioned segments.

2.4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future. The resulting accounting estimates, by definition, will rarely match the corresponding actual results.

In preparing these abbreviated consolidated interim financial statements, the important decisions made by the Management when applying the accounting policies of the Group and the major sources of uncertainty in the estimation were the same as those applied to the consolidated annual accounts for the financial year ending 31 December, 2017.

a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 6).

With respect to the assumptions made to project the EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization, essential for calculating free cash flow) of the CGUs and their future growth, and the evolution of the profitability of the various CGUs, remain at the levels estimated in financial year 2017, with no indicators detected that would indicate impairment risks which would modify the conclusions of the analysis and estimates made on 31 December, 2017, including sensitivity analysis.

b) Estimate of the fair value of assets, liabilities and contingent liabilities associated with a business combination and effective takeover date

In business combinations, the Group classifies or designates, at the acquisition date, the identifiable assets acquired and liabilities assumed as necessary, based on contractual agreements, financial conditions, accounting policies and operating conditions or other pertinent circumstances that exist at the acquisition date in order to subsequently measure the identifiable assets acquired and liabilities assumed, including contingent liabilities, at their acquisition date fair values.

The measurement of the assets acquired and liabilities assumed at fair value requires the use of estimates that depend on the nature of those assets and liabilities in accordance with their prior classification and which, in general, are based on generally accepted measurement methods that take into consideration discounted cash flows associated with those assets and liabilities, comparable quoted prices on active markets and other procedures, as disclosed in the relevant notes to the annual report, broken down by nature in the relevant explanatory notes of the consolidated abridged intermediate financial statements. In the case of the fair value of property, plant and equipment, fundamentally consisting of buildings used in operations, the Group uses appraisals prepared by independent experts.

The Parent Company's practices to modify the governing body at the companies and businesses acquired at the time the acquisition is formally concluded and obtains a majority of the members and Chairs of those bodies. From that time on it has the authority to take key decisions regarding the acquired business and the main policies to be followed, regardless of the time at which the payments agreed under the transactions are effectively made.

c) Degree of advancement or completion of the service agreements.

The accounting of the contracts of construction according to the percentage of completion or ending of the same ones is based on estimations of the total of costs incurred on the total ones estimated for the completion. Changes in these estimations have impact in the recognized results of the works in accomplishment. The estimates are constantly monitored and adjusted as necessary.

d) Income tax

The Group is subject to income taxes in numerous jurisdictions. A high degree of judgement is required in determining the worldwide provision for income taxes. The Group recognises deferred taxes which, in accordance with prevailing legislation in different tax jurisdictions, result from multiple temporary differences in respect of assets and liabilities. Nonetheless, there are certain transactions and calculations with respect to which the ultimate calculation of the tax is uncertain in the ordinary course of business.

The calculation of income tax expense did not necessitate significant estimates except with respect to the amount of tax credits recognised in the year.

If the actual final result differs by more than 10% from Management's estimates, deferred tax assets and corporate income tax would not have significantly changed. At those companies that still record a negative tax base, the corresponding tax credits are not recognised until the Company is making profit. There also would not be a significant impact for those companies that generated a positive tax base. No significant impact on the total capitalized tax credits at 30 June, 2018 and 31 December, 2017 were detected by the sensitivity analysis that was performed.

e) Fair value of derivatives or other financial instruments

The fair value of financial instruments that are not quoted in an active market (e.g. OTC derivatives) is determined by using valuation techniques. The Group exercises judgement in selecting a range of methods and making assumptions which are based primarily on prevailing market conditions at the reporting date.

Note 10 provides details of the conditions, notional amounts and evaluations on the date of the balance sheet for these instruments.

f) Pension benefits

The present value of the Group’s pension obligations depends on a series of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for employee benefits are based in part on current market conditions. Note 21 of the consolidated annual accounts at 31 December, 2017 for Global Dominion Access, S.A. and subsidiaries contains further information and a sensitivity analysis for changes to the most significant estimates.

g) Product warranty

Warranty product risks are recognised when there is a firm claim not covered by the relevant insurance policy.

There is no history of claims that would determine any need to establish a provision for warranties.

Management estimates the related provision for future warranty claims based on historical warranty claim information, by considering the specific conditions of each claim as a function of technical reviews and estimations based on the experience with each of the rendered services, as well as recent trends that might suggest that past cost information may differ from future claims.

2.5. SIGNIFICANT JUDGEMENTS WHEN APPLYING ACCOUNTING POLICIES

The most significant judgements and estimates that have been taken into account when applying the accounting policies described in Note 2.4 relate to:

- Premises and calculations required in the analysis of the impairment of goodwill, as described in Note 6.
- Estimate of the recognition and application of tax credits.
- Estimate of the useful lives of tangible fixed assets.
- Degree of advancement or completion of the service agreements.
- Date on which takeover is required in business combinations.

2.6. CHANGES IN ACCOUNTING CRITERIA

The modifications made to IFRS 9 Financial Instruments and IFRS 15 Revenues from contracts with customers came into effect on 1 January, 2018. As indicated in the consolidated annual accounts on 31 December, 2017, the Group opted to adopt the same without restating the comparative financial years, as the effects were not significant.

The Group has decided not to restate previous financial years but recognise the impact of the IFRS 9 application at the beginning of 2018, as date of initial application, in the retained earnings opening balance of the same year with the practical resources set forth by this standard. The reclassifications and adjustments arising from the new value impairment standards are therefore not reflected in the balance sheet at 31 December, 2017, but are recognised in the opening balance sheet at 1 January, 2018.

The following table indicates the adjustments recognised for each separate entry, with those entries that were not affected by the changes not included. Accordingly, the presented totals and subtotals cannot be recalculated based on the provided figures:

	Debit	(Credit)
Trade accounts receivable		4,280
Deferred tax assets	1,113	
Retained earnings	3,167	-
	4,280	**4,280**

As a result of modifications to the accounting policies, the Group has recorded € 3.2 million under the initial income of retained earnings after obtained the information required in order to implement the new standards.

IFRS 9 Financial instruments

The new standard has not significantly affected the measurement of these financial assets measured at amortised cost, as all have passed the SPPI analysis to be considered debt instruments to be liquidated upon their maturity.

There was no impact on the accounting of financial liabilities as those requirements only apply to financial liabilities recognised at fair value with impact on profit or loss and the only liabilities measured according to this criterion are liabilities derived from business combinations as contingent price thereof.

Regarding income receivables from sales, a series of customer portfolios have been identified for the Group to be cancelled through factoring of receivables. In those cases, assets must be measured according to the new standard, at fair value with changes in Profit and Loss or Equity (OCI) in accordance with the same management model. Notwithstanding the foregoing, depending on the balance of those loan portfolios as of 31 December 2017, which may be transferred by the Group to a third party, on the high credit ratings of the portfolios and their short-term maturity dates, the impact in their recognition at fair value has not been significant within the context of the Group financial information as a whole.

Derecognition rules have remained unchanged compared to those set forth in the previous IAS 39.

On the other hand, although the new hedge accounting rules are more in line with the risk management practices applied by the Group, hedge situations which failed to qualify for the application of hedge accounting criteria are not significant and the accounting consideration has not changed with respect to that applied on 31 December, 2017. In all cases, the amounts of the derived instruments relating to the same are not significant. The Group has decided to apply the new IFRS 9 requirements to situations which at the end of 2017 financial year qualified as hedge accounting, re-documenting those situations in accordance with the new IFRS 9 requirements.

Regarding the new value impairment model based on expected losses instead than just in loan losses incurred (current IAS 39 model), given the balances of the Group as of 31 December, 2017, this impact mainly applies to financial assets and assets under IFRS 15 contracts (trade receivables) held by the Group on the date of the balance sheet.

We reached the following conclusions upon analysing the application of this impairment model:

- Investments in financial assets are mainly in the short term and in financial institutions with the highest credit ratings or which are already covered for the non-recoverable total part (Note 7). Accordingly, the application of this new standard has not had a significant impact under this heading.

- Regarding credit risk from trade debtors, the application of the new standard will not imply a significant increase in impairment provisions as in a significant part of the sale operations, payments are in cash (sales activity) and in the other activities, short term receivables are related to companies with very high credit rating companies or payment collection is guaranteed by credit institutions of the highest rating. Notwithstanding, a detailed analysis was conducted based on the type of customers, considering, on the one hand, the activity sector it operates in and the liquidity characteristics of the customer and, on the other, the geographic location where the operations are performed, assessing risks which fall between 0% and 1% in each case with regards to the balances existing at 31 December, 2017. It has also been estimated that the additional impairment to be included amounts to € 4,280 thousand of which the net effect of taxes on the shareholders’ equity of the Group amounted to € 3,167 thousand.

IFRS 15 "Ordinary revenues from Contracts with Customers":

The Group has adopted the standard, which is effective for the financial years starting on 1 January, 2018, using a retrospective simplified approach which means that the cumulative impact of the application will be recognised in cumulative income from 1 January 2018 and comparative figures have not be restated.

After the analysis of the impact from the new standard application was carried out by the Group, the conclusions are as follows:

- No activity lines requiring a significant amendment of the recognition criteria of current income were identified.

- The presentation of assets and liabilities related to contracts in the consolidated balance sheet does not determine significant changes to the current presentation practice.

- The most complex contracts with different performance obligations in force on the date of application of the new standard do not show differences in treatment in relation to the criteria implemented by the Group until now.

- Some activities, and in particular Commercial Services, both from previous financial years as well as those taking place after The Phone House joined the Group in the second half of financial year 2017, have been reassessed according to the new approach (based on the control of the activities) set forth by IFRS 15. After the analysis, taking into account the sales revenue figure in 2017, the application of the new standard is expected to reduce the Group's income (without net impact on loss and profit) in € 25 million.

As a result of it, no significant, qualitative or other impact which may require recognition on the date of the first application of the standard has been detected, except for the consideration of the agent role of some activities of Solutions (Commercial area) segment which may have an impact on the Group's sales of approximately € 25 million, with no impact on the net profit or loss.

Also, a new financial instrument category has been included to record the accounts receivable from income from sale of services calculated by applying the project progress or services for which the relevant invoice is pending emission, called “Assets per contract” and which, until 31 December, 2017 were all recorded in the Trade and other receivables section, which, on said date amounted to € 89.5 million. At 30 June, 2018 this balance amounts to € 102.5 million.

2.7. NEW IFRS STANDARDS AND IFRIC INTERPRETATIONS

a) Mandatory standards, amendments and interpretations for all years starting on 1 January, 2018.

There are five modifications according to IFRS-IASB which came into force as of 1 January, 2018:

- IFRS 9 "Financial instruments";
- IFRS 15 "Ordinary revenues from contracts with customers";
- IFRS 15 (Amendment) "Clarifications to IFRS 15 "Revenue from contracts with customers";
- IFRS 2 (Amendment) "Classification and measurement of share-based payment transactions";
- Annual improvements to IFRS. Cycle 2014-2016 (IFRS1 and IAS28)

The effect of adopting these standards and the new accounting policies are broken down in Note 2.6 above. With the exception of that laid down in said Note, the standards had not significant effect on the Group's accounting policies.

IFRS 9 "Financial instruments"

Investment and other financial assets:

Since 1 January, 2018, the Company has classified its financial assets in the following evaluation categories:

- Those which are evaluated subsequent to fair value (either with changes in other comprehensive profit/loss or in profit/loss), and

- those valued at their amortised cost.

The classification depends on the entity business model to manage the financial assets and the contract terms of the cash flows.

For assets valued a fair value, profits and losses are recognised in profit/loss or in other comprehensive profits/losses. Investment in net worth instruments not held for trading will depend on whether or not the Group has made an irrevocable decision at the time of initial recognition to accounting investment in equity at fair value with changes in other comprehensive profit/loss (VRORG).

The Group reclassifies debt investment only when the business model via which to manage these assets changes.

At the time of initial recognition, the Group assessed financial assets at fair value and, if a financial asset is not at reasonable value with changes in results, the costs of the transaction that are directly attributable to the purchase of the financial assets. The transaction costs of financial assets at fair value with changes in results are recorded under profits/losses.

Debt instruments:

The subsequent appraisal of the debt instruments depend on the business model of the Group to manage the assets and the characteristics of the cash flow of the assets. There are three evaluation categories in which the Group classifies its debt instruments:

- Amortised cost: The assets maintained for contract cash flow hedges when these cash flows only represent the principal payments and interests are appraised at amortised cost. The interest income of these financial assets are included in financial income pursuant to the effective interest rate method. Profit or loss arising from deregistering is directly recorded in profits/losses and is included in other profits/(losses), together with the profits and losses arising from exchange rate differences. Impairment losses are recorded in a separate section of the profit and loss account.

- Fair value with changes in other comprehensive profit/loss (VRORG): The assets maintained for contract cash flow hedges and to sell financial assets, when the cash flows of the assets only represent the payments of principal and interests. They are appraised at fair value with changes in other comprehensive profit/loss. Book value transactions are carried over to other comprehensive profit/loss, except the recognition of profit or loss from impairment, ordinary income from interests and profit and loss from differences in exchange rates which are recorded in profit/loss. When the financial assets are derecognised, the cumulative profit or loss previously recorded under other comprehensive profit/loss is reclassified from net worth to profits/losses and also recorded under other profits/(losses). Income from interest on these financial assets are included in financial income following the effective interest rate method. Profit and loss from exchange rate differences are recorded under other profits/(losses) and expenses due to impairment losses are recorded in a separate section of the profit and loss account.

- Fair value with changes in profit/loss (VRR): Assets which do not meet the criteria for amortised cost of for fair value with changes in other comprehensive profits/losses are recorded at fair value with changes in profits/losses. Profit or loss from a debt investment subsequently recognised at fair view with changes in profits/losses is recognised in profits/losses and is recorded as net under other profits/(losses) in the financial year in which they arise.

