PUBLIC GAS CORPORATION OF GREECE (DEPA) A.E.

Annual Financial Statements
for the year from 1 January 2017 to 31 December 2017
in accordance with International Financial Reporting Standards

(TRANSLATED FROM THE GREEK ORIGINAL)

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Company Information

Board of Directors:

Velissarios Dotsis – Chairman of the BoD (from 30.11.2017)
Dimitrios-Evangelos Tzortzis – CEO & Vice Chairman of the BoD (from 30.11.2017)
Dimitrios Dimitriadis – Member of the BoD (from 30.11.2017)
Georgios Moustakis – Member of the BoD | Representative of employees
Panagiotis Dimitropoulos – Member of the BoD (from 30.11.2017)
Georgios Germanos – Member of the BoD
Elli Digeni – Member of the BoD | HELPE Representative
Vasileios Karakitsos – Member of the BoD
Nikolaos Lionis – Member of the BoD (from 30.11.2017)
Diomedes Stamoulis – Member of the BoD | HELPE Representative
Christos Samaras – Member of the BoD | Representative of employees

Other members of BoD for the year

Georgios Spanoudis – Chairman of the BoD (up to 27.11.2017)
Theodoros Kitsakos – CEO (up to 27.11.2017)
Dimitrios Dimitriadis – Vice Chairman of the BoD (up to 30.11.2017)
Michael Vergitsis – Member of the BoD (up to 30.11.2017)
Alexandors Sarivalasis – Member of the BoD (up to 30.11.2017)
Nikolaos Farantouris – Chairman of the BoD (from 27.11.2017 to 30.11.2017)
Giorgos Polichroniou – CEO & acting Vice Chairman of the BoD (from 27.11.2017 to 30.11.2017)

Registered office:

92 Marinou Antipa Street & 37 Papaioannou Street
141 21 Iraklio Attikis

Registration number: 17913/01AT/B/88/592(07)

GEMI (General electronic Commercial Registry): 000556901000

Audit Firm:

KPMG Certified Auditors AE
3 Stratigou Tombra Street
153 42 Aghia Paraskevi
Greece

STATEMENT OF COMPREHENSIVE INCOME

		GROUP		COMPANY	
		31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Revenue	6	1,142,493,342	885,370,692	1,088,091,067	861,983,265
Cost of sales		(942,573,701)	(742,203,764)	(1,029,312,672)	(765,121,991)
Gross profit		**199,919,641**	**143,166,928**	**58,778,395**	**96,861,274**
Administrative expenses	7	(29,675,658)	(28,824,903)	(14,313,464)	(13,630,268)
Distribution expenses	8	(9,188,676)	(6,355,469)	(8,711,817)	(6,021,606)
Other (expenses)/income	9	(28,131,573)	11,600,616	(24,109,073)	(4,966,451)
Amortization of grants	13	12,812,563	13,956,173	701,427	2,280,979
Share of profit from equity-accounted investees	16	21,997,171	22,112,179		
Income from investments				37,710,290	31,499,810
Gain/(Loss) from foreign currency translation differences	10	(78,213)	3,472,582	(55,190)	3,426,825
Operating Profit		**167,655,256**	**159,128,106**	**50,000,568**	**109,450,563**
Finance expense	11	(10,960,254)	(14,710,092)	(1,366,889)	(3,939,824)
Finance income	11	18,933,276	21,929,013	16,862,332	20,438,205
Profit before income tax		**175,628,278**	**166,347,027**	**65,496,011**	**125,948,944**
Income tax	12	(45,751,692)	(35,625,057)	(4,805,708)	(20,165,721)
Total comprehensive income after income tax		**129,876,586**	**130,721,970**	**60,690,303**	**105,783,223**
Other comprehensive income/(loss)					
Amounts that will never be reclassified to profit or loss					
Actuarial gain/(loss)		13,191	(3,495,863)	8,443	37,493
Related tax		(3,826)	1,013,800	(2,448)	(10,873)
Other comprehensive income/(loss) after tax		**9,365**	**(2,482,063)**	**5,995**	**26,620**
Total comprehensive income for the year after tax		**129,885,951**	**128,239,907**	**60,696,298**	**105,809,843**
Basic and diluted earnings per share (expressed in Euro per share)	23	**11.54**	**11.61**	**5.39**	**9.40**

The notes on pages 13 to 72 are an integral part of these financial statements.

(All amounts are expressed in EUR, unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

		GROUP	
ASSETS	**Note**	**31/12/2017**	**31/12/2016**
Non-current assets			
Property, plant and equipment	14	1,933,524,969	1,975,970,644
Investment property		427,038	0
Intangible assets	15	16,363,485	17,191,249
Investment in joint ventures	16	301,791,329	300,071,945
Investment in associates	16	23,730,152	10,867,136
Other long-term receivables		438,075	428,152
Deferred tax assets	17	5,593,025	14,566,066
Total non-current assets		**2,281,868,073**	**2,319,095,192**
Current assets			
Inventories	18	49,296,903	26,662,785
Trade and other receivables	20	363,157,634	481,361,090
Cash and cash equivalents	19	532,162,638	321,043,831
Total current assets		**944,617,175**	**829,067,706**
TOTAL ASSETS		**3,226,485,248**	**3,148,162,898**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	21	991,238,046	991,238,046
Reserves	22	196,050,108	151,010,561
Retained Earnings		692,806,205	660,539,102
Total Equity		**1,880,094,359**	**1,802,787,708**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	24	197,021,235	222,822,666
Provisions and other liabilities	27	54,020,732	47,142,881
Government grants	26	293,165,942	297,107,409
Employee benefits	25	5,239,662	7,158,962
Other long-term liabilities	28	524,586,754	537,000,154
Total non-current liabilities		**1,074,034,325**	**1,111,232,071**
Current liabilities			
Trade and other payables	29	202,828,951	195,486,969
Loans and borrowings	24	25,801,431	26,738,931
Current tax liabilities		43,726,182	11,917,219
Total current liabilities		**272,356,564**	**234,143,119**
Total liabilities		**1,346,390,889**	**1,345,375,190**
TOTAL EQUITY AND LIABILITIES		**3,226,485,248**	**3,148,162,898**

The notes on pages 13 to 72 are an integral part of these financial statements.

(All amounts are expressed in EUR, unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

		COMPANY	
ASSETS	**Note**	**31/12/2017**	**31/12/2016**
Non-current assets			
Property, plant and equipment	14	620,084,364	723,408,480
Investment property	14	427,038	-
Intangible assets	15	2,347,154	2,660,600
Investment in subsidiaries and joint ventures	16	955,534,502	886,203,977
Investment in associates	16	30,825,000	16,825,000
Other long-term receivables		161,431	164,879
Deferred tax assets	17	24,930,377	27,690,328
Total non-current assets		**1,634,309,866**	**1,656,953,264**
Current assets			
Inventories	18	27,423,831	8,811,076
Trade and other receivables	20	334,022,198	459,694,975
Cash and cash equivalents	19	298,934,350	175,149,506
Total current assets		**660,380,379**	**643,655,557**
TOTAL ASSETS		**2,294,690,245**	**2,300,608,821**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	21	991,238,046	991,238,046
Reserves	22	170,801,370	130,232,823
Retained Earnings		389,334,917	421,786,467
Total Equity		**1,551,374,333**	**1,543,257,337**
LIABILITIES			
Non-current liabilities			
Provisions and other liabilities	27	2,297,924	2,562,924
Government grants	26	15,177,882	36,201,748
Employee benefits	25	1,119,949	1,244,822
Other long-term liabilities	28	524,400,348	536,810,034
Total non-current liabilities		**542,996,103**	**576,819,528**
Current liabilities			
Trade and other payables	29	197,106,267	179,353,059
Current tax liabilities		3,213,542	1,178,900
Total current liabilities		**200,319,809**	**180,531,959**
Total liabilities		**743,315,912**	**757,351,487**
TOTAL EQUITY AND LIABILITIES		**2,294,690,245**	**2,300,608,821**

The notes on pages 13 to 72 are an integral part of these financial statements.

Chairman of the Board of Directors	Velissarios Dotsis
Chief Executive Officer & Vice chairman	Dimitrios-Evangelos Tzortzis
Executive Director Financial Activities Member of the Greek Economic Chamber – 750 – A' Class Signatory right	Maria Fadridaki
Head of Costing, Balance Sheet and Consolidated Financial Statements Member of the Greek Economic Chamber – 14456– A' Class Signatory Right	Leonidas Mouzakitis

(All amounts are expressed in EUR, unless otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory reserve	Other reserves	Special reserves	Tax free reserves	Retained earnings	Total
Balance at 1 January 2016	991,238,046	55,893,084	5,230,341	81,376,695	1,459,942	539,349,694	1,674,547,801
Profit after tax for the year 1/1-31/12/2016	-	-	-	-	-	130,721,970	130,721,970
Other comprehensive income	-	-	-	-	-	(2,482,063)	(2,482,063)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**128,239,908**	**128,239,908**
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	7,050,500	-	-	-	(7,050,500)	-
Total transactions with owners	**-**	**7,050,500**	**-**	**-**	**-**	**(7,050,500)**	**-**
Balance at 31 December 2016	**991,238,046**	**62,943,584**	**5,230,341**	**81,376,695**	**1,459,942**	**660,539,102**	**1,802,787,708**
Balance at 1 January 2017	991,238,046	62,943,584	5,230,341	81,376,695	1,459,942	660,539,102	1,802,787,708
Profit after tax for the year 1/1-31/12/2017	-	-	-	-	-	129,876,586	129,876,586
Other comprehensive income	-	-	-	-	-	9,365	9,365
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**129,885,951**	**129,885,951**
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	7,506,000	37,533,547	-	-	(45,039,547)	-
Dividends	-	-	-	-	-	(52,579,301)	(52,579,301)
Total transactions with owners	**-**	**7,506,000**	**37,533,547**	**-**	**-**	**(97,618,848)**	**(52,579,301)**
Balance at 31 December 2017	**991,238,046**	**70,449,584**	**42,763,887**	**81,376,695**	**1,459,942**	**692,806,205**	**1,880,094,359**

The notes on pages 13 to 72 are an integral part of these financial statements.