Equity instruments:

The Group subsequently appraises all investments in net worth at fair value. When the Group Management opted to record profit and loss at fair value for investments in net worth in other comprehensive profit/loss, there is no subsequent reclassification of profits and losses at fair view in profits/losses, following investment account deregistering. Dividends from these investments remain recorded as profit or loss for the financial year as part of other income when the Group's right to receive payments is established.

Changes in the fair value of the financial assets at fair value with changes in profit or loss are reported in other profit/(loss) the income statement, when applicable. Loss from impairment (and reversion of losses from impairment) related to investment in net worth valued at fair value with changes in other comprehensive profits(losses are not presented separately from other changes in fair value.

Impairment Loss:

Since 1 January, 2018, Group appraisal is based on the expected liquidity losses related to its debt instruments accounted at amortised cost and at fair value with changes in other comprehensive profit/loss. The method applied for impairment losses depends of whether or not there has been a significant credit risk increase.

For trade payable, the Group applies a simplified approach permitted by IFRS 9, which requires that the forecast lifecycle losses be recognised from the initial recognition of the accounts payable.

Hedging derivatives and activities:

The efficient part of the changes in fair value of derivatives which are assigned and classified as cash flow hedges are recorded in the cash flow hedges reserve in net worth. Profit or loss related to the inefficient part are immediately recorded in profit/loss, under other income/(expenses).

Profit or loss relating to the efficient part of the interest rate swaps which are generates by variable loans are recorded as profit/loss under the section "Financial expenses" as soon as the interest expense is accrued by the hedged loans.

When option contract are used to cover envisaged transactions, the Group assigns a single intrinsic value of the options as the hedging instrument. Until 31 December, 2017, the Group classified the exchange rate type options as derivatives maintained for negotiation and recorded them at fair value with changes in profit or loss.

When term contracts are used to cover envisaged transactions, the Group generals only assigns the change in fair value of the term contract related to the spot component as the hedging instrument. Profit and loss relating to the efficient part of the change in component spot of term contracts are recorded in the cash flow hedges reserve in net worth. A change in the forward item of the contract in relation to the hedged item ("aligned term item") is recognised under other comprehensive profit/loss in the costs of the hedging reserve in the net worth. In some cases, the company can assign the total change in fair value of the term contract (including the forward points) as a hedging instrument. In these cases, profit and loss relating to the efficient part of the change in fair value of complete term contracts are recorded in the cash flow hedges reserve in net worth.

When a hedging instrument matures, is sold or terminates, or when hedging no longer meets the hedging accounting criteria, any accumulated deferred profit or loss of the hedging in net worth at that time remains as net worth until the envisaged transaction takes place, resulting in the recognition of a non-financial asset such as inventories. When the envisaged transaction is no longer expected, the cumulative profit or loss and deferred hedge costs that figured in net worth are immediately reclassified under profit or loss for the year.

IFRS 15 "Ordinary revenues from contracts with customers"

In May 2014, the IASB and FASB jointly issued a converging standard on the recognition of revenue from contracts with customers. Under this standard, revenue is recognised when a customer obtains control of an asset or service, i.e., when it has both the ability to direct the use and obtain the benefits of the asset or service. This IFRS includes new guidance in order to determine whether revenue should be recognised over time or at a point in time. IFRS 15 requires broad disclosure of both recognised revenues and revenues expected to be recognised in the future in relation to existing contracts. Similarly, quantitative and qualitative information should be provided on the significant judgements made by management in determining revenue recognised and any changes in such judgements.

Subsequently, in April 2016 the IASB published amendments to this standard, which even if they do not modify essential principles, they do clarify some of the most complex aspects.

IFRS 15 has been effective for the financial years beginning on or after 1 January, 2018. With the exception indicated in Note 2.6, the accounting criteria related to income recognition have not undergone significant variations and are described in Note 2.1.1 of the consolidated annual accounts of 31 December, 2017.

IFRS 15 (Amendment) "Clarifications to IFRS 15 "Revenue from contracts with customers"

The IASB has amended IFRS 15 with the aim of:

- Clarifying the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net ordinary revenue reporting).

- Adding new and amended illustrative examples for each of these areas of guidance.

- Including additional practical resources related to transition to the new revenue standard.

Although these amendments do not alter the underlying principles of IFRS 15, they do clarify some of the more complex aspects of applying this standard.

This amendment was effective for financial years starting on or after 1 January, 2018.

The effects of these amendments were assessed in conjunction with the application of IFRS 15.

IFRS 2 (Amendment) "Classification and measurement of share-based payment transactions"

The amendment to IFRS 2, which was developed through the IFRS Interpretations Committee, clarifies how to account for certain types of share-based payment transactions. In this respect, it provides the requirements for accounting for:

- The effects of the conditions for the irreversibility and non-determinant conditions for the irreversibility of the concession related to the valuation of share-based payments settled in cash;

- Share-based payments, settled net of tax withholdings; and

- The amendment of the terms and conditions of a share-based payment, which changes the classification of the transaction from cash-settled to equity-settled.

The amendment was effective for financial years starting on or after 1 January, 2018.

This amendment is not expected to have a significant effect on the Group when adopted by the European Union.

Annual improvements to IFRS. 2014 – 2016 cycle:

The amendments affect IFRS 1 and IAC 28 and apply to the financial years beginning on or after 1 January, 2018.

The main amendments relate to:

- IFRS 1, "First-time adoption of the International Financial Reporting Standards". Removal of short-term exemptions for companies implementing IFRS for the first time.

- IFRS 28, "Investments in associates and joint ventures". Measuring an associate or joint venture at fair value.

These improvements have not affected the Group.

b) Standards, amendments and interpretations not yet in force, although could be taken in advance

IFRS 16 "Leases"

In January 2016, the IASB published this new standard, as a result of a joint project with the FASB, which repeals IAS 17, "Leases".

The IASB and FASB reached the same conclusions on several topics connected with accounting for leases, including the definition of a lease, the requirement, as a general rule, to recognise all leases on the balance sheet, removing the distinction between operating and financial leases; and the measurement of lease liabilities (except for short-term and low value leases). Under the new standard, an asset (the right to use the leased asset) and a liability is recognised as rentals. The IASB and FASB also agreed on not including any substantial changes to the accounting performed by the lessor, maintaining requirements similar to those of the standards previously in force.

Notwithstanding the aforementioned, there are still differences between IASB and FASB as regards the recognition and reporting of lease expenses in the income statement and cash flow statement.

This IFRS will apply to annual reporting periods beginning on or after 1 January 2019.

The Group continues to analyse the effects of this new standard, compiling all the information of those contracts that may fall within the applicable scope. Following preliminary analysis, it is estimated that the main leasings which must be recognised in the balance sheet relate to the stores leased to market the services rendered by the “Technological Services” subsegment.

3. FINANCIAL RISK MANAGEMENT:

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Credit and market financial risk management has not undergone any significant variations with respect to that indicated in December, 2017.

3.1. WORKING CAPITAL AND LIQUIDITY MANAGEMENT

The prudent management of the liquidity risk entails maintaining sufficient cash and available financing through sufficient credit facilities. In this respect, the Group's strategy is to maintain the necessary financing flexibility through committed credit lines. Additionally, and on the basis of its liquidity needs, Dominion Group uses liquidity financial instruments (factoring without recourse and the sale of financial assets representing receivables, through which the risks and rewards on accounts receivable are transferred) that, in accordance with Group policy, do not exceed approximately one-thirds of overdue trade and other receivable balances in order to maintain liquidity levels and the structure of working capital required under its business plans.

Management follows up the Group's liquidity reserve forecasts together with the development of the Net Financial Debt, which at 30 June, 2018 and 31 December, 2017 is calculated as follows:

	30.06.18	31.12.17
Cash and cash equivalents (Note 8)	165,895	138,161
Other current financial assets (Note 7)	34,599	30,866
Undrawn credit lines (Note 10)	25,017	78,916
Liquidity reserve	**225,511**	**247,943**
Liabilities with credit institutions (Note 10)	113,646	66,275
Current financial liabilities (Note 10).	657	627
Cash and cash equivalents (Note 8)	(165,895)	(138,161)
Other current financial assets (Note 7)	(34,599)	(30,866)
Net financial debt	**(86,191)**	**(102,125)**

For the purposes of this calculation, the Group does not consider the heading of "Other current and non-current liabilities" to be financial debt (Note 11).

The Financial Department of the Group monitors the provisions of the Group's liquidity requirements with a view towards guaranteeing sufficient cash to meet the operating requirements whilst maintaining sufficient undrawn credit availability at all times to manage liquidity requirements.

There are no restrictions regarding the use of cash/cash equivalents.

Below is a table setting out a breakdown of the working capital reported in the Group's consolidated balance sheet at 30 June 2018, on a comparative basis with the figures at 31 December 2017:

	30.06.18	31.12.17
Inventories	67,453	72,299
Trade and other receivables and assets per contract	292,861	301,101
Other current assets	3,167	6,541
Current tax assets	16,775	16,595
Operating current assets	**380,256**	**396,536**
Other current financial assets	34,599	30,866
Cash and other cash equivalents	165,895	138,161
CURRENT ASSETS	**580,750**	**565,563**
Trade and other payables	492,885	496,647
Current tax liabilities	33,223	34,575
Current provisions (Note 13)	2,665	2,344
Other current liabilities (*)	30,823	22,977
Operating current liabilities	**559,596**	**556,543**
Other current liabilities (*)	7,949	37,440
Short-term bank debts (Note 10)	966	4,127
Other current financial liabilities (Note 10)	657	627
CURRENT LIABILITIES	**569,168**	**598,737**
OPERATING WORKING CAPITAL	**(179,340)**	**(160,007)**
TOTAL WORKING CAPITAL	**11,582**	**(33,174)**

(*) Accrued wages and salaries and accruals and deferred income are included in other operating current liabilities. The other items analysed in Note 11 are carried as non-operating current liabilities.

Although the magnitude of working capital taken into consideration in an isolated manner is not a key parameter for understanding the Group's financial statements, it actively manages working capital through net operating capital and net current and non-current financial debt, based on the solidity, quality and stability of relationships with its customers and suppliers, as well as the exhaustive monitoring of its situation with financial institutions, which in many cases automatically renew loans. It should also be noted that the business covered by the Commercial Services CGU in the Multi-Services segment normally operates with negative goodwill and sales that are recovered in cash, and expenses for purchases or services that have normal payment maturity dates.

One of the Group’s strategic lines is to ensure the optimisation and maximum saturation of the resources devoted to the business. The Group therefore pays special attention to the net working capital invested in the business. In keeping with this and as in previous years, major efforts have been made to control and reduce the collection periods for trade and other receivables and to minimise services rendered pending invoicing. Similarly, the Company constantly optimises supplier payment terms, standardising policies and conditions throughout the Group.

As a result of the above it may be confirmed that there are no liquidity risks at the Group.

3.2. FAIR VALUE ESTIMATION

IFRS 13, 'Fair value measurements' explains how to estimate fair value when other international accounting standards so require. This standard stipulates the fair value disclosure requirements applicable to non-financial assets and liabilities.

IFRS 13 defines fair value as the value that would be received or paid, in an orderly transaction on the measurement date, for an asset or liability, regardless of whether this value is directly observable or has been estimated using valuation techniques. To this end the data used must be consistent with the assumptions that market participants would use in considering such a transaction.

Although IFRS 13 leaves the principles set down in other standards intact, it does establish the overall framework for measuring assets and liabilities at fair value when doing so is mandatory under other standards and stipulates additional fair value disclosure requirements.

The Group complies with IFRS 13 requirements in measuring its assets and liabilities at fair value when such fair value measurement is required under other international financial reporting standards.

On the basis of the contents of IFRS 13 and in accordance with IFRS 7 on financial instruments measured at fair value, the Group reports on how it estimates fair value by level using the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Tier 1)
- Inputs other than Tier 1 quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices) (Tier 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Tier 3).

The following table presents the assets and liabilities of the Group that are valued at fair value as of 30 June, 2018 and 31 December, 2017 (Notes 7, 10 and 11):

	Available-for-sale financial assets (Note 7)	
ASSETS AT FAIR VALUE	**30.06.2018**	**31.12.2017**
Derivatives		
Level 2 (Note 10)	402	-
Other assets valued at fair value		
Level 3 (Note 7)	-	1,740
	402	**1,740**

	Liabilities valued at fair value	
LIABILITIES AT FAIR VALUE	**30.06.2018**	**31.12.2017**
Derivatives		
Level 2 (Note 10)	657	620
Other liabilities valued at fair value		
Level 3 (Note 11)	13,870	12,266
	14,527	**12,886**

There were no transfers between Tier 1 and 2 during 2018 and 2017.

a) Tier 1 financial instruments

The fair value of the financial instruments that are marked on active markets is based on market prices at the balance sheet date. The listed market price used for financial assets is the ordinary buy price. A market is considered to be active when the listed prices are easily and regularly available through a stock market, financial brokers, industry institution, a pricing service or a regulatory entity and those prices reflect current market transactions that take place on a regular basis between parties that operate under conditions of mutual independence. The listed market price used for the financial assets held by the Group is the current buy price. These instruments are included in Tier 1.

b) Tier 2 financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods such as estimated discounted cash flows and makes assumptions based on existing market conditions at each balance sheet date. If the significant inputs that are required to calculate the fair value of an instrument are observable, the instrument is included in Tier 2.

The specific measurement techniques applied to financial instruments are:

- Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- Fair value of forward foreign exchange contracts is determined using forward exchange rates quoted at the balance sheet date.
- It is assumed that the book value of credits and debits for commercial operations is close to their fair value.
- Fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Tier 2 instruments relate to the derivative financial instruments.

c) Financial instruments at fair value in Tier 3

If one or more of the significant inputs are not based on data observable in the market, the financial instrument is included in Tier 3.

Instruments included in Tier 3 correspond to the contingent compensation of the business combinations performed during recent financial years. Those liabilities have been valued according to the stipulations specified in the contract of purchase where involved financial parameters (EBITDA and net financial debt) that must be considered in the future (Note 18).

The key assumption to measure these liabilities is based on future expected returns to be generated by each company (Notes 1 and 11). The assumptions used for these estimates match with the detailed in the impairment test of funds of trade (Note 6). The evolution of these businesses in the first half of financial year 2018 is in line with the business plans used to calculated these liabilities, whereby we maintained the same hypotheses and conclusion as on 31 December, 2017.

At 30 June, 2018 and 31 December, 2017, the Group does not record any agreements to offset financial assets and liabilities.

4. SEGMENT FINANCIAL REPORTING

The Board of Directors has been identified as the maximum operating decision making body within the Group. This Board reviews the Group's internal financial information for the purposes of evaluating performance and assigning resources to segments. This work is supported with assistance from the Audit and Compliance Committee, consisting of 5 members of the Board of Directors, to review the financial information received and to determine the activity segments.

Management has determined operating segments based on the structure of the information examined by the Board of Directors. For these purposes, the Group's business is analysed from the point of view of products and services offered, and the information is also classified geographically merely for informational purposes.

Supported by their innovative spirit and technological knowledge, the Group's companies offer solutions and multi-services whose objective is to make customer production processes more efficient with the common denominator of intelligent sensors and gathering information regarding the environment, while actively applying knowledge and technology that results in Smart Innovation.

The Group therefore operates in two main operating segments:

- Multi-Technological Services
- Specialist Engineering and Solutions

The classification of a service or solution is based on the scope offered to customers. A Solution is any project or product that is offered to provide more efficiency and competitiveness to a production process that the customer continues to manage. On the contrary, Multi-technological Services consist of those under which the Company offers customers the management of a complete production process (integral outsourcing).

In accordance with the above segmentation, the Group offers its Multi-technological Services and solutions in three main fields of activities or specialization:

- T&T (Technology and Telecommunications), in which it offers Multi-technological Services and solutions and EPC's in sectors such as Health, Education, Telecommunications, Transport, Logistics or Public Administration.

- Industry, with Multi-technological Services and Solutions for the metal, petrochemical, glass or cement sectors, among others.

- Renewable energies, primarily in the photovoltaic, thermal solar and wind areas.

The Board of Directors manages the aforementioned operating segments relating to continued activities based, mainly, on the evolution of the most relevant figures that are defined as turnover (sales) and the contribution margin (calculated as operating profits excluding depreciation or possible impairment and general structural expenses not directly attributed to the activities of the business segments).

The information received by the Board of Directors also includes all other income and expenses that make up the income statement, as well as investments in assets and the evolution of non-current assets, although all of these items and amounts are analysed and managed jointly and globally at the Group level.

The most significant non-current investment item focuses on goodwill that is distributed among segments as follows:

Segment	**30.06.18**	**31.12.17**
Multi-Technological Services	141,881	133,817
Specialist Engineering and Solutions	142,705	142,496
	284,586	**276,313**

In 2017, the Management transferred the goodwill amount generated as a result of the acquisition of ICC shares of the Specialized Solutions and Engineering segment in 2016, to the Multi-technology Services segment since the nature of the business conducted by that company are considered to be included in that segment. The net accounting value of the amount transferred to the Multi-technology Services segment amounts to € 6,248 thousand.

a) Segment reporting

Segment information submitted to the Board of Directors relates to the contribution margin and this is the indicator that is used to manage the Group's segments.

	Multi-Technological Services	Specialist Engineering and Solutions	Total
30 June 2018			
Consolidated turnover	363,731	138,132	501,863
Other direct operating income and expenses in the segments	(342,000)	(117,002)	(459,002)
Contribution margin	**21,731**	**21,130**	**42,861**
30 June 2017			
Consolidated turnover	196,288	126,680	322,968
Other direct operating income and expenses in the segments	(179,322)	(107,030)	(286,352)
Contribution margin	**16,966**	**19,650**	**36,616**

For the purpose of providing a real business explanation, the adjusted turnover figure which is calculated by deducting the sale of devices by the Commercial Services business from the consolidated turnover figure, which amounts to € 124,143 thousand in the first half of 2018 (in the first half of 2017 we did not use this amount as it results from the purchase of Phone House in the second half of 2017).

Below is a reconciliation between the contribution margin provided by the segments and consolidated profits at 30 June 2018 and 30 June, 2017:

	30.06.18	30.06.17
Contribution margin:	42,861	36,616
- Overall unattributed structural income and expenses (1)	(13,563)	(13,054)
- Amortisations/impairment (Notes 5 and 6)	(11,373)	(8,531)
- Financial profit (loss) (2)	(2,846)	(5,183)
- Share in profits obtained by associates	282	1,400
- Corporate income tax (Note 14)	(2,190)	(411)
- Result after taxes from discontinued operations	2	(10)
Consolidated profit/(loss)	**13,173**	**10,827**

(1) These amounts fundamentally relate to fixed and general structural expenses (indirect personnel costs and other overheads) that are not directly attributable to business segments.
(2) Includes the headings: Financial income, financial expenses, Net exchange differences, Variation in the fair value of financial assets and liabilities attributed to profit and loss.

Segment assets and liabilities and investments in the year are as follows:

	Multi-Technological Services	Specialist Engineering and Solutions	Total
30.06.2018			
Property, Plant and Equipment	39,383	12,146	51,529
Intangible assets and goodwill	168,474	166,887	335,361
Associate investments	-	18,740	18,740
Remaining Assets	338,393	296,857	635,250
Total assets	**546,250**	**494,630**	**1,040,880**
Total liabilities	**357,742**	**377,996**	**735,738**
Fixed asset additions (Notes 5 y 6)	7,205	3,652	10,857
Removals of fixed assets net of depreciation (Notes 5 and 6)	(170)	(37)	(207)
Net investments during the six month period (Notes 5 and 6) (1)	**7,035**	**3,615**	**10,650**

	Multi-Technological Services	Specialist Engineering and Solutions	Total
31.12.2017			
Property, Plant and Equipment	38,240	12,939	51,179
Intangible assets and goodwill	158,911	165,940	324,851
Associate investments	-	9,361	9,361
Remaining Assets	265,987	358,376	624,363
Total assets	**463,138**	**546,616**	**1,009,754**
Total liabilities	**296,037**	**419,389**	**715,426**
Fixed asset additions (Notes 5 y 6)	8,181	10,210	18,391
Removals of fixed assets net of depreciation (Notes 5 and 6)	(212)	(394)	(606)
Net investments during the six month period (Notes 5 and 6) (1)	**7,969**	**9,816**	**17,785**

(1)Excludes movements in goodwill.

There are no consolidation adjustments between segments, or any unassigned assets or liabilities.

The amounts that are provided to the Board of Directors regarding total assets are measured in accordance with the same policies as used for the financial statements.

b) Information regarding geographical areas

Information relating to the net revenues and non-current assets by geographic area is as follows:

	30.06.18	30.06.17
Turnover (according to final market)		
Multi-Technological Services		
Spain	265,072	93,124
The rest of Europe	31,991	30,638
America	47,403	52,769
Asia, Oceania and others	19,265	19,757
	363,731	196,288
Specialist Engineering and Solutions		
Spain	33,287	27,179
The rest of Europe	30,533	30,077
America	41,589	51,344
Asia, Oceania and others	32,723	18,080
	138,132	126,680
Total	**501,863**	**322,968**

Those countries where the Group obtains a significant turnover in large geographical areas shown in the previous table are: Germany with total sales amounting to € 30,965 thousand (30 June, 2017: € 27,058 thousand), Mexico with total sales for an amount of € 27,719 thousand (30 June, 2017: € 37,454 thousand), USA with total sales for an amount of € 30,546 thousand (30 June, 2017: € 33,540 thousand), Middle East countries (Saudi Arabia and the Arabic Gulf countries) with total sales of € 8,008 thousand (30 June, 2017, € 7,820 thousand), Chile with total sales of € 11,680 thousand (30 June, 2017: € 6,202 thousand) and Peru with total sales of € 7,755 thousand (30 June, 2017: € 9,016 thousand).

	30.06.18	31.12.17
Non-current assets (fixed tangible assets and intangible assets, by geographical location of the activity)		
Spain	208,613	199,228
Europe	141,316	142,184
America	32,600	29,910
Asia, Oceania and Others	4,361	4,708
Total	**386,890**	**376,030**

Excluding goodwill, those countries where a significant portion of the amount of the remaining non-current assets are concentrated would be Spain with a total of € 61,884 thousand (31 December, 2017: € 58,538 thousand) and Germany with a total of € 15,676 thousand (31 December, 2017: € 16,545 thousand).

c) Customer information

During the first half of 2018 no sales were made in excess of 10% of the turnover with any single customers.

In the Multi-technology Services segment, historically, a client exceeded 10% of the turnover figure in said segment. The sales for this customer in the period ending on 30 June, 2018, did not amount to said 10% of the sales of the segment. Nevertheless, the sales of the six month period ending on 30 June, 2017 amounted to € 23,880 thousand, 12.2% of the total sales in the Multi-technology Services segment, and 7.4% of the overall Group sales.

5. PROPERTY PLANT AND EQUIPMENT

Set out below is a breakdown of tangible fixed assets showing movements:

Period 2018

	Balance 31.12.2017	Inclusions/ (variations) in the scope (Note 18)	Additions	Removals	(*) Transfers and other movements	Balance 30.06.2018
Cost	185,804	4,517	4,028	(1,588)	(719)	192,042
Depreciation	(134,625)	(2,948)	(4,653)	1,395	318	(140,513)
Net value	**51,179**					**51,529**

Period 2017

	Balance 31.12.2016	Inclusions/ (variations) in the scope (Note 18)	Additions	Removals	(*) Transfers and other movements	Balance 30.06.2017
Cost	125,900	-	4,535	(1,288)	(3,207)	125,940
Depreciation	(85,162)	-	(3,625)	835	2,388	(85,564)
Net value	**40,738**					**40,376**

(*)It includes the effect of exchange fluctuations affecting tangible fixed assets in the currency of foreign subsidiaries and other movements and other transfers between items.

a) Tangible fixed assets by geographical area

Set out below is a breakdown of tangible fixed assets by geographical location as of 30 June, 2018 and 31 December, 2017:

	Million euro					
	30.06.2018			**31.12.2017**		
	Cost	**Accumulated amortization**	**Net book value**	**Cost**	**Accumulated amortization**	**Net book value**
Spain	89	(75)	14	87	(73)	14
The rest of Europe	53	(31)	22	52	(30)	22
America	37	(25)	12	35	(24)	11
Asia and Oceania	13	(9)	4	12	(8)	4
	192	**(140)**	**52**	**186**	**(135)**	**51**

b) Tangible fixed assets not earmarked for operations

As of 30 June, 2018 and 31 December, 2017 there are no tangible fixed assets not earmarked for operations.

c) Insurance

The Group has taken out a number of insurance policies to cover risks relating to its tangible fixed assets. The coverage provided by these policies is considered sufficient.

d) Financial Leasing

The headings include the following amounts for finance leases under which the Group is the lessee:

	30.06.18	**31.12.17**
Cost-capitalised finance lease	1,072	1,723
Accumulated depreciation	(962)	(1,197)
Carrying amount	**110**	**526**

The amounts payable under finance leases are carried under Other liabilities.

e) Capitalisation of borrowing costs

The Group did not capitalise any borrowing costs in 2018 and 2017.

6. GOODWILL AND INTANGIBLE ASSETS

Set out below is an analysis of the main intangible asset classes showing movements in assets generated internally and other intangible assets:

Period 2018	Balance as of 31/12/2017	Entry in the scope (Note 18)	Additions	Removals	Transfers and other movements (*)	Balance as of 30.06.18
Cost						
Goodwill	276,313	7,880	-	-	393	284,586
Other intangible assets	99,908	2,227	6,829	(58)	(21)	108,885
	376,221	10,107	6,829	(58)	372	393,471
Accumulated amortization	(51,370)	(76)	(6,720)	44	12	(58,110)
Net book value	**324,851**					**335,361**

(*)It basically includes the effect of exchange fluctuations on the currency and other movements.

Period 2017	Balance as of 31/12/2016	Entry in the scope (Note 18)	Additions	Removals	Transfers and other movements (*)	Balance as of 30/06/2017
Cost						
Goodwill	238,588	-	-	-	(1,173)	237,415
Other intangible assets	67,822	-	3,046	(79)	582	71,371
	306,410	-	3,046	(79)	(591)	308,786
Accumulated amortization	(32,050)	-	(4,906)	79	(427)	(37,304)
Net book value	**274,360**					**271,482**

(*)It basically includes the effect of exchange fluctuations on the currency and other movements.