(All amounts are expressed in EUR, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory reserve	Other reserves	Special reserves	Tax free reserves	Retained earnings	Total
Balance at 1 January 2016	991,238,046	37,287,584	4,781,483	81,376,695	1,504,062	321,259,623	1,437,447,492
Profit after tax for the year 1/1-31/12/2016	-	-	-	-	-	105,783,223	105,783,223
Other comprehensive income	-	-	-	-	-	26,620	26,620
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**105,809,844**	**105,809,844**
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	5,283,000	-	-	-	(5,283,000)	-
Total transactions with owners	**-**	**5,283,000**	**-**	**-**	**-**	**(5,283,000)**	**-**
Balance at 31 December 2016	**991,238,046**	**42,570,584**	**4,781,483**	**81,376,695**	**1,504,062**	**421,786,467**	**1,543,257,337**
Balance at 1 January 2017	991,238,046	42,570,584	4,781,483	81,376,695	1,504,062	421,786,467	1,543,257,337
Profit after tax for the year 1/1-31/12/2017	-	-	-	-	-	60,690,303	60,690,303
Other comprehensive income	-	-	-	-	-	5,995	5,995
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**60,696,298**	**60,696,298**
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	3,035,000	37,533,547	-	-	(40,568,547)	-
Dividends	-	-	-	-	-	(52,579,301)	(52,579,301)
Total transactions with owners	**-**	**3,035,000**	**37,533,547**	**-**	**-**	**(93,147,848)**	**(52,579,301)**
Balance at 31 December 2017	**991,238,046**	**45,605,584**	**42,315,030**	**81,376,695**	**1,504,062**	**389,334,917**	**1,551,374,333**

The notes on pages 13 to 72 are an integral part of these financial statements.

(All amounts are expressed in EUR, unless otherwise stated)

CASH FLOW STATEMENT

	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Cash Flows from operating activities:				
Profit before income tax	175,628,278	166,347,027	65,496,011	125,948,944
Adjustments for:				
Depreciation and amortization	80,354,412	81,539,149	22,147,018	24,636,537
Provisions	27,888,704	1,864,347	17,202,098	4,551,508
(Profit)/ loss from jointly controlled entities	(23,134,155)	(22,761,034)	-	-
(Profit)/ loss from investments in associates	1,136,985	648,855	-	-
Write off from sale of property, plant and equipment	169,977	5,141,451	-	-
Income from dividends	-	-	(37,710,290)	(31,499,810)
(Profit)/ loss on sale of property, plant and equipment	2,041	-	-	-
Amortization of grants	(12,812,563)	(13,956,173)	(701,427)	(2,280,979)
Foreign currency differences	60,029	465,332	60,029	465,332
Net finance cost	(7,973,022)	(7,218,921)	(15,495,443)	(16,498,381)
Amortization of rights of use	(29,176,778)	(40,875,297)	(29,176,778)	(40,875,297)
Other adjustments	5,879	-	3,144	-
	212,149,787	171,194,736	21,824,363	64,447,855
Adjustments for changes in working capital or changes related to operating activities:				
Decrease /(Increase) in inventories	(21,847,890)	6,693,115	(20,048,657)	3,067,145
Decrease /(Increase) in receivables	106,657,976	(21,139,907)	107,844,769	(26,477,071)
Decrease/(Increase) in long term receivable	(9,922)	1,728	-	1,493
(Decrease)/Increase in liabilities (excluding banks)	(10,944,126)	(202,229,074)	21,268,151	(203,551,142)
Cash Flows from operating activities	286,005,825	(45,479,402)	130,888,626	(162,511,720)
Interest and other related expenses paid	(10,506,633)	(14,614,611)	(913,268)	(3,844,343)
Net cash from operating activities (a)	**275,499,192**	**(60,094,013)**	**129,975,358**	**(166,356,063)**
Cash flows from investing activities:				
Acquisition of subsidiaries, associates, joint ventures and other investments	(5,125,000)	(125,000)	(5,125,000)	(125,000)
Acquisition of property, plant and equipment and intangible assets	(25,446,816)	(32,227,310)	(927,251)	(690,915)
Dividends received	21,315,094	25,910,654	37,647,043	31,499,810
Interest received	15,323,473	16,135,771	13,252,828	14,644,963
Proceeds from grants	8,871,096	8,580,113	1,541,166	6,216,534
Proceeds from share capital decrease of equity accounted investees	-	5,100,003	-	5,100,003
Net cash from investing activities (b)	**14,937,847**	**23,374,231**	**46,388,786**	**56,645,395**
Cash flows from financing activities:				
Proceeds from borrowings	-	40,000,000	-	-
Repayment of borrowings	(26,738,931)	(32,697,264)	-	-
Dividends paid	(52,579,301)	-	(52,579,301)	-
Net cash from financing activities (c)	**(79,318,232)**	**7,302,736**	**(52,579,301)**	**-**
Net increase / (decrease) in cash and cash equivalents of the year (a)+(b)+(c)	**211,118,807**	**(29,417,046)**	**123,784,843**	**(109,710,668)**
Cash and cash equivalents at 1 January	321,043,831	350,460,877	175,149,506	284,860,174
Cash and cash equivalents at 31 December	**532,162,638**	**321,043,831**	**298,934,350**	**175,149,506**

The notes on pages 13 to 72 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Description of the Group

The Public Gas Corporation and its subsidiaries (the “Group”) operate in Greece and their principal activity is the transmission, distribution and sale of natural gas.

The parent Company **Public Gas Corporation** (hereinafter referred to as “DEPA” or “Company”) was established in Greece in 1988 as a state-owned Societe Anonyme for the purpose of trading natural gas in the Greek energy market. The Company is located at Iraklio Attikis, 92 Marinou Antipa Str.

According to article 3 of the Greek Law 2364/1995, as amended by Law 2992/2002, the Parent Company of the Group, DEPA A.E., was nominated as the Operator of the National System of Transmission of Natural Gas (E.S.F.A.). With this law, the scheduling, construction, ownership and operation of the National System of Transmission of Natural Gas was assigned to DEPA.

The construction of the main pipeline was completed in 1996, and the first sales towards industrial clients started.

The National Natural Gas System Operator (DESFA A.E.) was established, following the provisions of article 7 of the law 3428/2005 on liberalization of the natural gas market. The sector of the National Natural Gas System was transferred from DEPA to DESFA A.E. through a spin-off. With the new legal framework, DESFA A.E. takes over full control of the operation, management, exploitation and development of the E.S.F.A. The subsidiary’s share capital was 100% covered by the Parent Company DEPA A.E.

Based on the above, the assets and liabilities that relate to high pressure Transmission System, were transferred as of 30 June 2006 (date of spin-off) from DEPA A.E. to the newly formed entity, DESFA A.E.. The spin-off was completed with the Presidential Decrees 33/2007 and 34/2007 (Government Gazette A31/20.02.2007) and the establishment of DESFA A.E. on 30/3/2007.

In addition, article 21 of the same law, clarified that before the incorporation of DESFA A.E., the existing Gas Distribution Companies (EDA Thessaloniki A.E. and EDA Thessalia A.E.) would be merged with EDA Attiki A.E.. The merger was completed under the Ministerial Decree K2 18211/29.12.06, issued by the Greek Ministry of Development and the decision No 39478/29.12.06 by the Prefecture of Athens. The geographical boundaries of operation of the new subsidiary “EDA A.E.” formed upon merger, consisted by the geographical area which was previously covered by the operations of the merged entities. By amending article 1 of the Articles of Association, EDA Attiki A.E., changed its legal name to EDA A.E.

According to article 32 of Law 2992/2002, the rights of use held by EDA companies were allowed to be transferred only to a Gas Supply Company (EPA A.E.). Therefore, for the distribution of gas to domestic, commercial and industrial consumers through medium and low pressure pipelines, owned by EDA A.E., three EPAs (EPA Attiki, EPA Thessaloniki and EPA Thessalia) operate in the geographical regions of Attica, Thessaloniki and Thessalia respectively.

The Board of Directors of DEPA and EDA A.E. decided to merge the wholly owned subsidiary EDA A.E. with the parent company DEPA, as of 31 March 2010. The merger was approved by the competent Prefecture on December 23, 2010.

According to Law 4336/2015 issued pursuant to Law 4001/2011, a plan for the gradual and complete liberalization of the gas market was introduced. The overall liberalization process of the retail gas market included the separation of the activities of Distribution from the Supply activities and the creation of new entities for the activity of the Natural Gas Distribution up to 1 January 2017 (separation process).