Inclusions as a result of a change in scope of the goodwill (Note 18) between the various Cash Generating Units, as explained below, relate to:

	30.06.18	30.06.17
Specialist Engineering and Solutions	2,795	-
T&T services	5,085	-
	7,880	**-**

Testing for impairment losses on goodwill

As indicated in the consolidated annual accounts for financial year 2017, the cash generating units (CGUs) identified in the Group are as follows:

- Specialist Engineering and Solutions
- Industrial Services
- T&T services
- Commercial services

This distribution at the CGU level is set out below:

	Goodwill	
Cash Generating Units	**30.06.18**	**31.12.17**
Solutions	142,705	142,496
T&T services	34,474	26,567
Industrial Services	35,033	34,876
Commercial services	72,374	72,374
	284,586	**276,313**

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on five-year financial budgets approved by management. Cash flows for periods over five years are extrapolated on the basis of a prudent assumption concerning the estimated growth rates that are always lower than the average long-term growth rate for the business in which each of the CGUs operates.

a) Key assumptions used in the calculation of value-in-use at closure on 31 December, 2017

As in prior years, the pre-tax discount rate was determined on the basis of the weighted average cost of capital (WACC) plus a premium to reflect the tax effect. The WACC was determined using the capital asset pricing model (CAPM), which is widely used for discount rate calculation purposes. In certain instances, the discount rate calculation additionally factors in a specific risk premium to reflect the characteristics and the risk profile intrinsic to the cash flow projections of each CGU.

The discount rate applied (WACC) to cash flow projections amounts to:

	31.12.17
Solutions	4.5% - 14%
T&T services	6.5% - 17.5%
Industrial Services	4% - 9%
Commercial services	7%

The various WACCs applicable to each CGU is due to the fact that the cash flows are generated in different countries with different country risk characteristics that give rise to higher WACCs in Latin America and Asia (between 11% and 17.5%), for example, than in Spain and the rest of Europe (around 6%).

The discount rate is after tax and reflects the specific risk related to relevant CGUs.

The main variations of discount rates relative to those use in the previous year are mainly determined by the variations sustained in risk-free rates.

EBITDA (earnings before income taxes and depreciation/amortization) is determined by Group management in the strategic plans, taking into account the overall situation in the markets in which the Group operates, their expected evolution, group operations with a similar structure to the current structure and based on prior year experience. These EBITDA’s (operating result plus amortizations and impairments) vary by type of business as follows:

EBITDA on sales	31.12.17
Solutions	9% - 12.3%
T&T services	7.2% - 8.5%
Industrial Services	4.5% - 7%
Commercial services (*)	3% - 3.6%

(*) The new acquisition in 2017 financial year, TPH, has EBITDAs on adjusted sales of 12%-13%

Changes in these percentages are generally due to an adjustment or new distribution of structural expenses taking into account the new size of the Group, those changes not affecting the final result of the impairment test in either year. Additionally, The Phone House, a company acquired by the Group in the second half of financial year 2017, the sales which are part of the Commercial Services CGU, provided significant volume to the Group's turnover but provided residual margin (Note 4).

At Solutions CGU, the diversity of project types and geographic areas is expected to increase in view of the current project portfolio and growing pipeline opportunities, based on the Group's transversal nature and consolidation of inorganic business growth. At T&T Services CGU, projections indicate that the efficiency measures implemented and the focus on profitability will bear fruit and that significant new contracts will be secured. At Industrial Services CGU, the inorganic growth integration process will be consolidated and demand is expected to increase based on the foreseeable evolution of political and macroeconomic measures in certain geographies. Finally, Commercial Services CGU includes organic growths established in the Management's budgets according to currently existing agreements with operations related to the The Phone House acquisition, carried out during the second half of 2017.

The approved business plan sales projections indicate a compound annual growth rate (CAGR) of 7% in accordance with the expected organic growth demanded by the Group businesses.

Other net movements forecast in cash and flows related to taxes are added to these EBITDAs until free cash levels after tax generated in each year are reached.

The result of using cash flows before tax and a discount rate before tax does not differ significantly from the result of using cash flows after tax and a discount rate after tax.

Cash flows beyond five years, which is the period covered by the Group's projections, are calculated using a normalized and sustainable flow over time based on the fifth year estimate, with prudent assumptions with respect to the expected future growth rate (growth rate of 0.5%), eliminating all those extraordinary or non-recurring items and based on estimates of GDP growth and the inflation rate in the various markets, as well as evaluating the necessary level of investment for these growth rates. These flows are updated to calculate residual value, taking into account the discount rate applied in the projections, less the growth rate taken into consideration.

Projections are updated on a yearly basis according to the real performance of each business unit. Variations from projected amounts for 2017 and the real performance, have not been significant.

b) Results of the analysis

The Group has verified that in financial year 2017 goodwill did not suffer any impairment and there is sufficient estimated value-in-use in accordance with the assumptions indicated in the preceding paragraphs regarding the CGU's net assets, and the estimate is higher than 50% at all CGUs.

With respect to the assumptions used to project the EBITDA (operating profit plus depreciation and amortisation, essential for calculating free cash flow) of the CGUs and their future growth, the most probable scenario has been used according to the Management model so that underperformance in respect of this gross margin is considered unlikely.

If the estimated rate used to discount the cash flows had been 200 basic points higher than management's estimates, the Group would still not have needed to reduce the carrying amount of goodwill.

The approach used in the calculation on 31 December, 2017 for financial years 2018 onwards will be completely valid for the calculation of the value-in-use at 30 June, 2018. Accordingly, taking account of the positive trend of the profitability of the businesses in the first half of 2018, it is deemed that none of the conditions in the various UGEs that determine the risk of goodwill impairment arose.

7. ANALYSIS OF FINANCIAL ASSET INSTRUMENTS

Period 2018	Loans and receivables (assets at amortised cost)	Investment in associates	Available-for-sale financial assets (assets at fair view)	Assets derivatives (Note 10)	Total
At 31 December 2017	**38,487**	**11,747**	**1,740**	**-**	**51,974**
Entry into the scope of consolidation (Note 18)	5	-	-	-	5
Additions	1,786	6,595	-	-	8,381
Disposals	-	-	(1,740)	-	(1,740)
Movement in associates:					
- On results	577	282	-	402	1,261
- On equity – cumulative differences on exchange rate	-	(331)	-	-	(331)
– On equity – Cash-flow hedges	-	447	-	-	447
At 30 June 2018	**40,855**	**18,740**	**-**	**402**	**59,997**
Non-current	6,256	-	-	402	6,658
Current	34,599	-	-	-	34,599
Investment in associates	-	18,740	-	-	18,740

Period 2017	Loans and receivables	Investment in associates	Available-for-sale financial assets	Assets derivatives (Note 10)	Total
At 31 December 2016	**18,435**	**8,376**	**-**	**-**	**26,811**
Entry into the scope of consolidation (Note 18)	-	-	-	-	-
Additions	-	211	-	555	766
Disposals	(1,439)	-	(329)	-	(1,768)
Transfers (Note 1)	-	(1,373)	1,373	-	-
Other movements (*)	-	940	-	-	940
Movement in associates:					
- On results	-	1,400	-	-	1,400
- On equity – cumulative differences on exchange rate	-	(1,416)	-	-	(1,416)
– On equity – Cash-flow hedges	-	(569)	-	-	(569)
At 30 June 2017	**16,996**	**7,569**	**1,044**	**555**	**26,164**
Non-current	1,955	-	-	-	1,955
Current	15,041	-	1,044	555	16,640
Investment in associates		7,569	-	-	7,569

(*)Definitive assignation of the values of the net assets of the business combinations executed in 2017.

All financial assets maintained by the Group at 30 June, 2018 and 31 December, 2017 that have not fallen due or suffered impairment during the year are considered to be of high quality and do not present any indication of impairment.

a) Assets at Amortised Cost

	30.06.18	31.12.17
Non-current term deposits and guarantees	4,816	5,568
Long-term loans	1,440	3,793
Current term deposits and guarantees	12,883	11,732
Short-term loans	21,716	17,394
	40,855	**38,487**

Both term deposits and loans accrue a market interest rate in the country in which the financial asset is maintained.

The mean returns were between 0.1% and 8% (based on the country) in financial year 2018 (31 December, 2017: 0.1% and 8%).

No held-to-maturity financial asset has been reclassified.

Maximum credit risk exposure at the reporting date is the carrying value of assets.

b) Investment in associates

The information relating to investment on associates, equity method companies are:

	% working interest		Value of interest		Interest in results	
	30.06.18	31.12.17	30.06.18	31.12.17	30.06.18	31.12.17
Advanced Flight Systems, S.L.	30%	30%	312	280	32	41
Abside Smart Financial Technologies, S.L. (Previously Centro Near Servicios Financieros, S.L.)	50.01%	23%	-	-	-	-
Sociedad Concesionaria Chile Salud Siglo XXI, S.A.	30%	30%	9,620	9,255	250	2,456
Bas Project Corporation, S.L.	35%	16.8%	8,763	2,212	-	3,274
Cobra Carbon Grinding, B.V.	50%	50%	-	-	-	-
Smart Nagusi, S.L.	50%	-	45	-	-	-
			18,740	**11,747**	**282**	**5,771**

8. CASH AND OTHER CASH EQUIVALENTS

	30.06.18	31.12.17
Cash and equivalents	**165,895**	**138,161**

There are no restrictions on the availability of the cash.

The carrying amount of cash at Group companies is denominated in the following currencies:

	30.06.18	31.12.17
Euro	116,076	46,651
Brazilian real	105	822
US Dollar	32,707	29,215
Mexican peso	723	30,136
Pound sterling	706	465
Saudi Riyal	3,798	3,199
Chilean peso	3,781	16,028
Argentine peso	299	1,097
Polish Zlotys	160	2,030
Peruvian sol	1,730	2,319
Vietnamese Dong	2,972	2,295
Others	2,838	3,904
	165,895	**138,161**

9. CAPITAL AND SHARE PREMIUM

	No. of shares	Subscribed capital	Share Premium	Own shares
At 31 December 2016	**169,496,963**	**21,187**	**289,065**	**(1,715)**
At 31 December 2016 (Split)				
Operations with treasury shares	-	-	-	397
At 30 June 2017	**169,496,963**	**21,187**	**289,065**	**(1,318)**
At 31 December 2017	**169,496,963**	**21,187**	**289,065**	**(530)**
Operations with treasury shares	-	-	-	(140)
At 30 June 2018	**169,496,963**	**21,187**	**289,065**	**(670)**

a) Share capital

At 31 December, 2016, the number of shares, capital and share premium was as follows:

Number of shares	Subscribed capital	Share Premium
169,496,963	21,187	289,065

On 4 April, 2016, before the Company was listed, the General Shareholders' Meeting approved a capital increase charged to reserves and the simultaneous modification of the par value of the shares, a resolution that was notarised as a public deed on 7 April, 2016. The agreed capital increase amounted to € 526 thousand and was carried out by increasing the par value of the shares from € 12.020242 per share to € 12.50 per share, against the Company's unrestricted reserves. Simultaneously, the par value of the shares was altered by issuing 100 new shares for each existing share, the par value changing from € 12.50 per share to € 0.125 per share.

On 26 April 2016, the decision was taken to arrange a share subscription offer. In order to carry out the offer, it was agreed to increase the share capital by means of cash contributions up to a maximum of € 8,222 thousand by issuing a maximum of 65,772,900 shares. The possibility of an incomplete subscription was specifically envisaged. Finally, 54,744,525 shares with a face value of € 0.125 were subscribed, with a share premium of € 2,615 per share. Following this operation, share capital and the share premium amounted to € 20,546 thousand and € 275,648 thousand respectively. The capital increase was entered in the Registry of Companies on 26 April 2016.

Additionally, on 27 May 2016, the capital increase relating to the Greenshoe option granted to the underwriting banks when the subscription offer was approved by the General Meeting on 4 April 2016 was notarised in a public deed. This decision envisaged a capital increase in a maximum amount equal to 15% of the nominal amount of the capital increase in the previous subscription offer. The capital increase resulted in the issuance of 5,130,938 new shares with a par value of € 0.125 euros each, which were subscribed with a total share premium of € 13,417,402.87, at € 2,615 per share. These shares were fully subscribed and paid up at the date of the public deed by means of a cash contribution made initially by JB Capital Markets, S.V., S.A.U. as the stabilisation agent in the subscription offer, in its own name and for the account of the offer insurance underwriters. When the decision was made, the Chairman of Global Dominion Access, S.A.'s Board of Directors declared an incomplete subscription, rendering the remainder of the greenshoe invalid and closing the subscription offer capital increase.

The costs of the operation were recognised in the Group's Shareholders' Equity in the amount of € 7,050 thousand, net of tax effects.

Following these transactions, the share capital of the Parent company at 31 December, 2017 and 30 June, 2018 was as follows:

Number of shares	Subscribed capital	Share Premium
169,496,963	**21,187**	**289,065**

There are no restrictions on the free transfer of the shares.

At 30 June, 2018 and 31 December, 2017, the following company participated in 10% or more of the share capital:

	Number of shares	Interest percentage
CIE Automotive, S.A.	84,765,431	50.01%

As indicated in Note 20 of these intermediate financial statements, on 3 July, 2018, payment was made for the dividend in kind agreed on by the General Shareholders' Assembly of CIE Automotive, S.A., which consisted in the submission of actions it owned at that time of Global Dominion Access, S.A. to its shareholders. Following this exchange of shares, the only company which holds a stake of 10% or more of the Parent Company's share capital is Acek Desarrollo y Gestión Empresarial, S.L. With 12.38%:

b) Share premium

This reserve is unrestricted.

c) Treasury shares

At 30 June, 2018, the company held a total number of 212,070 shares representing 0.13% of the share capital at that date (31.12.2017: 183,446 shares which represent 0.11%), with an accounting value at that date amounting to € 670 thousand (31.12.2017: € 530 thousand).

Pursuant to the mandate conferred by the General Shareholders' Meeting held on 18 April 2018, whereby the parent company's Board of Directors is empowered to acquire, at any time and as many times as is deemed appropriate, shares in Global Dominion Access, S.A., through any legal means, including a charge to profits for the year and/or to unrestricted reserves, and to subsequently sell or redeem such shares, in accordance with Article 146 and 509 and concordant articles of the Spanish Companies Act. This mandate is valid up to 18 April 2023.

10. BORROWINGS

a) Bank loans and credit facilities

	30.06.18	31.12.17
Non-current		
Bank loans and credit facilities	112,680	62,148
	112,680	62,148
Current		
Bank loans and credit facilities	966	627
Trade advances	-	3,500
	966	**4,127**
	113,646	**66,275**

The Group has the policy of diversifying its financial markets and, accordingly, there is no loan/credit risk concentration with respect to balances with banks since it works with various institutions.

On 11 November 2016, the parent company entered into a syndicated loan agreement with five financial institutions, divided into two tranches (tranche A and tranche B). Tranche A consisted of a long-term loan of € 36 million to restructure the Group’s non-current financial liabilities, maturing in November 2021. The initially agreed amortization of tranche A, on a six-monthly basis and with a one year grace period, was as follows: € 1.8 million in 2018, € 5.4 million in 2019, € 7.2 million in 2020 and € 21.6 million in 2021. Tranche B was a revolving credit line for a maximum of € 24 million to meet the Group's working capital needs; it matures in November 2019 and is renewable for annual periods to November 2021.

On 4 December, 2017, a novation of the loan described in the paragraph above was signed, modifying the periods of amortisation by putting these back by one year, modifying the financing cost and adding tranche A2 to the part of the loan for a total of USD 35.6 million. Tranches A1 and A2 have the same amortization profile, established in the following terms: six-monthly amortizations with a 1 year grace period, with the first instalment in June 2019 and which entails the amortization of 5% in 2019, 7.5% in 2020, 12.5% in 2021 and 75% in 2022. Additionally, the revolving credit of tranche B was increased by € 10M, with its limit established at € 34 million.

At 30 June, 2018, the Group drew down the € 36 million of tranche A1, the USD 35.6 million of tranche A2 and € 20 million of tranche B (at 31 December, 2017 had only drawn down the € 36 million of tranche A).

This financing bears a Euribor interest rate plus a market spread. Tranche A has three hedging derivative financial instruments, as indicated in the following section of this same note, which have remained unchanged with the signing of the contract novation.

Additionally, on 18 November 2016, the Group entered into a loan agreement with the European Investment Bank (EIB) for a maximum of € 25 million for development funding under the "Smart Innovation" programme. At 30 June, 2018 and 31 December, 2017, € 25 million were drawn down on this loan, which matures in December 2025 and has a two-year grace period. This loan will be repaid in instalments of € 3.57 million per annum from 2019 to 2025.

Both the syndicated loan and the loan granted by the EIB are secured by guarantees furnished by the following Group companies: Beroa Iberia, S.A., Beroa Thermal Energy, S.L.U., Bilcan Global Services, S.L., Dominion Centro de Control, S.L.U., Dominion Instalaciones y Montajes, S.A.U., Dominion Investigación y Desarrollo, S.L.U., Dominion Networks, S.L., E.C.I. Telecom Ibérica, S.A., Eurologística Directa Móvil 21, S.L., Global Near, S.L., Interbox Technology, S.L., Dominion Digital, S.L.U., Sur Conexión, S.L., Tiendas Conexión, S.L., Beroa Deutschland GmbH, Beroa Novocos, GmbH, Beroa Technology Group GmbH, F&S Feuerfestbau GmbH & Co KG, Ampliffica Mexico, S.A. de C.V., DM Informática S.A. de C.V., Dominion Industry México S.A. de C.V., Mexicana de Electrónica Industrial S.A. de C.V., Beroa Polska Sp. Z.o.o., Steelcon Chimneys Esbjerg A/S, Dominion Smart Innovation, S.A. de C.V., Dominion Perú Soluciones y Servicios, SAC, Dominion Energy, S.L.U., Dominion Industry & Infrastructures, S.L. and The Phone House Spain, S.L.U.. In both cases, the Group has obtained commitments to include additional guarantors, if necessary, representing at least 75% of the Group's annual EBITDA, assets and revenue.

Finally, both credit facilities include the commitment to comply with certain habitual market ratios which, at 31 December, 2017 and 30 June, 2018, had been satisfactorily met.

In the first half of financial year 2018, € 62 thousand were amortised (first half of financial year 2017: € 5,718 thousand).

Non-current borrowings have the following maturities:

	30.06.18	**31.12.17**
Between 1 and 2 years	8,672	6,497
Between 3 and 5 years	92,625	45,340
More than 5 years	11,383	10,311
	112,680	**62,148**

The effective interest rates at the balance sheet dates are the usual market rates (basically Euribor and LIBOR plus market reference rates) and there is no significant difference with respect to other companies of a similar size and with similar risks and borrowing levels.

In 2018, borrowings and credit facilities from credit institutions generate a market interest rate in accordance with the currency concerned plus a spread that ranges between 60 and 448 basis points (in the first half of financial year 2017: between 60 and 448 basis points).

The carrying amounts and fair values of current and non-current borrowings do not differ significantly, as a large part of the debt is recent, and all amounts accrue interest at market rates, considering existing interest rate hedges which are explained in section b) of this Note.

The carrying amount of the Group's borrowings is denominated in the following currencies:

	30.06.18	31.12.17
Euro	82,318	65,436
US Dollar	31,328	839
	113,646	**66,275**

At 30 June, 2018 the Group has drawn down balances from lines of credit from financial institutions in the amount of € 20,000 thousand (31 December, 2017: € 4,034 thousand). The total limit of these credit lines amounted to € 45,017 thousand (31 December, 2017: € 82,950 thousand).

The Group has the following undrawn credit lines:

	30.06.18	31.12.17
Variable rate:		
- maturing in less than one year	11,017	15,200
- maturing in more than one year	14,000	63,716
	25,017	**78,916**

This loan is not secured by real property.

b) Derivative financial instruments

	30.06.18		31.12.17	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps				
- Cash flow hedges	-	(657)	-	(620)
- others	-	-	-	(7)
Equity Swap	402	-	-	-
	402	**(657)**	**-**	**(627)**

Interest rate swaps

The Group records a cash flow hedging derivative contracted in prior years which is carried at a negative value of € 434 thousand at 30 June, 2018 (negative value of € 444 thousand at 31 December, 2017). The notional principal amount for this interest rate swap contract (from variable to fixed) outstanding at 30 June 2018 amounted to € 1.4 million (31.12.2017: € 1.6 million), which is classified as a hedging instrument. The fixed interest rate applied totals 4.87% and the main variable interest rate of reference is the DKK-CIBOR-DKNA13.

Additionally, in financial year 2016, in connection with the aforementioned syndicated financing agreement described above, the parent company entered into three interest rate swap contracts with financial institutions under which the Group pays a fixed rate on the Tranche-A financing. The notional amounts of the derivatives decrease proportionately as Tranche A is repaid. At 30 June, 2018, the negative valuation of these derivative financial instruments was € 223 thousand (31.12.2017: a negative value of € 176 thousand).

	2018/2017		
	Notional Principal	Interest Rate	Maturity
Hedging derivative 1	12,000	0.371%	2021
Hedging derivative 2	12,000	0.371%	2021
Hedging derivative 3	12,000	0.371%	2021
	36,000		

Equity Swap

In financial year 2017, the Parent company entered into a derivative instrument associated with the quoted market price of the shares of Global Dominion Access, S.A. The underlying asset of the transaction amounted to 2.6 million shares. At 30 June, 2018 the valuation of this derivative financial instrument was € 402 thousand in favour of the Parent Company (at 31 December, 2017: the valuation was not significant).

11. OTHER LIABILITIES

	30.06.2018	31.12.2017
Non-current		
Suppliers of fixed assets	547	1,057
Other debts from non-current company acquisitions	18,832	17,486
Other non-current debts	5,229	4,478
	24,608	**23,021**
Current		
Suppliers of fixed assets	593	286
Salaries, wages and commissions payable	29,997	22,474
Time period adjustments	826	503
Other debts from current company acquisitions	6,498	36,001
Other current debts	858	1,153
	38,772	**60,417**

The fair value of these assets does not differ significantly from carrying value.

Details of the debts from company acquisitions between one period and another is as follows:

	30.06.2018	31.12.2017
Non-current		
Beroa France, S.A.S	400	400
Steelcon Esbjerg AS	665	665
Chimney Refractory International, S.R.L	3,897	4,155
Scorpio – Dominion Energy 2016	9,000	9,000
International Chimney Corporation	3,348	3,266
Scorpio 2018	1,250	-
DITECSA Colombia	272	-
	18,832	**17,486**
Current		
Beroa France, S.A.S	24	50
Steelcon Esbjerg AS	-	455
Protisa	-	43
Subgrupo Commonwealth Dynamics Inc	-	5,843
Scorpio – Dominion Energy 2016	-	7,000
International Chimney Corporation	-	3,339
The Phone House España (*)	-	19,271
Go Specialist	300	-
Scorpio 2018	3,914	-
DITECSA Colombia	2,260	-
	6,498	**36,001**

(*) Business combinations performed in the second half of financial year 2017.

During the first half of 2018, the payments envisaged for 2018 were made for the various acquisitions made in previous financial years, for a total of € 36 million.

Also, with regards to acquisitions made in the first half of 2018 (Note 18), these have resulted in new debts at 30 June, 2018 for an amount of € 8,951 thousand, with a total of € 955 thousand having been paid up in the first half of 2018.

In the first half of 2017, a payment on account was paid for the estimated debt for the acquisition of the Beroa Subgroup for € 750 thousand. The remainder was paid during the second half of financial year 2017.

Additionally, the payments envisaged in 2017 for Scorpio acquisitions were made for € 1,410 thousand and for International Chimney Corporation for USD 5 million.

The new estimates for non-current payment estimated debt for the various acquisitions indicated in the previous table from the previous year, remained the same at 30 June, 2018 with respect to those recorded at the end of financial year 2017.

12. OBLIGATIONS TO PERSONNEL

The breakdown of provisions for employee benefits by country is as follows:

	30.06.18	**31.12.17**
Itemisation by country		
Germany (1)	12,234	12,681
France (2)	687	799
Total (Note 13)	**12,921**	**13,480**

The commitments of post-employment plans and other long-term benefits to the personnel that several companies of the Beroa subgroup guarantee to certain collectives are disclosed by country, the following ones:

1. Post-employment benefit plans and other non-current employee benefits in Germany that are fully covered by an internal fund.

   - Non-current employee benefits:

     - Length of service awards
     - Supplements deriving from partial retirement agreements

   - Post-employment benefits:

     - Lifetime retirement pensions
     - Benefit plans guaranteed by the Beroa subgroup for its employees are defined retirement benefit commitments. This subgroup guarantees lifetime income starting at retirement for those employees that started working for the Company before 1 January, 2001 and that have worked at the Company for 10 years at the time of retirement.

2. Post-employment benefit plans in France that are covered by an internal fund.

- The post-employment benefits plans guaranteed by the Beroa subgroup for its employees are defined retirement benefit commitments from labour agreements.

- The retirement benefits depend on the number of years worked at the Company.

Movements in the provisions by type of plan and by country are as follows:

Post-employment Benefits Plans:

Period 2018	Germany	France	Total
At 31 December 2017	**12,681**	**799**	**13,480**
Cost for current services and interests	121	-	121
(Gains) / losses due to changes in actuarial assumptions	(141)	-	(141)
Payment of benefits	(427)	(112)	(539)
At 30 June 2018	**12,234**	**687**	**12,921**
Period 2017			
At 31 December 2016	**13,707**	**1,193**	**14,900**
Cost for current services and interests	115	-	115
(Gains) / losses due to changes in actuarial assumptions	321	(226)	95
Payment of benefits	(421)	(73)	(494)
At 30 June 2017	**13,722**	**894**	**14,616**

There have been not financial-actuarial hypotheses variations in relation to those indicated in Note 21 of the consolidated annual accounts of the Group at the end of financial year 2017.

13. PROVISIONS

Movements in the Group's provisions in 2018 and 2017 are as follows:

Period 2018	**Other provisions**	**Obligations to personnel (Note 12)**	**Total**
At 31 December 2017	**8,158**	**13,480**	**21,638**
Cost for current services	-	15	15
Interests expense/income	-	106	106
Gains/(losses) due to changes in actuarial assumptions	-	(141)	(141)
Appropriations	225	-	225
Reversal	(125)	-	(125)
Payments	(410)	(539)	(949)
Transfers and other movements (*)	(276)	-	(276)
At 30 June 2018	**7,572**	**12,921**	**20,493**
Non-current provisions			**17,828**
Current provisions			**2,665**

Period 2017	**Other provisions**	**Obligations to personnel (Note 12)**	**Total**
At 31 December 2016	**10,632**	**14,900**	**25,532**
Cost for current services	-	14	14
Interests expense/income	-	101	101
Gains/(losses) due to changes in actuarial assumptions	-	95	95
Appropriations	184	-	184
Reversal	(924)	-	(924)
Payments	(873)	(494)	(1,367)
Transfers and other movements (*)	659	-	659
At 30 June 2017	**9,678**	**14,616**	**24,294**
Non-current provisions			**21,874**
Current provisions			**2,420**

(*) Mainly relates to the exchange rate effect.

The other provisions can basically be itemised as follows:

- Provision of € 2,612 thousand (31 December, 2017: € 2,775 thousand) corresponding to the total coverage of likely risks existing in legal proceedings underway, basically, in Europe.

- Provision of € 2,956 thousand (31 December, 2017: € 3,024 thousand) related to liabilities for obligations with employees, excluding post-employment benefit plan (Note 12), basically for the commitments required in the current legislation in each country (basically Brazil, Italy and Arabia) and occupational liabilities assumed as a result of the acquisition of Abantia (Note 18).

- Provision of € 2,004 thousand (31 December, 2017: € 2,359 thousand) corresponding to the hedging of business operating risks including the provision of negative net worth of associate companies of which loss of income is assumed.