(All amounts are expressed in EUR, unless otherwise stated)

Within the framework of application of the existing legislation, the supply divisions of "THESSALONIKI GAS SUPPLY COMPANY A.E." and "THESSALIA GAS SUPPLY COMPANY A.E" were contributed to a new single gas supply company ("THESSALONIKI - THESSALIA SUPPLY COMPANY A.E.”), which was established on 27 December 2016.

Similarly, at EPA Attiki A.E., the supply division was contributed to a new gas supply company “EPA Attiki A.E.”, which was established on 2 January 2017.

The pre-existing companies EPA Attiki A.E. and EPA Thessaloniki A.E. were renamed to EDA Attiki A.E. and EDA Thessaloniki-Thessaly A.E.

Furthermore, the Extraordinary General Assembly of Shareholders of EPA Thessaloniki and EPA Thessaly, on 28 September 2016, decided the merger by the company "THESSALONIKI GAS SUPPLY COMPANY A.E." of the affiliated company " THESSALIA GAS SUPPLY COMPANY A.E." in order to establish a single Gas Distribution Company (EDA) of Thessaloniki - Thessalia A.E.

The Company is and associate of “Hellenic Petroleum A.E.” and is incorporated in its consolidated financial statements with the equity method.

The Company’s supplies of natural gas are secured until 2026 from Russia, through the state owned gas company “GAZPROM EXPORT” and until 2021 from Turkey through the company “Botas”. Liquefied natural gas (LNG) is mainly obtained from the Algerian state owned company “SONATRACH” under a long term agreement expiring in 2021.

Spin-off of the natural gas distribution sector and contribution to the newly established DEDA.

Pursuant to the requirements of article 80A of L. 4001/2011, as introduced by article 4 of Law 4336/2015, and as amended, on 02.01.2017 the spin-off of the natural gas distribution sector of DEPA was completed (excluding the networks of the regions of Attica, Thessaly and Thessaloniki). A new company was established, with the contribution of the segmented sector under the name Gas Distribution Company of Rest of Greece A.E. (DEDA) which was renamed to Public Company of Gas Distribution Network A.E. Pursuant to the provision of paragraph 6 of the above Article 80A of Law 4001/2011, DEDA is automatically and legally subrogated to all the rights, obligations and legal relations of DEPA concerning the contributed sector of Natural Gas Distribution, and this transfer is a quasi-universal succession.

The Spin-off Balance Sheet on 02/01/2017 is as follows:

Non-current assets	
Property, plant and equipment	87,954,878
Intangible assets	103,767
Other long-term receivables	3,450
Total non-current assets	**88,062,095**
Current assets	
Inventories	1,435,903
Trade and other receivables	444,475
Receivable from the parent company	5,838,054
Total current assets	**7,718,432**
TOTAL ASSETS	**95,780,526**

(All amounts are expressed in EUR, unless otherwise stated)

Equity	**69,333,670**
Non-current liabilities	
Employee benefits	142,441
Other provisions	265,000
Government grants	21,863,605
Deferred tax liabilities	614,317
Total non-current liabilities	**22,885,362**
Current liabilities	
Trade and other payables	3,204,975
Payable to the parent company	356,519
Total current liabilities	**3,561,494**
Total liabilities	**26,446,856**
TOTAL EQUITY AND LIABILITIES	**95,780,526**

Approval of Financial Statements

The annual financial statements for the year ended 31 December 2017 were approved by the Board of Directors on 18/06/2018. These are located on the website: www.depa.gr

2. Basis of preparation

2.1. General

The accompanying annual stand-alone and consolidated financial statements for the year from 1 January 2017 to 31 December 2017 ("financial statements") have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the Interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) effective as of 31 December 2017, as adopted by the European Union.

The preparation of the financial statements based on the going concern principle is considered by the Board of Directors as fair, despite the risks and uncertainties faced from the macroeconomic environment because:

(a) the Group and the Company are profitable,
(b) the Group and the Company maintain a significant level of cash,
(c) there is little dependence on external borrowings on Group level. The Company has no loans,
(d) there is positive working capital

As a result, the Group and the Company are able to collect their receivables and repay their liabilities.

The preparation of the financial statements, in accordance with IFRS, requires management of the Group to make certain estimates and judgments (Note 4) that affect the reported amounts of assets, liabilities and amounts of the Statement of Comprehensive Income, as well as related disclosures of contingent assets and liabilities at the reporting date. These estimates and judgments are based on past experience and other factors and data which are considered reasonable and are revised on a regular basis. The effect of the revisions of the adopted estimates and judgments is recognized in the year that they are realized or/and in forthcoming fiscal years if these are also affected

3. Significant Accounting policies

The accounting policies set out below have been applied consistently for the preparation of these financial statements:

3.1. Basis of Consolidation

The annual consolidated financial statements as at 31 December 2017 include the financial statements of the Company, its subsidiaries, its jointly controlled entities and its associates.

Subsidiaries are entities that are controlled by the parent company, directly or indirectly, through possession of the majority of shares. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Due to the fact that EDA A.E. granted management of Gas Supply Companies (EPAs) to institutional investors who participate in their share capital by 49%, these companies were considered as jointly controlled entities for consolidation purposes, despite the fact that the Group holds 51% of their share capital

The Group applies IFRS 11 since 1/1/2013, the scope of which is the accounting of arrangements under joint control. All joint ventures in which the Group has joint control are accounted for using the equity method. Details of all subsidiaries, joint ventures and associates and the Group's participation in them, are provided in note 16.

Associates are entities in which the Group has significant influence, but no control over their financial and operating policies. Significant influence is presumed to exist when the Group has the right to participate in the financial and operating policy decisions, without having the power to govern these policies. Investments in associates in which the Group has significant influence are accounted for using the equity method. According to this method, the investment is carried at cost, and is adjusted to recognize the investor's share of the profits or losses of the investee from the date significant influence commences until the date significant influence ceases and also for changes in the investee's net equity. Gains or losses from transactions with associates are eliminated to the extent of the interest in the associate. Additionally, the carrying value of investments in associates is adjusted for accumulated impairment losses, if any.

The accounting policies of subsidiaries, jointly controlled entities and associates are amended, when necessary, so as to ensure consistency with those adopted by the Group. The reporting date of the financial statements of subsidiaries, jointly controlled entities and associates is the same with that of the parent company.

Investments in subsidiaries, associates and jointly controlled entities in the stand-alone financial statements of the parent company, are valued at cost less any accumulated impairment losses.

3.2. Functional and presentation currency and foreign currency translations

The Group's functional and presentation currency is Euro. Transactions in foreign currencies are translated into the respective functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from valuation of monetary assets and liabilities denominated in foreign currencies at year end, are recognized in the statement of comprehensive income.

3.3. Property, plant and equipment

Property, plant and equipment are presented in the financial statements at cost less a) accumulated depreciation and b) any impairment losses.

The initial acquisition cost of property, plant and equipment includes the purchase price, any import tariffs and non-refundable purchase taxes, compensations due to expropriation and any costs necessary for the asset to become operational and ready for its intended use.

Subsequent expenditures incurred in relation to tangible assets are capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group. Ongoing repair and maintenance is expensed as incurred.

Any gain or loss on disposal or retirement of an item of property, plant and equipment is recognized in profit and loss.

Depreciation is calculated on a straight-line basis in profit and loss over the estimated useful life of each item of property, plant and equipment. Land is not depreciated. The estimated useful life, of property, plant and equipment, is as follows:

Buildings	1-20	years
Machinery and equipment	7-40	years
Motor vehicles	5-7	years
Fixtures and fittings	3-7	years

Residual values and useful lives are reviewed at each reporting date. When the carrying values of property, plant and equipment are in excess of their recoverable amounts, the differences (impairment), are recognized as expense in profit and loss. Gains or losses on disposal of property, plant and equipment are determined, by the difference between the sale proceeds and the carrying amount.

3.3.1 Investment Property

In this category, the Group recognizes buildings or parts of buildings and their proportion on the land, which are not used for its operational needs. These investments are initially recognized at acquisition cost, including the transaction costs associated with the acquisition. After initial recognition, they are measured at cost, less accumulated depreciation and any accumulated losses from impairment. Maintenance and repair costs of investment property are recognized in the statement of comprehensive income. For the calculation of depreciation, their useful life is set equal to that of own-occupied property.

3.4. Intangible Assets

3.4.1 Rights of use

The Group's intangible assets mainly relate to the rights of use of the natural gas pipeline network. These rights are recognized as intangible assets at the amounts paid to the beneficiaries for the use of the installed gas system. Rights of use for the natural gas pipeline are amortized on a straight-line basis in profit and loss, over their useful lives. The estimated useful life of these rights is 40 years.

It should be noted that DESFA has the right to use Revithousa Island, where the facilities of Liquefied Natural Gas (LNG) are located, for an indefinite period. The right of use has been granted by the Greek Government, free of charge, with the sole purpose of constructing and operating the LNG

Facilities. The Decision No. 417/24-05-2013 of the Public Properties Company A.E. amended the terms of the 05/01/1990 Permission of use of the Revithousa island, and payment of consideration, of 200 thousand per year was required. The amount is adjusted annually at 100% of the CPI on the annual consideration of the previous year.

3.4.2 Software

Software refer to the acquisition cost of software. Expenditures that improve or extend the efficiency of software programs are recognized as capital expenditures and increase their cost value.