14. TAX SITUATION

The Group's current tax balance relates to current amounts generated with respect to public entities for Value Added Tax (VAT), Personal Income tax Withholdings, Social Security and other similar taxes.

The breakdown of corporate income tax is as follows:

	30.06.18	**30.06.17**
Current Tax	(2,886)	(297)
Net changes in deferred taxes	696	(114)
	(2,190)	**(411)**

The theoretical tax rates vary in accordance with the various locations, and the most important are as follows:

	2018	2017
Basque Country	26%	28%
Rest of Spain	25%	25%
Mexico	30%	30%
Brazil	34%	34%
United States of America	21% -25%	21% -25%
Rest of America	21% - 35%	21% - 35%
Rest of Europe (Average rate)	15% - 35%	15% - 35%

The tax group was set up on 1 January, 2015 with Global Dominion Access, S.A. being the controlling party. The rest of the companies are as follows:

- ECI Telecom Ibérica, S.A.
- Dominion Instalaciones y Montajes, S.A.U.
- Dominion Investigación y Desarrollo, S.L.U.
- Beroa Thermal Energy, S.L.
- Beroa Ibéria, S.A.
- Global Near, S.L
- Dominion Digital, S.L.U.
- Dominion West Africa, S.L.
- Dominion Energy, S.L.U.
- Interbox Technology S.L
- Smart House Spain, S.L.U (Incorporated in 2018)

Also, the Spanish tax group was set up on 1 January, 2015 with the controlling party being: Bilcan Global Services, S.L. The rest of the companies are as follows:

- Dominion Centro de Control, S.L.U.
- Dominion Networks S.L.U.
- Sur Conexión, S.L.
- Tiendas Conexión, S.L.
- Eurologística Directa Móvil 21, S.L.U.
- Dominion Industry & Infrastructures, S.L.
- The Phone House Spain, S.L.U. (Incorporated in 2018)
- Connected World Services Europe, S.L.U. (Incorporated in 2018)

Outside Spain it exists the following fiscal groups:

- In Germany: led by the subsidiary Beroa Technology Group GmbH and in which Beroa Deutschland GmbH, Burwitz Montageservice GmbH and Karrena Betonanlagen und Fahrmischer GmbH (dormant) participate.

- In the USA: led by the subsidiary Beroa Corporation LLC and in which also participate Karrena International Chimneys LLC (merged in 2017 with its parent Karrena International LLC), Commonwealth Dynamics Inc., Commonwealth Constructors Inc, International Chimney Corporation and Capital International Steel Works Inc.

The other Dominion Group companies file their tax individually.

The legislation regarding the settlement of corporate income tax in 2015 applicable to the parent company is Bizkaia Regional Law 11/2013 (5 December), on corporate income tax, effective for tax years beginning on or after January 1, 2014, as well as Regional Law 3/1996 (26 June) of Regional Legislation, partially repealed with some effects.

Notwithstanding the rights of the Public Treasury with respect to the tax obligations accruing during the time it was in force. In general terms, the years not statute-barred by the various bodies of tax legislation applicable to each Group companies are open to inspection, ranging between 4 and 6 years as from the time the tax obligation falls due and the deadline for filing tax returns.

The Parent Company's Directors have calculated the amounts associated with this tax for 2018 and 2017 and those years open to inspection in accordance with legislation in force at each year end with the understanding that the final outcome of several legal procedures and appeals that have been filed in this respect will not have a significant impact on the annual accounts taken as a whole.

15. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of outstanding ordinary shares for the year, excluding treasury shares acquired by the Company (Note 9).

	30.06.18	30.06.17
Profit attributable on continuing operations to the Company's shareholders (thousand euros)	12,618	10,033
Weighted average number of outstanding ordinary shares (thousand)	169,240	168,025
Basic earnings per share for continuing operations (euros per share)	**0.075**	**0.060**

	30.06.18	30.06.17
Profit/ Loss on discontinued operations to the Company's shareholders (thousand euros)	2	(10)
Weighted average number of outstanding ordinary shares (thousand)	169,240	168,025
Basic earnings per share for discontinuing operations (euros per share)	**0.000**	**(0.000)**

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding ordinary shares to reflect the conversion of all potentially dilutive ordinary shares. The Company has no potentially dilutive ordinary shares.

16. CASH GENERATED FROM OPERATIONS

	30.06.18	30.06.17
Profit (loss) for the year	**13,173**	**10,827**
Adjustments for:		
- Taxes (Note 14)	2,190	411
- Depreciation of tangible fixed assets (Note 5)	4,652	3,625
- Amortisation of intangible assets (Note 6)	6,720	4,906
- Capital grants transferred to profits/losses	(26)	(36)
- (Profit)/ loss on the sale of tangible fixed assets	(250)	5
- Net movements in provisions (Note 13)	221	(155)
- Interest income	(352)	(348)
- Interest expenses	4,287	3,634
- Exchange rate differences	(462)	(1,897)
- Variation in the fair value of assets and liabilities recognised in profit and loss	(627)	-
- Share in losses /(gains) in associates (Note 7)	(282)	(1,400)
Variations in working capital (excluding the effects of the acquisition and differences in the consolidation exchange rate):		
- Inventories	5,307	122
- Trade and other receivables	4,358	(39,203)
- Other assets	3,379	(3,566)
- Other current liabilities	998	(6,195)
- Trade and other payables	(6,398)	30,926
Cash generated from operations	**36,888**	**5,450**

In the cash flow statement, proceeds from the sale of tangible fixed assets and intangible assets include:

	30.06.18	30.06.17
Carrying amount (Notes 5 and 6)	208	453
Gain /(loss) on the sale of fixed assets	250	(5)
Amount received for the sale of fixed assets	**458**	**448**

17. COMMITMENTS, GUARANTEES AND OTHER INFORMATION

a) Commitments for the purchase of assets

The Group has no committed but as yet not made investments as of the balance sheet dates of 30 June, 2018 and 2017.

b) Operational leasing commitments

As from 2008 the Group has leased various offices and warehouses under non-cancellable operating lease contracts. These contracts are for terms ranging between 5 and 10 years, and are mostly renewable at expiration under market conditions. The Group also rents facilities and machinery under cancellable operating lease contracts. The Group is required to provide six months advance notice of the termination of these contracts.

Total future minimum payments for non-cancellable operational leases are shown below:

	30.06.18	**31.12.17**
Less than one year	18,524	18,026
Between one and five years	33,174	31,338
More than 5 years	1,757	1,846
	53,455	**51,210**

c) Other information (guarantees)

The Group has granted guarantees for projects and services rendered to customers and commercial guarantees totalling approximately € 147 million (31 December, 2017: € 132 million).

These guarantees issued by financial institutions are presented to customers as a compromise of the good performance of contracts, advanced payments received from customers, the coverage of warranty periods and the support for proposal or tenders. The failure of these commitments entail the implementation of these guarantees with cash out flow, the probability of occurrence of which is considered remote.

18. BUSINESS COMBINATIONS

Changes in consolidated scope have been described in Note 1.

Six month period ending on 30 June, 2018

a) Specialist Engineering and Solutions

At the end of February, 2018, the Global Near, S.L. Group company acquired the additional 77% (up to 100%) of the associate company up to that moment Centro Near de Servicios Financieros, S.L. For a price of € 1 before subsequently entering into an investment agreement with a third party via which Global Near contributed € 2 million and the third party technology for a value of € 2 million, resulting in an effective stake of 50.01%. At that time, the name of the company was also changed to Abside Smart Financial Technologies, S.L.

The movement in cash funds on the operation was as follows:

	Amount
Consideration paid during the year	-
Cash and cash equivalents acquired	(85)
	(85)

Below is a summary of the net assets acquired and the goodwill resulting from this transaction:

	Amount
Purchase price	-
Fair value of the net assets acquired	(2,795)
Goodwill (Note 6)	**2,795**

This goodwill embodied the future economic benefits and synergies the acquired businesses are expected to generate within the Group.

The fair values of the net assets acquired as part of this business combination are broken down below:

	Fair value
Intangible assets	2,003
Deferred tax assets	1,650
Trade accounts receivable and other accounts receivable	200
Cash and Cash Equivalents	85
Assets acquired	**3,938**
Minority	2,003
Other liabilities	4,730
Liabilities and minorities acquired	**6,733**
Total Net Assets Acquired	**(2,795)**

On 8 March, 2018, the purchase-sale agreement was registered as a notarised public instrument for 80% of the shareholdings of the Spanish company Labopharma Healthcare, S.L. by the Danish subsidiary Steelcon Esjberg AS (Appendix I), whose current activity is minimum and intended for the realisation of 360 projects in the pharmaceutical sector. The total price of these actions amounted to € 5 thousand, which were paid in full in the first half of 2018. On the acquisition date, the acquired company was inoperative and did not contribute anything to the balance sheet.

b) Multi-Technological Services

On 28 March, 2018, the purchase/sale agreement was recorded to a public instrument for the production unit dedicated to providing industrial maintenance services to the Spanish company Go Specialist System, S.L. By Dominion Industry & Infrastructures, S.L. The price was established at € 1 million, of which the variable part of the same, € 300 thousand, is pending payment. This will be payable in 2021 dependent upon the fulfilment of the future sales objectives established for upcoming financial years. The effects of the transfer of ownership of the new assets and employees involved in the activity is established on 1 April, 2018.

The movement in cash funds on the operation was as follows:

	Amount
Consideration paid during the year	700
Cash and cash equivalents acquired	-
	700

Below is a summary of the net assets acquired and the goodwill resulting from this transaction:

	Amount
Consideration transferred	1,000
Fair value of the net assets acquired	(400)
Goodwill (Note 6)	**1,400**

This goodwill embodied the future economic benefits and synergies the acquired businesses are expected to generate within the Group.

The fair values of the net assets acquired as part of this business combination are broken down below:

	Fair value
Property, Plant and Equipment	21
Assets acquired	**21**
Non-current provisions	93
Trade accounts payable	328
Liabilities acquired	**421**
Total Net Assets Acquired	**(400)**

In June, 2018, the purchase-sale agreement was entered into for 100% of the shares of the Spanish companies Instalaciones Eléctricas Scorpio, S.A. and Instalaciones Eléctricas Scorpio Rioja, S.A. whose activities consist in taking on design, construction and assembly projects for supply networks and electrical equipment, control panels, automation and energy management, for industrial, commercial and residential facilities (public and private). The operation sale price involves a fixed price, amounted to a total of € 3,914 thousand, 25% of which is paid when the agreement is entered into, via the issuing of cheques which were cashed in July, 2018. An agreement was reached to pay the other 75% in January, 2019 as well as a variable price which was calculated by means of a multiplier on the mean EBITDA for the periods from 1 July, 2018 to 30 June, 2019 and from 1 July, 2019 to 30 June, 2020, which will be made in the second half of financial year 2020. This amount was estimated on the date of operation and recorded in these intermediate 6-monthly financial statements for € 1,250 thousand, coinciding with the ceiling limit to be paid.

The movement in cash funds on the operation was as follows:

	Amount
Consideration paid during the year	-
Cash and cash equivalents acquired	(2,072)
	(2,072)

Below is a summary of the net assets acquired and the goodwill resulting from this transaction:

	Amount
Consideration transferred	5,164
Fair value of the net assets acquired	3,049
Goodwill (Note 6)	**2,115**

This goodwill embodied the future economic benefits and synergies the acquired businesses are expected to generate within the Group.

The fair values of the net assets acquired as part of this business combination are broken down below:

	Fair value
Fixed assets	437
Deferred tax assets	99
Inventories	449
Trade accounts receivable and other accounts receivable	1,344
Cash and Cash Equivalents	2,072
Assets acquired	**4,401**
Borrowings	90
Trade accounts payable	1,161
Other liabilities	101
Liabilities acquired	**1,352**
Total Net Assets Acquired	**3,049**

Also, on 27 June, 2018, 100% of the shares were purchased of the Columbian company DITECSA Colombia Soluciones Industriales y Medioambientales, S.A.S. the business of which consists of the management, transport and treatment of waste products, as well as the rendering of other engineering services. The total price of the shares amounted to € 2,510 thousand as a fixed price plus a contingent price of a maximum of Columbian pesos 900 million (equivalent to € 272 thousand on the purchase date), corresponding to the maximum amount to be charged by the purchased company with regards to reimbursement of pending taxes. 10% of the fixed price was paid in June, 2018 and the remaining 90% in January, 2019.

The movement in cash funds on the operation was as follows:

	Amount
Consideration paid during the year	250
Cash and cash equivalents acquired	(243)
	7

Below is a summary of the net assets acquired and the goodwill resulting from this transaction:

	Amount
Consideration transferred	2,782
Fair value of the net assets acquired	1,212
Goodwill (Note 6)	**1,570**

This goodwill embodied the future economic benefits and synergies the acquired businesses are expected to generate within the Group.

The fair values of the net assets acquired as part of this business combination are broken down below:

	Fair value
Fixed assets	1,259
Deferred tax assets	332
Inventories	12
Trade accounts receivable and other accounts receivable	647
Cash and Cash Equivalents	243
Assets acquired	**2,493**
Deferred tax from liabilities	2
Trade accounts payable	1,083
Other liabilities	196
Liabilities acquired	**1,281**
Total Net Assets Acquired	**1,212**

The process for the recognition and fair value valuation of the assets acquired and liabilities assumed as the purchase price to the net assets acquired has not yet been fully completed.

The turnover for the business combinations performed in the 6-month period ending on 30 June, 2018, amounted to € 994 thousand. If this business combinations had been performed on 1 January 2018, this amount would have been € 3,364 thousand.

Six-month period ending on 30 June, 2017

During the six-month period ending on 30 June, 2017 there were no business combinations.

19. TRANSACTIONS WITH AFFILIATED PARTIES

Related parties are considered to be the companies pertaining to CIE Automotive Group, to which the sub-group led by Global Dominion Access, S.A. Pertains (until 3 July, 2018, Note 20), as well as the Directors and key executives and close family members of Dominion Access Group and CIE Automotive Group.

a) Senior management remuneration and loans

The total remuneration paid in 2018 to senior management personnel, excluding that included in Compensation paid to the members of the Board of Directors amounted to € 1,114 thousand (30 June, 2017: € 1,079 thousand).

During 2018 a payment of € 8 thousand was made to defined contribution pension funds or plans for the members of Senior management (30 June, 2017: € 8 thousand).

The Group has life and health insurance policies taken out that gave rise to a payment of € 15 thousand during the 6-month period of financial year 2018 (30 June, 2017: € 18 thousand).

As of 30 June, 2018 and 31 December, 2017 there was no balance whatsoever deriving from transactions with these related parties.

At the General Shareholders' Meeting held on 3 May 2017, a long-term incentive was passed based on increasing the value of Global Dominion Access, S.A. shares for the CEO, certain top management members and other people, given their special relation with the Group. At 30 June, 2018, no agreement had been made to this regard.

b) Balances and transactions during the year with group companies

The detail of balances is as follow:

Debtors / (Creditors)	**30.06.2018**	**31.12.2017**
Trade and other receivables (*)	24,352	12,422
Non-current credits	-	2,845
Current credits (**)	24,765	17,716
Suppliers and other payables (*)	(20)	(16,971)
Other current liabilities	-	(59)

The details of transactions is as follow:

(Charges) / Income	30.06.2018	30.06.2017
Net turnover	21,289	164
Income from services rendered	45	160
Other operating expenses	(13)	(310)
Financial income	171	-

(*) Relate to transactions made by the Solutions segment with Bas Project Corporation, S.L. and its subsidiaries.

(**) Includes credits to associate companies Bas Project Corporation, S.L. and Sociedad Concesionaria Salud Siglo XXI, S.A.

There are no guarantees provided in relation to these pending amounts.

c) Remuneration of the Directors of the parent company

In the first half of 2018 and 2017, the amount accrued by the members of the Board of Directors was as follows:

	30.06.18	30.06.17
Fixed remuneration	275	275
Variable remuneration	-	1,500
Other compensation	7	7
	282	**1,782**

Furthermore, the contract with the CEO contains a clause under which a severance payment doubling his annual compensation is payable if the employment relationship is terminated.

Contributions totalling € 4 thousand were made in the first half of financial year 2018 to defined contribution pension plans or funds for former or current members of the parent company's Board of Directors (30 June, 2017: 4 thousand euros).

As regards life insurance premiums, the Group has policies for the CEO covering death and permanent disability, for which premiums totalled € 3 thousand respectively in 2018 and 2017 (30 June, 2017: € 3 thousand).

Except for the items indicated in the preceding paragraphs, the members of the Company's Board of Directors have not received any compensation consisting of profit sharing or bonuses. No shares or stock options were received during the year, no options were exercised and no options yet to be exercised remain outstanding. However, as indicated in section a) of this Note, the General Shareholders' Assembly passed a concession for a long-term incentive based on increasing the value of Global Dominion Access, S.A. Shares that will also affect the CEO.

d) Loans to shareholders of the parent company

	30.06.18	**31.12.17**
Loans to shareholders and Directors	732	732
	732	**732**

In financial year 2014, a credit of € 1,500 thousand was granted to a member of the Board & Directors in connection with a capital increase. This is still in force now. This loan was partially paid off in July, 2017 with an amount of € 768 thousand, whereby the outstanding debt on the date these consolidated intermediate financial statements were drawn up amount to € 732 thousand.

20. SUBSEQUENT EVENTS

On 3 July, 2018, payment was made for the dividend in kind agreed on by the General Shareholders' Assembly of CIE Automotive, S.A., which consisted in the submission of actions it owned at that time of Global Dominion Access, S.A. to its shareholders. Following this exchange of shares, the only company which holds a stake of 10% or more of the Parent Company's share capital is Acek Desarrollo y Gestión Empresarial, S.L. with a 12.38%.

ANNEX I – Subsidiary Companies within the Scope of Consolidation

Name and address	Domicile	Interest / Effective control	Company holdings the interest	Reason for consolidation	Activity
Global Dominion Access, S.A. (*)	Bilbao	-	CIE Automotive, S.A.	-	Holding company/Technology Services and Solutions
Sociedad Concesionaria Salud Siglo XXI, S.A.	Chile	30%	Global Dominion Access, S.A.	Participation method	Technology Services and Solutions
Dominion Industry & Infrastructures, S.L. (*)	Barcelona	99.99%	Global Dominion Access, S.A.	Global integration	Industrial Services and Solutions
Desolaba, S.A. de C.V.	Mexico	100%	Dominion Industry & Infrastructures, S.L.	Global integration	Technology Services and Solutions
El Salvador Solar 1, S.A. de C.V.	El Salvador	80%	Dominion Industry & Infrastructures, S.L.	Global integration	Technology Services and Solutions
El Salvador Solar 2, S.A. de C.V.	El Salvador	80%	Dominion Industry & Infrastructures, S.L.	Global integration	Technology Services and Solutions
Montelux, S.R.L.	The Dominican Republic	70%	Dominion Industry & Infrastructures, S.L.	Global integration	Technology Services and Solutions
Abasol S.P.A.	Chile	100%	Dominion Industry & Infrastructures, S.L.	Global integration	Technology Services and Solutions
Rovello S.P.A.	Chile	100%	Dominion Industry & Infrastructures, S.L.	Global integration	Technology Services and Solutions
Pimentell S.P.A.	Chile	100%	Dominion Industry & Infrastructures, S.L.	Global integration	Technology Services and Solutions
Rosinol S.P.A.	Chile	100%	Dominion Industry & Infrastructures, S.L.	Global integration	Technology Services and Solutions
Dominion Energy, S.L.U. (*)	Bilbao	100%	Global Dominion Access, S.A.	Global integration	Technology Services and Solutions
Dominion Centroamericana, S.A.	Panama	100%	Dominion Energy, S.L.U.	Global integration	Technology Services and Solutions
Dominion Ecuador Niec, S.A.	Ecuador	99.88%	Dominion Energy, S.L.U.	Global integration	Technology Services and Solutions
Bas Projects Corporation, S.L.	Loiu	35%	Dominion Energy, S.L.U.	Participation method	Technology Services and Solutions
Instalaciones Eléctricas Scorpio, S.A. (*) (1)	Loiu	100%	Global Dominion Access, S.A.	Global integration	Technological services
Scorpio Energy Oman	Oman	60%	Instalaciones Eléctricas Scorpio, S.A.	Global integration	Technological services
Instalaciones Eléctricas Scorpio Rioja, S.A. (1)	Salvatierra – La Rioja	100%	Global Dominion Access, S.A.	Global integration	Technological services
Diseños y Productos Técnicos - DITECSA Colombia (1)	Columbia	100%	Global Dominion Access, S.A.	Global integration	Technological services
Dominion Instalaciones y Montajes S.A.U (*)	Bilbao	100%	Global Dominion Access, S.A.	Global integration	Technology Services and Solutions
E.C.I. Telecom Ibérica, S.A.	Madrid	100%	Dominion Instalaciones y Montajes, S.A.U.	Global integration	Technology Services and Solutions
Interbox Technology S.L	Bilbao	75%	Dominion Instalaciones y Montajes S.A.U	Global integration	Commercial services
Dominion West Africa, S.L.	Bilbao	100%	Dominion Instalaciones y Montajes S.A.U	Global integration	Holding company
Dominion Honduras SRL	Honduras	98%	Dominion Instalaciones y Montajes, S.A.U.	Global integration	Technology Services and Solutions
Dominion Investigación y Desarrollo S.L.U.	Bilbao	100%	Global Dominion Access, S.A.	Global integration	Technology Services and Solutions
Visual Line, S.L.	Bilbao	55%	Global Dominion Access, S.A.	Global integration	Technology Services and Solutions
Dominion Tecnología Ltda (*)	Brazil	99.99%	Global Dominion Access, S.A.	Global integration	Technology Services and Solutions
Dominion Instalaçoes e Montagnes do Brasil Ltda.	Brazil	100.00%	Dominion Tecnología Ltda	Global integration	Technology Services and Solutions
Mexicana de Electrónica Industrial, S.A. de C.V. (*)	Mexico	99.99%	Global Dominion Access, S.A.	Global integration	Technology Services and Solutions
Dominion Tecnologías de la Información, S.A. de CV	Mexico	99.99%	Mexicana de Electrónica Industrial, S.A. de C.V.	Global integration	Technology Services and Solutions
Dominion Baires, S.A.	Argentina	95%	Global Dominion Access, S.A.	Global integration	Technology Services and Solutions
Dominion SPA	Chile	100%	Global Dominion Access, S.A.	Global integration	Technology Services and Solutions
Dominion Perú Soluciones y Servicios S.A.C.	Peru	99%	Global Dominion Access, S.A.	Global integration	Technology Services and Solutions
Beroa Thermal Energy, SL. (*)	Bilbao	100%	Global Dominion Access, S.A.	Global integration	Holding company
Dominion Global France SAS	France	100%	Beroa Thermal Energy, S.L.	Global integration	Industrial Services
Steelcon Chimneys Esbjerg A/S (*)	Denmark	100%	Beroa Thermal Energy, S.L.	Global integration	Industrial Solutions
Steelcon Slovakia, s.r.o.	Slovakia	100%	Steelcon Chimneys Esbjerg A/S	Global integration	Industrial Solutions
Labopharma, S.L. (1)	Madrid	80%	Steelcon Chimneys Esbjerg A/S	Global integration	Technology solutions
Dominion Global Pty. Ltd.	Australia	100%	Beroa Thermal Energy, S.L.	Global integration	Industrial Services and Solutions
Beroa Corporation LLC (*)	USA	100%	Beroa Thermal Energy, S.L.	Global integration	Holding company
Commonwealth Dynamics Inc (*)	USA	100%	Beroa Corporation LLC	Global integration	Industrial Solutions
Commonwealth Power (India) Private Limited	India	100%	Commonwealth Dynamics Inc	Global integration	Industrial Solutions
Commonwealth Dynamics Co. Ltd.	Japan	100%	Commonwealth Dynamics Inc	Global integration	Industrial Solutions

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

Name and address	Domicile	Interest / Effective control	Company holdings the interest	Reason for consolidation	Activity
Commonwealth Constructors Inc	USA	100%	Beroa Corporation LLC	Global integration	Industrial Solutions
Commonwealth Dynamics Limited	Canada	100%	Beroa Corporation LLC	Global integration	Industrial Solutions
Commonwealth Power Chile, SPA (in liquidation)	Chile	100%	Beroa Corporation LLC	Global integration	Industrial Soluctions (dormant)
International Chimney Corporation (*)	USA	100%	Beroa Corporation LLC	Global integration	Industrial Solutions
Capital International Steel Works, Inc.	USA	100%	International Chimney Corporation	Global integration	Industrial Solutions
International Chimney Canada Inc	Canada	100%	International Chimney Corporation	Global integration	Industrial Solutions
Karrena International Chimneys LLC	USA	100%	Beroa Corporation LLC	Global integration	Industrial Solutions
Beroa Ibéria S.A (*)	Bilbao	100%	Beroa Thermal Energy, S.L.	Global integration	Industrial Services and Solutions
Dominion Industry México, S.A. de C.V.	Mexico	99.99%	Beroa Ibéria S.A.	Global integration	Industrial Services
Dominion Industry de Argentina, SRL (formerly Beroa de Argentina SRL)	Argentina	100%	Beroa Ibéria S.A.	Global integration	Servicios industriales y servicios tecnológicos
Altac South Africa Propietary Limited	South Africa	100%	Beroa Ibéria S.A.	Global integration	Industrial Solutions
Dominion Global Philippines Inc.	Philippines	100%	Beroa Ibéria S.A.	Global integration	Industrial Solutions
Chimneys and Refractories Intern. SRL (*)	Italy	90%	Beroa Thermal Energy, S.L.	Global integration	Industrial Solutions
Chimneys and Refractories Intern. SPA (in liquidation)	Chile	90%	Chimneys and Refractories Intern. SRL	Global integration	Industrial Solutions (dormant)
Chimneys and Refractories Intern. Vietnam Co. Ltd.	Vietnam	100%	Chimneys and Refractories Intern. SRL	Global integration	Industrial Solutions
Dominion-Uniseven Industrial Services Pvt, Ltd.	India	51%	Beroa Thermal Energy, S.L	Global integration	Industrial Services
Dominion Arabia Industry LLC (previously Refractories & Chimneys Construction Co. Ltda.)	Saudi Arabia	98.3%	Beroa Thermal Energy, S.L	Global integration	Industrial Solutions
Beroa Technology Group GmbH (*)	Germany	100%	Beroa Thermal Energy, S.L.	Global integration	Holding company
Karrena Betonanlagen und Fahrmischer GmbH (*) (in liquidation)	Germany	100%	Beroa Technology Group GmbH	Global integration	Construction and marketing of a concrete factory (dormant)
HIT-Industrietechnik GmbH (n liquidation)	Germany	52%	Karrena Betonanlagen und Farmischer GmbH	Global integration	Metal welding (dormant)
Bierrum International Ltd.	United Kingdom	100%	Beroa Technology Group GmbH	Global integration	Industrial Soluctions (dormant)
Beroa NovoCOS GmbH	Germany	100%	Beroa Technology Group GmbH	Global integration	Industrial Services
Beroa International Co LLC	Oman	70%	Beroa Technology Group GmbH	Global integration	Industrial Services
Beroa Refractory & Insulation LLC	United Arab Emirates	49%	Beroa Technology Group GmbH	Global integration	Industrial Services
Beroa Nexus Company LLC	Qatar	49%	Beroa Technology Group GmbH	Global integration	Industrial Services
Beroa Deutschland GmbH (*)	Germany	100%	Beroa Technology Group GmbH	Global integration	Industrial Services and Solutions
Cobra Carbon Grinding, B.V.	Holland	50%	Beroa Deutschland GmbH	Participation method	Industrial Services
Karrena Construction Thérmique S.A	France	100%	Beroa Deutschland GmbH	Global integration	Industrial Services (dormant)
Beroa Polska Sp. Z.o.o	Poland	100%	Beroa Deutschland GmbH	Global integration	Industrial Services and Solutions
Karrena Arabia Co.Ltd	Saudi Arabia	55%	Beroa Deutschland GmbH	Global integration	Industrial Services and Solutions
Beroa Chile Limitada (in liquidation)	Chile	99.99%	Beroa Deutschland GmbH	Global integration	Industrial Services (dormant)
Burwitz Montageservice GmbH	Germany	100%	Beroa Deutschland GmbH	Global integration	Industrial Services and Solutions
F&S Feuerfestbau GmbH & Co KG	Germany	50.96%	Beroa Deutschland GmbH	Global integration	Industrial Services and Solutions
F&S Beteiligungs GmbH	Germany	51%	Beroa Deutschland GmbH	Global integration	Holding company
Beroa Abu Obaid Industrial Insulation Company Co. WLL WLL	Bahrain	45%	Beroa Deutschland GmbH	Global integration	Industrial Services
Global Near S.L (*)	Bilbao	100%	Global Dominion Access, S.A.	Global integration	Holding company
Dominion Digital S.L.U. (*)	Bilbao	100%	Global Near S.L	Global integration	Technology solutions
Ampliffica México, S.A de C.V	Mexico	99.99%	Dominion Digital S.L.U.	Global integration	Technology solutions
Global Ampliffica Perú S.A.C.	Peru	99%	Dominion Digital S.L.U.	Global integration	Technology solutions
Advanced Flight Systems S.L.	Bilbao	30%	Dominion Digital S.L.U.	Participation method	Technology solutions
Smart Nagusi, S.L. (1)	Bilbao	50%	Dominion Digital S.L.U.	Participation method	Technology solutions
Abside Smart Financial Technologies, S.L. (Previously Centro Near Servicios Financieros, S.L.)	Bilbao	50.01%	Global Near S.L	Global integration	Technology solutions
DM Informática SA de CV.	Mexico	99.99%	Global Near S.L	Global integration	Technology solutions