Amortization of software is charged in the Statement of Comprehensive Income, under the straight-line method, over their useful lives. The estimated useful life is 1-3 years.

3.5. Impairment of non-financial assets

Property, plant and equipment, intangible assets and other non-current assets are tested for impairment whenever facts or changes in circumstances indicate that their carrying amounts may not be recoverable. When the carrying amount of any asset exceeds its recoverable amount, the respective impairment loss is recognized in profit and loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount recoverable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. If the Group is unable to estimate the recoverable amount of an asset for which there is an indication of impairment, then the recoverable amount of the cash generating unit in which the asset is grouped, is used instead. For the assessment of impairment losses, the assets are grouped at the smallest possible cash generating units.

An impairment loss recorded in previous years is reversed only if there is sufficient evidence that the impairment no longer exists or it has been decreased. In such situations the above mentioned reversal is recognized as income in profit and loss. For the year ended 31 December 2017 there was no impairment of the Group's non-financial assets.

3.6. Financial Assets

A financial instrument consists of every contract creating a financial asset in one party and a financial liability or equity instrument in another party. The financial instruments that are within the scope and regulated by provisions of IAS 39 are categorized according to their substance and their characteristics in the following four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Investments held to maturity
- Available for sale financial assets

The classification is based on the purpose for which they were acquired. Management determines the classification upon initial recognition and re-examines the classification at each reporting date

a) Loans and receivables

These include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and there is no intention for their trading. Loans and receivables are included in current assets, except for those with maturity date at least 12 months from the reporting date. These assets are classified as non-current assets.

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less any impairment losses. The impairment losses (losses from doubtful accounts) are recognized only when there is objective evidence that the Group will not be able to collect amounts that are due, pursuant to the relative contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognized in profit and loss as an expense. Trade and other receivables include bills of exchange and notes receivable. Subsequent recovery of amounts for which a impairment had been recorded, is recognized in profit and loss within “other operating income”.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, time deposits and short term deposits that are highly liquid and with an initial maturity of three months or less. Bank overdrafts, which are payable on demand and are inseparable part of the Group’s management of its short-term commitments, are considered, for the purpose of the preparation of the cash flow statement, as cash and cash equivalents.

c) Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when there is a legal right to offset these amounts and there is an intention to settle on a net basis.

d) The financial assets are derecognized when the contractual rights to receive cash flows from the asset expires or the Group transfers all the risks and rewards of ownership of the assets.

For financial instruments that are measured at amortized cost, the impairment loss is the difference between their carrying amount and the present value of the estimated future cash flows, discounted with the effective interest rate of the financial instrument.

3.7. Inventories

Inventories, include mainly natural gas, materials used in the construction of the pipeline and spare parts used for its maintenance. Inventories are measured at the lower of acquisition or production cost and net realizable value. Inventory cost of the Company, is determined based on the moving average method which has no significant difference from the weighted average applicable to the Group and the cost of purchase includes all necessary expenses incurred in order to bring inventories to their current location and consists of the purchase cost of construction and maintenance materials of the natural gas pipeline and the purchase cost of natural gas.

3.8. Share Capital

Ordinary shares are classified as equity. Incremental costs attributable to the issue of ordinary shares are recognized as a deduction from retained earnings.

3.9. Loans and Borrowings

Borrowings are initially recognized at fair value, net of any transaction costs incurred. Borrowings are subsequently measured at amortized cost using the effective interest rate method. Any difference between the amount received (net of transaction costs) and the redemption value is recognized in the profit and loss over the period of the loan.

3.10. Income Tax

Current income tax is calculated in accordance with the tax laws enacted in Greece. Current income tax expense comprises the expected tax on the taxable income for the year and any adjustment included in tax statements, additional taxes arising from law provisions or tax audits by tax authorities and provisions for additional taxes and surcharges for unaudited periods. It is measured using tax rates enacted at the reporting date.

Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. If the deferred tax results from the initial recognition of an asset or a liability in a transaction other than a business combination, it affects neither accounting nor taxable profit or loss and, therefore, it is not taken into account.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses, and tax-free discount reserves from investment laws to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.11. Employee benefits

(a) Short term benefits

Short-term employee benefits are expensed as the related service is provided.

(b) Defined distribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays a fixed amount to a third party without any other legal or constructive obligation. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(c) Defined benefit plans

A defined benefit plan is any other pension plan other than a defined contribution plan. The liability that is recorded in the Statement of Financial Position is equal to the present value of the commitment for the benefit less the fair value of the plan's assets, changes that arise from non-recognized actuarial gains and losses and past service costs. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The discount rate is based on high rated corporate bonds of Eurozone.

Actuarial gains and losses that arise from re-measurements of the net defined benefit liability due to change of actuarial assumptions, are recognized immediately in OCI. Past service costs and net interest expense are recognized immediately in profit and loss.

(d) Employee termination benefits

Employment termination benefits are paid when employees retire earlier than the normal date of retirement. Termination benefits are expensed when the Group can no longer withdraw the offer of those benefits or when it offers these benefits as an incentive for voluntary retirement. If benefits are not expected to be settled within 12 months of the reporting date, then they are discounted. In the case of employment termination under which the Group is unable to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for but are disclosed as contingent liability.

3.12. Government grants

Government grants are initially recognized at fair value when there is reasonable assurance that the grants will be received and the Group will comply with all attached conditions. Grants that compensate the Group for expenses incurred, are recognized in profit and loss on a systematic basis in the periods in which the related expenses are recognized. Grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are recognized in profit and loss over the useful life of the asset.

3.13. Provisions and contingent assets and liabilities

Provisions are recognized when the Group has a present legal or constructive obligation, as a result of a past event and it is likely that an outflow of resources will be required to settle the obligation, and a reliable estimate of the liability amount can be made. Provisions are reviewed at each reporting date and are adjusted accordingly in order to reflect the present value of the expenditure to be disbursed when the liability is settled. Provisions that are expected to be utilized in the long-term, if the time value of money is significant, are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of an outflow of resources that incorporate economic benefits is increased and the amount can be measured reliably. Contingent assets are not recognized in the financial statements, but are disclosed, where an inflow of economic benefits is probable

3.14. Trade and other payable

Trade and other payables are recognized at cost which is equal to the fair value of future payments for the purchases of goods and services. Trade and other short-term liabilities are non-interest-bearing accounts and are usually settled within 60 days.

3.15. Revenue recognition

Revenue from rendering of services is recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed. Revenue from sale of goods, is recognized when the significant risks and rewards of ownership have been transferred to the customer.

The Group’s main categories of revenue are the following:

(a) Sale of Gas

The Group invoices its customers for gas supply (wholesale, retail, gas-powered vehicles, auctions) at each period-end. At year end, revenue is accrued, based on estimates relating to the settlement of issued bills of natural gas, in accordance with the signed agreements with the customers, and the retrospective settlements of differences in issued bills in case of price revisions, based on signed agreements with the suppliers.

(b) Gas transmission tariffs

The Group via DESFA and DEDA provides natural gas transmission services, through the National Natural Gas System.

(c) Dividend income

Dividend income is recognized in profit and loss on the date on which the Group’s right to receive payment is established.

(d) Income from rights to use networks

They represent the right to use the gas pipeline network that was granted from DEPA to existing EPAs for a certain period. Revenue for DEPA is the amortization of the right which is based on the duration of the contract from the grant date until the expiration date with the corresponding EPA (at the moment EDA).

3.16. Interest income

Interest income is recognized as it accrues using the effective interest rate method.

3.17. Expenses

3.17.1 Operating leases

The Group's lease arrangements are classified as operating leases, in which the lessor maintains substantially all the risks and rewards of ownership of the assets. Payments made under operating leases are recognized in profit and loss on a straight-line basis over the term of the lease. In case of an early termination of a lease contract, any payment made to the lessor as compensation, is recognised as an expense in the period the termination occurs.

3.17.2 Finance cost

Net finance cost relates to accrued interest expense on borrowings, measured using the effective interest rate method.

3.17.3 Recognition of expenses

Expenses are recognized in the profit and loss on an accrual basis. Payments for operating leases are recognized in profit and loss over the term of the lease.

3.18. Earnings per share

Basic earnings per share are calculated by dividing the net profits of the period with the weighted average number of ordinary shares in issue during the period.

4. Use of judgments and estimates

The preparation of financial statements in accordance with IFRS requires the Group's management to make estimates and judgments that affect the reported amount of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates and assumptions are based on past experience and other factors and data which are considered reasonable and are reviewed on an ongoing basis. The effects of revisions to estimates are recognized in the period in which they take place or even in the following periods if the revision affects not only the present but also the following periods.

The Group's management makes estimates, assumptions and judgments, in order to select the most appropriate accounting principles in relation to future events and transactions. These estimates and assumptions are reviewed on an ongoing basis to reflect the current risks and are based on historical information in relation to the nature and materiality of the underlying transactions and events

Critical accounting estimates and judgments of management

The significant estimates and judgements that refer to facts and circumstances, the progress of which could materially affect the carrying amounts of assets and liabilities within the next 12 months are addressed below:

Impairment of trade receivables

The Group impairs the value of trade receivables when there is evidence or indications that the recovery of the whole or part of the receivable is not probable. Management of the Group periodically reassess the adequacy of accumulated bad debt provision in relation to its credit policy, taking into account data from the Group's legal department, resulting from processing of historical data and from recent developments in the cases they are handling.

Income tax

The company is subject to income tax in accordance with Greek tax laws. Significant judgment is required in estimating the income tax provision. There are some transactions and calculations for which tax effect is uncertain. Where the final tax outcome of these transactions is different from the amounts initially recorded, such differences will impact the current income tax and income tax provisions of the period in which they occur.

Revenue recognition and accrued income

The Group makes estimates for unbilled revenue of natural gas consumption. At year end, accrued revenue is recognised including estimates relating to the settlement of issued bills of natural gas, in accordance with the signed agreements with the customers, and the retrospective settlements of differences in issued bills.

The method of calculation is reviewed on an ongoing basis to ensure conformity of the accounting estimates recognized in the financial statements.

Estimated impairment of non-financial assets

Assets that have indefinite useful lives are not amortized but are annually tested for impairment when conditions indicate that their carrying value may not be recoverable. An impairment loss is recognized in cases where the carrying value of an asset exceeds its recoverable amount. The Group reassesses at each year end whether non-financial assets are impaired. The recoverable amount of assets that generate cash inflows is determined by estimating its value in use. Such calculations require the use of estimates.

Measurement of fair values

The Group's main financial instruments are cash, bank deposits, trade and other receivables and payables as well as bank loans. Due to the short term nature of these instruments, Group management believes that their fair value is essentially equal to their carrying amount with the exemption of bank loans the carrying amount of which is EUR 222.8 million while their fair value is EUR 201.1 million.

Obligations for defined benefit plans

The defined benefit obligations are determined based on an actuarial report which uses assumptions on the discount rate, the future increase of salaries and pensions as well as the yield of any plan assets. Any change in these assumptions will impact the level of recognized obligations.

Provisions and contingent liabilities

The Group recognizes provisions when it considers that there is a present legal or constructive obligation, caused by past events and it is almost certain that its settlement will create an outflow of resources, the amount of which can be estimated reliably. Conversely, in cases where either the outflow is possible or cannot be estimated reliably, the Group does not recognize a provision but discloses the contingent liability, taking into account its significance. The estimate of the likelihood of the outflow and its amount are affected by factors outside the Group's control, such as court decisions, law implementation and the probability of default between counterparties when it comes to off-balance sheet items. The estimates, assumptions and criteria applied by the Group in making decisions which affect the preparation of the financial statements are based on historical data and assumptions which under present circumstances are considered reasonable. The estimates and criteria for making decisions are reassessed in order to take into account the current developments and the effects of any changes are recognized in the financial statements in the year they are incurred.

5. New standards, amendments to standards and interpretations

The accounting policies for the preparation of the financial statements have been consistently applied by the Group to the years 2016 and 2017, after taking into account the following amendments to standards which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2017:

- **Amendment to International Accounting Standard 7 "Statement of Cash Flows": Disclosure Initiative (Regulation 2017/1990/6.11.2017)**

  On 29.1.2016 the International Accounting Standards Board issued an amendment to IAS 7 according to which an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities for which cash flows are classified in the statement of cash flows as cash flows from financing activities. The changes that shall be disclosed, which may arise both from cash flows and non-cash changes, include:

  - changes from financing cash flows,
  - changes arising from obtaining or losing control of subsidiaries or other businesses,
  - the effect of changes in foreign exchange rates,
  - changes in fair values, and
  - other changes.

- **Amendment to International Accounting Standard 12 "Income Taxes": Recognition of Deferred Tax Assets for Unrealized Losses (Regulation 2017/1989/6.11.2017)**

  On 19.1.2016 the International Accounting Standards Board issued an amendment to IAS 12 with which the following were clarified:

  • Unrealized losses on debt instruments measured at fair value for accounting purposes and at cost for tax purposes may give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the asset by sale or by use.

  • The recoverability of a deferred tax asset is assessed in combination with other deferred tax assets. However, if tax law offsets specific types of losses only against a particular type of income, the relative deferred tax asset shall be assessed in combination with other deferred tax assets of the same type.

  • During the deferred tax asset recoverability assessment, an entity compares the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences.

  • The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

- **Improvements to the International Accounting Standards – cycle 2014-2016 (Regulation 2018/182/7.2.2018)**

  As part of the annual improvement project of the International Accounting Standards, the Board issued, on 8.12.2016, amendments to IFRS 12 that clarified that entities are not exempted from all disclosure requirements in respect of investments classified as held for sale (or included in a disposal group) or as discontinued operations but only from certain specific disclosure requirements.

  Apart from the standards mentioned above, the European Union has adopted the following new standards and amendments to standards the application of which is mandatory for the years ending from 1.1.2018 onwards and they have not been early applied by the Company.

- **Amendment to International Financial Reporting Standard 4 "Insurance Contracts": applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Regulation 2017/1988/3.11.2017)**

  Effective for annual periods beginning on or after 1.1.2018.

On 12.9.2016 the International Accounting Standards Board issued an amendment to IFRS 4 with which:

- It provides insurers, whose activities are predominantly connected with insurance, with a temporary exemption from application of IFRS 9 and
- following full adoption of IFRS 9, it gives all entities with insurance contracts the option to present changes in fair value on qualifying designated financial assets in other comprehensive income instead of profit or loss.

The above amendment has no impact on the Group's Financial Statements.

- **International Financial Reporting Standard 9: "Financial Instruments" (Regulation 2016/2067/22.11.2016)**

Effective for annual periods beginning on or after 1.01.2018.

IFRS 9: Financial Instruments, replacing the current IAS 39, provides for significant differences in the classification and measurement of financial instruments and hedge accounting. Indicatively, the following are mentioned:

Classification and measurement
Financial asset shall be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

i) The entity's business model for managing the financial assets. There are three categories of Business Models:

- Hold to collect contractual cash flows
- Hold to collect and sell
- Other

ii) The contractual cash flow characteristics of the financial assets.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

If an instrument meets the above criteria but is held with the objective of both selling and collecting contractual cash flows it shall be classified as measured at fair value through other comprehensive income. Financial assets that are not included in any of the above two categories are mandatorily measured at fair value though profit or loss.

In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, if the hybrid contact contains a host that is within the scope of IFRS 9, the embedded derivative shall not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

With regards to the financial liabilities, the main difference is that the change in the fair value of a financial liability initially designated at fair value through profit or loss shall be recognized in profit or loss with the exception of the effect of change in the liability's credit risk which shall be recognized directly in other comprehensive income.

Impairment
Contrary to the existing IAS 39, under which an entity recognizes only incurred credit losses, the new standard requires the recognition for expected credit losses for the next 12 months. If the credit risk of the financial instrument has increased significantly since initial recognition or the instrument has been classified as impaired at initial recognition then lifetime expected losses are recognized.

The financial assets of the Group mainly concern bank deposits and receivables from customers that will continue to be measured at amortized cost. The application of the simplified approach to impairment of financial assets is not expected to have a significant impact on the Group's financial statements.

The new requirements for classification, measurement and impairment will apply retroactively from 1.1.2018 without any requirement to restate comparative information. The Group does not intend to restate comparative information in the context of the transition to IFRS 9.

- **International Financial Reporting Standard 15 "Revenue from Contracts with Customers" (Regulation 2016/1905/22.9.2016)**

Effective for annual periods beginning on or after 1.1.2018.

The new standard shall be applied to all contracts with customers, except those that are in scope of other standards, such as financial leases, insurance contracts and financial instruments.

According to the new standard, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A new revenue recognition model is introduced, by applying the following five steps:
- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The performance obligation notion is new and in effect represents a promise in a contract with a customer to transfer to the customer either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The new IFRS 15 supersedes:
- IAS 11 "Construction Contracts";
- IAS 18 "Revenue";
- IFRIC 13 "Customer Loyalty Programmes";
- IFRIC 15 "Agreements for the Construction of Real Estate";
- IFRIC 18 "Transfers of Assets from Customers"; and
- SIC-31 "Revenue—Barter Transactions Involving Advertising Services".

The Group will apply the new standard from 1.1.2018 without restating comparative information for 2017. The differences that will arise from the adoption of IFRS 15 will be recognized directly in equity as at 1.1.2018.

The adoption of the new standard will not have a significant impact on its Financial Statements of the Group.

- **International Financial Reporting standard 16: "Leases" (Regulation 2017/1986/31.10.2017)**

Effective for annual periods beginning on or after 1.1.2019.

On 13.1.2016 the International Accounting Standards Board issued IFRS 16 “Leases” which supersedes:

- IAS 17 “ Leases”
- IFRIC 4 “Determining whether an arrangement contains a lease
- ”SIC 15 “Operating Leases – Incentives” and
- SIC 27 “Evaluating the substance of transactions involving the legal form of a lease”.

The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors. In particular, under the new requirements, the classification of leases as either operating or finance is eliminated. A lessee is required to recognize, for all leases with term of more than 12 months, the right-of-use asset as well as the corresponding obligation to pay the lease payments. The above treatment is not required when the asset is of low value.

The Group is examining the impact from the adoption of IFRS 16 on its financial statements.

- **Annual improvements to IFRSs – Cycle 2014-2016 (Regulation 2018/182/7.2.2018)**

Effective for annual periods beginning on 01.01.2018.

As part of the program for annual improvements to IFRSs, IASB issued on 8.12.2016 non-urgent but necessary amendments to IFRS 1 and IAS 28.