Name and address	Domicile	Interest / Effective control	Company holdings the interest	Reason for consolidation	Activity
Dominion Smart Innovation S.A. de C.V	Mexico	99.84%	Global Near S.L	Global integration	Technology solutions
Bilcan Global Services S.L. (*)	Cantabria	100%	Global Dominion Access, S.A.	Global integration	Holding company
Eurologística Directa Móvil 21 S.LU.	Madrid	100%	Bilcan Global Services S.L	Global integration	Commercial services
Dominion Networks S.L.U.	Madrid	100%	Bilcan Global Services S.L	Global integration	Technological services
Dominion Centro de Control S.L.U.	Madrid	100%	Bilcan Global Services S.L	Global integration	Technological services
Tiendas Conexión, S.L.U.	Cantabria	100%	Bilcan Global Services S.L	Global integration	Commercial services
Sur Conexión, S.L.U.	Cantabria	100%	Bilcan Global Services S.L	Global integration	Commercial services
The Phone House Spain, S.L.	Madrid	100%	Global Dominion Access, S.A.	Global integration	Technological services
Connected World Services Europe, S.L.U.	Madrid	100%	Global Dominion Access, S.A.	Global integration	Commercial services
Smart House Spain, S.L.U.	Madrid	100%	Global Dominion Access, S.A.	Global integration	Commercial services

(*) Parent company of all investees appearing subsequently in the table.
(1)Companies included in the scope of consolidation in 2018 together with their subsidiaries.

ANNEX II – Joint Ventures (UTEs) included in the Scope of Consolidation

Name	Domicile	% Share	Reason for Consolidation	Activity
Global Dominion Access, S.A. and Adasa Sistemas, S.A.U. Law 18/1982, 26 May.	Spain	50%	Proportional consolidation	The acquisition and implementation of a surface observation system and GOES/DCS communications to be integrated into the Modernisation Program relating to the National Hydrometeorological Measurement and Prediction System (Venehmet project) being carried out by the Ministry of the Environment and Natural Resources (M.A.R.N), now the Ministry of People Power for the Environment of the Bolivarian Republic of Venezuela.
Global Dominion Access, S.A.-Adasa Sistemas, S.A.U.-EMTE, S.A., Unión Temporal de Empresas, Law 18/1982, 26 May	Spain	50%	Proportional consolidation	The execution of the Contract "For the modernisation of Environmental and Civil Protection Equipment coordinated by COPECO".
Dominion Industry & Infrastructure, S.L. (formerly Abantia Mantenimiento, S.A.) – Siemens, S.A. Temporary Business Association, Law 18/1982, of 26 May (UTE A.S. Correos2)	Spain	55%	Proportional consolidation	Contracting of integrated maintenance necessary to configure the automatic processing of correspondence.
Abantia Instalaciones S.A.U. – Estructuras Titan Steel, S.L. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Ecoles)	Haiti	92.5%	Proportional consolidation	Construction work on 10 schools in Haiti.
Dominion Industry & Infrastructure, S.L. (formerly Abantia Instalaciones, S.A.) – Construcciones Cots y Claret, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Banco de Haiti)	Haiti	70%	Proportional consolidation	Construction of a new administrative building for Banco de la República de Haiti.
Construcciones Cots y Claret, S.L. and Abantia Instalaciones, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Hospital La Providence)	Haiti	50%	Proportional consolidation	Construction of La Providence hospital in Haiti
Construcciones Cots y Claret, S.L. and Abantia Instalaciones, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Saint Michel Hospital)	Haiti	60%	Proportional consolidation	Construction work on Saint Michel hospital in Jaumel - Haiti
Revenga Ingenieros, S.A. and Abantia Instalaciones, S.A.U. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE RACPA)	Spain	50%	Proportional consolidation	Fire detection and interphone systems at Albacete prison (RACPA)
Abantia Instalaciones, S.A.U. – Revenga Ingenieros, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE CP-Ibiza)	Spain	50%	Proportional consolidation	Fire detection system and comprehensive reform of low voltage system at Ibiza prison
Abantia Mantenimiento, S.A. – Cofely España, S.A.U. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Manteniment Diagonal 662)	Spain	55%	Proportional consolidation	Maintenance service in common areas of Edificio Diagonal 662
Acsa Obras e Infraestructuras, S.A. – Abantia Mantenimiento, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Caps Infraestructures)	Spain	50%	Proportional consolidation	Contract for conservation and maintenance service at 318 infrastructure buildings and contract for conservation and maintenance of logistics facilities
Acsa Obras e Infraestructuras, S.A. – Abantia Mantenimiento, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Instalacions Anella Olimpica)	Spain	50%	Proportional consolidation	Preventive, corrective and conductive maintenance, legal technical and event attendance services in the Olympic Risk facilities (Palau Sant Jordi, Estadi Olimpic Lluis Companys)
Construcciones Rubau, S.A. and Abantia Instalaciones, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Vila Seca)	Spain	50%	Proportional consolidation	Construction work in the Ferrari Land area of Port Aventura
Dominion Industry & Infrastructure, S.L.; Comsa Instalaciones, S.L.; Isolux Ingeniería, S.A.; Intalaciones Inabensa, S.A.; Elecnor, S.A. (Previously Agelectric, S.A; Elecnor, S.A.; Emte S.A.; Instalaciones Inabensa, S.A. and Isolux WAT. S.A.) Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Energía Línea 9)	Spain	20%	Proportional consolidation	Contract for project preparation and construction work on Barcelona Metro's Line 9 telecommunications, energy distribution and receiving substations system
FCC Industrial e Infraestructuras Energéticas, S.A. (formerly FCC Actividades de Construcción Industrial, S.A.; FCC Servicios Industriales S.A.); Abantia Instalaciones, S.A. and Seridom, Servicios Integrados IDOM, S.A. Temporary Business Association, Law 18/1982, of 26 May (UTE Operadora Termosolar Guzmán)	Spain	22.5%	Proportional consolidation	Operation and maintenance of Guzman Energía, S.L.'s thermosolar plant

Name	Domicile	% Share	Reason for Consolidation	Activity
Construcciones Pai, S.A.; Construcciones Cots y Claret, S.L.; Constructora D'Aro, S.A.; Abantia Instalaciones, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Nova Bages Santiaria)	Spain	25%	Proportional consolidation	Execution of Phase II construction work to extend San Juan de Dios hospital in Manresa.
Sacyr Construcción, S.A.U.; Vopi 4, S.A.; Abantia Instalaciones, S.A.; Valoriza Facilities, S.A.U. Unión Temporal de Empresas Law 18/1982 of 26 de May (UTE Hospital del Mar)	Spain	30%	Proportional consolidation	Refurbishment and extension of Hospital del Mar, Building I – Phase III in Barcelona
Dominion Industry & Infrastructure, S.L. – Siemens Postal, Parcel & Airport Logistics, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE D.S. Correos 2)	Spain	50%	Proportional consolidation	Contracting of integrated maintenance necessary to configure the automatic processing of correspondence.
Dominion Industry & Infrastructure, S.L.; Serveis Obres I Manteniment, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Modul A Diagonal 662)	Spain	55%	Proportional consolidation	Execution of the mechanical, electrical and special installations of the new IM headquarters in Barcelona
Grifols Movaco, S.A.; Dominion Instalaciones y Montajes, S.A.U. Temporary Business Association, Law 18/1982, of 26 May (UTE Grifols-Dominion)	Spain	32.71%	Proportional consolidation	Integrated service, turnkey, for the promotion and monitoring of the adherence of elderly patients in therapeutic care from the medication-therapeutic unit for outpatients at the Miguel Servat University Hospital in Zaragoza
Dominion Industry & Infrastructure, S.L.; Serveis Obres I Manteniment, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Unitat Semicritics Hospital Santa Caterina)	Spain	50%	Proportional consolidation	Construction work on the new Intensive Care Unit (UCI) – Semi-critical of the Hospital Santa Caterina of the municipality of Salt (Girona) promoted by the Instituto de Asistencia Sanitaria (IAS)
Acsa Obras e Infraestructuras, S.A.U. and Dominion Industry & Infrastructures, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Cortinas Ignífugas Anella Olimpica)	Spain	50%	Proportional consolidation	Execution of work to replace the flame retardant screen, modernisation and adaptation to the regulations of the stage systems at the Palau Sant Jordi in Barcelona.
Acsa Obras e Infraestructuras, S.A.U. and Dominion Industry & Infrastructures, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Eficiencia Energética Anella Olimpica)	Spain	50%	Proportional consolidation	Execution of the work to improve the facilities at the Olympic Ring.
Vopi 4, S.A. and Dominion Industry & Infrastructures, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE REA Hospital del Mar)	Spain	50%	Proportional consolidation	Execution of work and installations for the complete renovation of the area dedicated to the post surgical resuscitation unit at the Hospital del Mar in Barcelona.
New Horizons in Infrastructure NHID, SRL	Denmark	56.2%	Proportional consolidation	Execution of turnkey projects in emerging countries.
Elecnor, S.A. – EHISA Construcciones y Obras, S.A. – Global Dominion Access, S.A. – Certis Obres y Servei, S.A.U. Joint Venture Law 18/1982 of 26 May (UTE Treballs Previs 1 Camp Nou) (1)	Spain	55%	Proportional consolidation	Realisation of maintenance and safety work for future Camp Nou - Tender code UP3_085-CON

(1) Temporary Joint Ventures included within the consolidation scope in 2018

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

DRAWING UP OF THE CONSOLIDATED ABRIDGED INTERMEDIATE FINANCIAL STATEMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2018

Pursuant to current legislation, the current directors making up the entire Board of Directors of Global Dominion Access, S.A. have prepared the consolidated abridged intermediate financial statements relating to the six-month period ending on 30 June, 2018, by signing this document.

Similarly, the Directors of the Company declare that, to the best of their knowledge, the consolidated abridged intermediate financial statements, prepared in accordance with applicable accounting principles present a fair view of the net worth and financial position and results of the issuer and companies included in the scope taken as a whole. They also include a reliable analysis of the corporate progress and results and of the position of the issuer and the companies included in the scope taken as a whole, together with a description of the principal risks and uncertainties which they face.

Bilbao, on 19 July 2018

SIGNED BY:

Mr **Antón Pradera Jaúregui**
(Chair) ____

Mr **Mikel Felix Barandiaran Landin**
(CEO) ____

Mr **Francisco José Riberas Mera**
(Member) ____

Mr **Jesús María Herrera Barandiaran**
(Member) ____

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

Mr. **Fermín del Río Sanz de Acebo**
(Member)

Mrs. **Goizalde Egaña Garitagoitia**
(Member)

Mr. **Jorge Álvarez Aguirre**
(Member)

Mr. **Alfredo Pérez Fernández**
(Member)

Mr. **Juan Tomás Hernani Burzaco**
(Member)

Mr. **Jose María Bergareche Busquet**
(Member)

Mr. **Juan María Román Gonçalves**
(Member)

Ms. **Amaya Gorostiza Tellería**
(Member)

Mr **José Ramón Berecibar Mendizabal**
(Non-voting Secretary)