The Group is examining the impact from the above mentioned improvements on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards and amendments to standards as well as IFRIC 22 and IFRIC 23 which have not yet been adopted by the European Union and they have not been early applied by the Group.

- **Amendment to International Financial Reporting Standard 2 “Share-based Payment”: Classification and Measurement of Share-based Payment Transactions (Regulation 2018/289/26.2.2018)**

Effective for annual periods beginning on or after 1.1.2018.

On 20.6.2016 the International Accounting Standards Board issued an amendment to IFRS 2 with which the following were clarified:

- in estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions shall follow the same approach as for equity-settled share-based payments,
- where tax law requires an entity to withhold a specified amount of tax (that constitutes a tax obligation of the employee) that relates to share-based payments and shall be remitted to the tax authority, such an arrangement shall be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature,
- if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification.

The amendment does not apply to the financial statements of the Group.

- **Amendment to International Financial Reporting Standard 9 “Financial Instruments”: Prepayment Features with Negative Compensation**

Effective for annual periods beginning on or after 1.1.2019

On 12.10.2017 the International Accounting Standards Board issued an amendment to IFRS 9 that permits some pre-payable financial assets with negative compensation features, that would otherwise been measured at fair value through profit or loss, to be measured at amortized cost or at fair value through OCI. The amendment to IFRS 9 clarifies that a financial asset passes the SPPI criterion regardless of the event or circumstance that cause the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **Amendment to International Financial Reporting Standard 10 "Consolidated Financial Statements" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures": Sale or contribution of assets between an investor and its associate or joint venture**

  Effective date: To be determined.

  On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not contain a business, as defined in IFRS 3, it shall recognize to profit or loss only the part of the gain or loss which is related to the unrelated investor's interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognizes the part of the gain or loss resulting from the re-measurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor's interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary.
  In IAS 28, respectively, it was clarified that the partial recognition of the gains or losses shall be applied only when the involved assets do not constitute a business. Otherwise, the total of the gain or loss shall be recognized in profit and loss of the investor.

  On 17.12.2015, the International Accounting Standards Board deferred the effective date for the application of the amendment that had been initially determined. The new effective date will be determined by the International Accounting Standards Board at a future date after taking into account the results of its project relating to the equity method.

  The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **IFRS 17 "Insurance Contracts"**

  Effective for annual periods beginning on or after 01.01.2021.

  In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim standard, IFRS 4 "Insurance contracts". In contrast to IFRS 4, the new standard introduces a consistent methodology for the measurement of insurance contracts. The key principles in IFRS 17 are the following:

  An entity:
  - identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder;
  - separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
  - divides the contracts into groups that it will recognize and measure;
  - recognizes and measures groups of insurance contracts at:

i) a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)

ii) an amount representing the unearned profit in the group of contracts (the contractual service margin), recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately, presents separately insurance revenue, insurance service expenses and insurance finance income or expenses and discloses information to enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

The amendment does not apply to the financial statements of the Group.

- **Amendments to IAS 19 "Employee Benefits":- Plan Amendment, Curtailment or Settlement.**

  Effective for annual periods beginning on or after 1.1.2019.

  On 7.2.2018 the International Accounting Standards Board issued an amendment to IAS 19 with which it specified how companies determine pension expenses when changes to a defined benefit pension plan occur. In case that an amendment, curtailment or settlement takes place IAS 19 requires a company to re-measure its net defined benefit liability or asset. The amendments to IAS 19 require specifically a company to use the updated assumptions from this re-measurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In addition, the amendment to IAS 19 clarifies the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

  The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **Amendment to International Accounting Standard 28: "Investments in Associates"**

  Effective for annual periods on or after 01.01.2019

  In 12.10.2017 the IASB issued limited-purpose amendment to IAS 28. The purpose of these amendments is to provide clarifications on the accounting treatment of long-term participations in an associate or joint venture - to which the equity method does not apply - based on IFRS 9 including impairment requirements. When applying IFRS 9, no adjustments should be made to the carrying amount of long-term investments resulting from the application of IAS 28.

  The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **Amendment to International Accounting Standard 40 "Investment Property: Transfers of Investment Property"**

  Effective for annual periods on or after 01.01.2018

  On 8.12.2016 the International Accounting Standards Board issued an amendment to IAS 40 with which it clarified that an entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. In addition, the examples of evidence of a change in use were expanded to include assets under construction and not only transfers of completed properties.

  The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **Annual Improvements to IFRSs – Cycle 2015-2017**

  Effective for annual periods beginning on or after 01.01.2019.

  As part of the annual improvements program for IFRS, IASB issued on 12.12.2017, non-urgent but necessary amendments to various standards.

  The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration"**

  Effective for annual periods on or after 01.01.2018.

  On 8.12.2016 the International Accounting Standards Board issued IFRIC 22. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation clarified that the date of the transaction, for the purpose of determination of exchange rate to use on initial recognition of the asset, the income or expense, is the date of initial recognition of the non-monetary asset or liability (i.e. advance consideration). Additionally, if there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

  The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **IFRIC 23 "Uncertainty over Income Tax Treatments**
  Effective for annual periods beginning on or after 01.01.2019.

  On 7.6.2017 the International Accounting Standards Board issued IFRIC 23. The Interpretation clarifies application of recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. The Interpretation specifically clarifies the following:

  An entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty.

  The estimations for the examination by taxation authorities shall be based on the fact that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

  For the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment.

  An entity shall reassess an estimate if the facts and circumstances change or as a result of new information.

  The Group is examining the impact from the adoption of the above Interpretation on its financial statements.

(All amounts are expressed in EUR, unless otherwise stated)

6. Revenue

Revenue of the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Sale of gas-wholesale	1,017,002,353	784,921,127	1,057,284,164	814,127,042
Sale of gas-retail	1,332,485	1,027,659	1,332,485	1,027,659
Income from amortization of rights	29,176,778	40,875,297	29,176,778	40,875,297
Other income	147,814	-	4,893	-
Gas transit fees and other network services	94,833,913	58,546,610	292,749	5,953,267
	1,142,493,342	**885,370,692**	**1,088,091,067**	**861,983,265**

7. Administrative Expenses

Administrative expenses of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Staff costs	(9,404,755)	(8,092,989)	(4,214,053)	(3,725,615)
Third party fees	(11,308,915)	(9,231,771)	(5,210,847)	(4,761,758)
Utilities	(3,489,018)	(5,761,596)	(1,542,627)	(1,408,855)
Taxes and duties	(2,563,414)	(2,735,863)	(2,375,631)	(2,678,659)
Other expenses	(2,685,260)	(2,397,041)	(820,550)	(825,545)
Provisions	(164,177)	(473,668)	(95,273)	(180,000)
Depreciation and amortization	(60,119)	(131,974)	(54,484)	(49,836)
	(29,675,658)	**(28,824,903)**	**(14,313,464)**	**(13,630,268)**

8. Distribution Expenses

Distribution expenses for the Group and Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Consumption-losses	(1,760,278)	(669,976)	(1,760,278)	(669,976)
Staff costs	(497,545)	(213,028)	(337,542)	(132,206)
Third party fees	(2,087,885)	(770,127)	(1,958,591)	(694,673)
Utilities	(237,752)	(174,077)	(219,581)	(122,573)
Taxes and duties	(127,096)	(63,775)	(117,432)	(51,621)
Other Expenses	(4,423,420)	(4,443,377)	(4,263,722)	(4,332,278)
Provisions	(2,785)	31,552	(2,814)	33,709
Depreciation and amortization	(51,917)	(52,661)	(51,857)	(51,989)
	(9,188,676)	**(6,355,469)**	**(8,711,817)**	**(6,021,606)**

(All amounts are expressed in EUR, unless otherwise stated)

9. Other (expenses)/income

Other operating income and expenses of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
Other expenses	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Provision for other risks	(10,925,000)	(4,108)	-	(4,108)
Other expenses	(9,762,300)	(6,370,083)	(2,754,492)	(292,825)
Provision for doubtful customers	(31,510,954)	(8,500,000)	(30,497,876)	(8,500,000)
Total other expense	**(52,198,253)**	**(14,874,191)**	**(33,252,368)**	**(8,796,933)**

	GROUP		COMPANY	
Other income	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Grants	486,197	61,500	486,197	61,500
Income from other activities	6,875,811	5,812,784	1,105,018	711,757
Other income	862,394	10,626,452	840,305	2,865,543
Release of provisions	15,842,279	9,974,070	6,711,776	191,682
Total other income	**24,066,680**	**26,474,806**	**9,143,295**	**3,830,482**
Other (expenses)/income	**(28,131,573)**	**11,600,616**	**(24,109,073)**	**(4,966,451)**

10. Foreign currency translation differences gain/(loss)

Loss from foreign exchange differences of the Group and Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Loss from foreign exchange differences	(9,388,014)	(26,111,425)	(9,298,978)	(25,976,255)
Gain from foreign exchange differences	9,309,802	29,584,007	9,243,788	29,403,080
Net loss from foreign exchange differences	**(78,213)**	**3,472,582**	**(55,190)**	**3,426,825**

11. Finance cost and income

Finance cost of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Interest expense	(9,589,567)	(10,770,353)	-	-
Other finance expenses	(1,370,687)	(3,939,739)	(1,366,889)	(3,939,824)
Total finance cost	**(10,960,254)**	**(14,710,092)**	**(1,366,889)**	**(3,939,824)**

(All amounts are expressed in EUR, unless otherwise stated)

Finance income of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Interest income and related income	18,933,276	21,929,013	16,862,332	20,438,205
Total finance income	**18,933,276**	**21,929,013**	**16,862,332**	**20,438,205**

12. Income tax

Income tax expense in profit and loss of the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Current income tax	(35,362,246)	(9,242,978)	-	-
Prior year taxes	1,966,302	(7,653,871)	1,966,302	(7,653,871)
Deferred tax	(8,955,558)	(18,728,208)	(3,371,820)	(12,511,850)
Tax on distributed profits	(3.213.542)	-	(3,213,542)	-
Other taxes	(186,648)	-	(186,648)	-
Total	**(45,751,692)**	**(35,625,057)**	**(4,805,708)**	**(20,165,721)**

	GROUP				COMPANY			
	%	31/12/2017	%	31/12/2016	%	31/12/2017	%	31/12/2016
Profit before tax		**175.628.278**		**166.347.027**		**65.496.011**		**125.948.945**
Tax using the Company's tax rate	29%	(50,932,201)	29%	(48,240,638)	29%	(18,993,843)	29%	(36,525,194)
Non-deductible expenses	3%	(4,803,495)	1%	(1,502,343)	1%	(758,441)	1%	(883,363)
Tax-exempt income	-6%	10,822,397	-4%	7,392,140	-17%	10,822,397	-6%	7,392,140
Prior year taxes	-1%	1,966,302	-5%	7,653,871	-3%	1,966,302	-6%	7,653,871
Tax losses for which no deferred tax asset has been recognized	0%	(669,246)	0%	-	0%	-	0%	-
Other taxes	0%	(186,648)	0%	-	0%	(186,648)	0%	-
Other	1%	(1,948,801)	1%	(928,087)	-4%	2,344,526	-2%	2,196,826
Total tax in profit and loss	**26%**	**(45,751,692)**	**21%**	**(35,625,057)**	**7%**	**(4,805,708)**	**16%**	**(20,165,721)**

(All amounts are expressed in EUR, unless otherwise stated)

13. Depreciation and amortization

Depreciation and amortization of tangible and intangible assets charged to the profit and loss are allocated to:

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Cost of sales	(80,241,612)	(81,339,308)	(22,039,913)	(24,534,550)
Administrative expenses	(60,119)	(131,974)	(54,484)	(49,836)
Distribution expenses	(51,917)	(52,661)	(51,857)	(51,989)
Finance expenses	(764)	(15,206)	(764)	(162)
Total depreciation for the year	**(80,354,412)**	**(81,539,149)**	**(22,147,018)**	**(24,636,537)**
Add:				
Amortization of grants	12,812,563	13,956,173	701,427	2,280,979
Net result of depreciation and amortization in the profit and loss	**(67,541,849)**	**(67,582,977)**	**(21,445,590)**	**(22,355,557)**

(All amounts are expressed in EUR, unless otherwise stated)

14. Property, plant and equipment

Property, plant and equipment of the Group and the Company are analyzed as follows:

	GROUP						
	Land	**Buildings and building installations**	**Machinery**	**Vehicles**	**Furniture and fixtures**	**Assets under construction**	**Total**
<u>Cost</u>							
Balance as at 1/1/2016	**9,135,756**	**101,102,397**	**2,650,536,452**	**1,793,533**	**44,733,208**	**108,169,701**	**2,915,471,048**
Additions			19,509,483	270	102,563	25,378,587	44,990,903
Costs during construction period	-	-	-	-	-	5,941,046	5,941,046
Disposals		-		(4,720)		(5,141,451)	(5,146,171)
Transfers within property, plant and equipment	89,018	1,495,433	22,724,729	-	676,782	(23,771,242)	1,214,721
Balance as at 31/12/2016	**9,224,775**	**102,597,831**	**2,692,770,664**	**1,789,083**	**45,512,552**	**110,576,642**	**2,962,471,544**
<u>Accumulated depreciation</u>							
Balance as at 1/1/2016	**-**	**70,124,693**	**792,625,986**	**1,727,381**	**41,297,442**	**-**	**905,775,503**
Additions	-	4,652,321	74,170,560	16,463	1,891,019	-	80,730,363
Disposals/Transfers	-	-		(4,720)	(245)	-	(4,965)
Balance as at 31/12/2016		**74,777,014**	**866,796,546**	**1,739,124**	**43,188,216**		**986,500,900**
<u>Net Book Value</u>							
Balance as at 1/1/2016	**9,135,756**	**30,977,704**	**1,857,910,466**	**66,152**	**3,435,766**	**108,169,701**	**2,009,695,545**
Balance as at 31/12/2016	**9,224,775**	**27,820,817**	**1,825,974,119**	**49,959**	**2,324,337**	**110,576,642**	**1,975,970,644**

(All amounts are expressed in EUR, unless otherwise stated)

	GROUP						
	Land	Buildings and building installations	Machinery	Vehicles	Furniture and fixtures	Assets under construction	Total
Cost							
Balance as at 1/1/2017	**9,224,775**	**102,597,831**	**2,692,770,664**	**1,789,083**	**45,512,552**	**110,576,642**	**2,962,471,544**
Additions	-	77,292	6,170,608	-	268,609	29,734,399	36,250,908
Costs during construction period	-	-	-	-	-	1,220,808	1,220,808
Disposals	-	-	-	(118,249)	(70,285)	-	(188,534)
Transfers within property, plant and equipment	91,552	1,616,191	22,780,639	-	4,693	(24,493,075)	-
Transfers to investment property	(361,173)	(2,799,285)	-	-	-	-	(3,160,458)
Balance as at 31/12/2017	**8,955,153**	**101,492,029**	**2,721,721,912**	**1,670,834**	**45,715,570**	**117,038,774**	**2,996,594,269**
Accumulated depreciation							
Balance as at 1/1/2017	**-**	**74,777,014**	**866,796,546**	**1,739,124**	**43,188,216**	**-**	**986,500,900**
Additions	**-**	3,866,669	74,483,339	16,344	1,122,021	**-**	79,488,372
Disposals/Transfers	**-**	-	-	(118,249)	(68,305)	-	(186,555)
Transfers to investment property	**-**	(2,733,419)	-	-	-	-	(2,733,419)
Balance as at 31/12/2017		**75,910,263**	**941,279,885**	**1,637,219**	**44,241,931**		**1,063,069,299**
Net Book Value							
Balance as at 1/1/2017	**9,224,775**	**27,820,817**	**1,825,974,119**	**49,959**	**2,324,337**	**110,576,642**	**1,975,970,644**
Balance as at 31/12/2017	**8,955,153**	**25,581,766**	**1,780,442,027**	**33,615**	**1,473,639**	**117,038,774**	**1,933,524,969**

(All amounts are expressed in EUR, unless otherwise stated)

	COMPANY						
	Land	Buildings and building installations	Machinery	Vehicles	Furniture and fixtures	Assets under construction	Total
Cost							
Balance as at 1/1/2016	**1,339,341**	**7,694,609**	**930,616,480**	**109,431**	**5,928,443**	**4,121,757**	**949,810,061**
Additions			19,258,065		29,341	582,175	19,869,580
Disposals/Write offs/other decreases				(4,720)			(4,720)
Transfers within property, plant and equipment			3,664,757	-		(3,664,757)	
Balance as at 31/12/2016	**1,339,341**	**7,694,609**	**953,539,301**	**104,710**	**5,957,784**	**1,039,176**	**969,674,921**
Accumulated depreciation							
Balance as at 1/1/2016	**-**	**6,212,566**	**210,191,454**	**76,405**	**5,371,065**	**-**	**221,851,488**
Additions	-	169,769	24,045,772	7,304	196,827	-	24,419,672
Disposals/Write offs/other decreases				(4,720)			(4,720)
Balance as at 31/12/2016		**6,382,336**	**234,237,226**	**78,988**	**5,567,892**		**246,266,440**
Net Book Value							
Balance as at 1/1/2016	**1,339,341**	**1,482,042**	**720,425,026**	**33,026**	**557,378**	**4,121,757**	**727,958,573**
Balance as at 31/12/2016	**1,339,341**	**1,312,273**	**719,302,076**	**25,722**	**389,892**	**1,039,176**	**723,408,480**

(All amounts are expressed in EUR, unless otherwise stated)

	COMPANY						
	Land	**Buildings and building installations**	**Machinery**	**Vehicles**	**Furniture and fixtures**	**Assets under construction**	**Total**
Cost							
Balance as at 1/1/2017	**1,339,341**	**7,694,609**	**953,539,301**	**104,710**	**5,957,784**	**1,039,176**	**969,674,921**
Additions	-	-	6,067,888	-	91,353	831,377	6,990,618
Disposals/Write offs/other decreases	-	-	-	(9,504)	(2,749)	-	(12,252)
Transfers within property, plant and equipment	-	12,824	592,947	-	-	(605,771)	-
Transfers to DEDA	(99,422)	-	(110,302,012)	-	(35,691)	(627,902)	(111,065,025)
Transfers to investment property	(361,173)	(2,799,285)	-	-	-	-	(3,160,458)
Balance as at 31/12/2017	**878,747**	**4,908,147**	**849,898,125**	**95,206**	**6,010,697**	**636,880**	**862,427,803**
Accumulated depreciation							
Balance as at 1/1/2017	**-**	**6,382,336**	**234,237,226**	**78,988**	**5,567,892**	**-**	**246,266,440**
Additions	-	166,535	21,572,663	7,304	186,315	-	21,932,817
Disposals/Write offs/other decreases	-	-	-	(9,504)	(2,749)	-	(12,252)
Transfers to DEDA	-	-	(23,074,457)	-	(35,690)	-	(23,110,147)
Transfers to investment property	-	(2,733,419)	-	-	-	-	(2,733,419)
Balance as at 31/12/2017	**-**	**3,815,451**	**232,735,432**	**76,788**	**5,715,769**	**-**	**242,343,439**
Net Book Value							
Balance as at 1/1/2017	**1,339,341**	**1,312,273**	**719,302,076**	**25,722**	**389,892**	**1,039,176**	**723,408,480**
Balance as at 31/12/2017	**878,747**	**1,092,697**	**617,162,693**	**18,419**	**294,929**	**636,880**	**620,084,364**

(All amounts are expressed in EUR, unless otherwise stated)

15. Intangible Assets

Intangible assets of the Group and the Company are analyzed as follows:

	GROUP			COMPANY		
	Software	Rights of use	Total	Software	Rights of use	Total
Cost						
Balance as at 1/1/2016	**3,621,252**	**30,569,871**	**34,191,123**	**953,834**	**4,736,971**	**5,690,805**
Additions	515,028	10,170	525,198	51,172	-	51,172
Transfers	-	166,747	166,747	-	-	-
Balance as at 31/12/2016	**4,136,280**	**30,746,788**	**34,883,068**	**1,005,006**	**4,736,971**	**5,741,977**
Accumulated amortization						
Balance as at 1/1/2016	**3,044,771**	**12,456,550**	**15,501,321**	**924,282**	**1,940,230**	**2,864,511**
Additions	91,445	717,341	808,786	21,533	195,331	216,865
Transfers	-	1,381,713	1,381,713	-	-	-
Balance as at 31/12/2016	**3,136,216**	**14,555,603**	**17,691,820**	**945,815**	**2,135,561**	**3,081,377**
Net Book Value						
Balance as at 1/1/2016	**576,481**	**18,113,321**	**18,689,802**	**29,552**	**2,796,741**	**2,826,294**
Balance as at 31/12/2016	**1,000,064**	**16,191,185**	**17,191,249**	**59,191**	**2,601,410**	**2,660,600**

(All amounts are expressed in EUR, unless otherwise stated)

	GROUP			COMPANY		
	Software	Rights of use	Total	Software	Rights of use	Total
Cost						
Balance as at 1/1/2017	**4,136,280**	**30,746,788**	**34,883,068**	**1,005,006**	**4,736,971**	**5,741,977**
Additions	36,474	1,800	38,274	4,522	-	4,522
Transfers to DEDA	-	-	-	(5,700)	(114,600)	(120,300)
Balance as at 31/12/2017	**4,172,754**	**30,748,588**	**34,921,343**	**1,003,828**	**4,622,371**	**5,626,199**
Accumulated amortization						
Balance as at 1/1/2017	**3,136,216**	**14,555,603**	**17,691,820**	**945,815**	**2,135,561**	**3,081,377**
Additions	148,652	717,387	866,039	21,735	192,466	214,201
Transfers to DEDA	-	-	-	(1,266)	(15,267)	(16,533)
Balance as at 31/12/2017	**3,284,868**	**15,272,990**	**18,557,858**	**966,284**	**2,312,760**	**3,279,045**
Net Book Value						
Balance as at 1/1/2017	**1,000,064**	**16,191,185**	**17,191,249**	**59,191**	**2,601,410**	**2,660,600**
Balance as at 31/12/2017	**887,886**	**15,475,598**	**16,363,485**	**37,544**	**2,309,611**	**2,347,154**

(All amounts are expressed in EUR, unless otherwise stated)

16. Investments in subsidiaries and associates

The Group consists of the following companies:

COMPANY	LOCATION	PRINCIPAL ACTIVITY	CONSOLIDATION METHOD	PARTICIPATION RELATIONSHIP	% PARTICIPATION 31.12.2017	% PARTICIPATION 31.12.2016
DEPA A.E.	Athens	Import, distribution and sale of Natural Gas	Full consolidation	-	Parent	Parent
I. Subsidiaries						
DESFA A.E.	Athens	Operator of the national natural gas system	Full consolidation	Direct	100.00%	100.00%
DEDA	Athens	Distribution of Natural Gas	Full consolidation	Direct	100.00%	-
II. Jointly controlled entities and associates						
E.D.A. ATTIKIS A.E.	Athens	Distribution of Natural Gas	Equity method	Direct	51.00%	51.00%
EDA THESS A.E.	Thessaloniki	Distribution of Natural Gas	Equity method	Direct	51.00%	51.00%
EPA THESS A.E.	Thessaloniki	Sale of Natural Gas	Equity method	Direct	51.00%	51.00%
E.P.A. ATTIKIS A.E.	Athens	Sale of Natural Gas	Equity method	Indirect	51.00%	-
Y.A.F.A. POSEIDON A.E.	Athens	Construction & operation of underwater gas pipeline between Greece and Italy	Equity method	Indirect	50.00%	50.00%
SOUTH STREAM NATURAL GAS PIPELINE A.E.	Athens	Development, financing, construction, operation & maintenance of south stream natural gas pipeline	Equity method	Indirect	50.00%	50.00%
ICGB AD	Sofia	Development, planning, financing, construction, management operation & maintenance of IGB natural gas pipeline	Equity method	Indirect	25.00%	25.00%

(All amounts are expressed in EUR, unless otherwise stated)

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Investments in subsidiaries				
DESFA	-	-	629,341,478	629,341,478
DEDA A.E.	-	-	69,333,670	-
Investments in jointly controlled entities				
E.D.A. ATTIKIS A.E.	139,270,823	143,231,896	107,008,107	107,008,107
EDA THESS A.E.	142,288,298	156,184,462	140,068,635	149,854,392
EPA THESS A.E.	15,318,022	655,587	9,782,613	-
EPA ATTIKIS A.E.	4,914,185	-	-	-
Carrying value/Cost value of investments in subsidiaries and jointly controlled entities	**301,791,329**	**300,071,945**	**955,534,502**	**886,203,977**

	GROUP		COMPANY	
Investments in associates				
YAFA POSEIDON A.E.	23,444,066	10,572,037	30,825,000	16,825,000
SOUTH STREAM NATURAL GAS PIPELINE A.E.	286,085	295,099	-	-
Cost value of investments in associates	**23,730,152**	**10,867,136**	**30,825,000**	**16,825,000**

The investments in subsidiaries and associates of the Group and the Company are analyzed as follows:

Summary of financial information for subsidiaries for the year 2017:

Name	**Country of registration**	**Assets**	**Liabilities**	**Revenue**	**Profit (loss)**	**Participation percentage**
YAFA POSEIDON A.E.	ΕΛΛΑΔΑ	32,692,455	3,804,322	-	(2,255,941)	50%
SOUTH STREAM NATURAL GAS PIPELINE A.E.	ΕΛΛΑΔΑ	603,469	31,298	-	(18,028)	50%

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Opening balance	10,867,136	11,265,991	16,825,000	16,575,000
Additions	14,000,000	250,000	14,000,000	250,000
Total share of loss (after taxes)	(1,136,986)	(648,855)	-	-
Closing balance	**23,730,152**	**10,867,136**	**30,825,000**	**16,825,000**

(All amounts are expressed in EUR, unless otherwise stated)

Summary of Financial Information of jointly controlled entities for the year 2016 and 2017 :

	2016			
	EPA ATTIKIS	**EDA THESS A.E**	**EPA THESSALONIKIS - THESSALIAS A.E (30/12/2016-31/12/2016)**	**EPA THESSALIAS (up to 29/12/2016)**
Non-current Assets	277,094,620	288,650,591	1,541,163	90,937,482
Cash and cash equivalents	26,769,608	8,132,771	30,142,230	5,256,424
Other Current Assets	54,446,310	20,938,615	55,555,425	22,224,021
Assets held for sale		19,181,595		
Long term loans	(5,493,665)	-		
Other long term liabilities	(29,016,289)	(18,959,941)	(22,204,745)	(17,455,873)
Short-term loans	(5,560,000)	-		
Other current liabilities	(37,393,739)	(11,705,754)	(44,567,012)	(16,793,763)
Total Equity	**280,846,846**	**306,237,877**	**20,467,060**	**84,168,291**
Group share in equity (51%)	143,231,891	156,181,317	10,438,201	42,925,828
Other adjustments	5	3,144	-	
Cost value of jointly controlled companies	**143,231,896**	**156,184,461**	**10,438,201**	**42,925,828**
Revenue	138,857,340	39,734,573	3,270,389	58,150,912
Depreciation and amortization	(20,497,269)	(15,133,242)		7,026,714
Finance income	952,518	12,158	72,441	189,185
Finance cost	(1,737,104)	(91,835)	(57)	(103,114)
Income tax	(6,041,541)	(1,997,740)	99,472	(3,765,525)
Net profit for the period and other comprehensive income (100%)	**16,519,994**	**19,676,379**	**1,285,465**	**7,131,560**
Net profit for the period and other comprehensive income (51%)	**8,425,197**	**10,034,953**	**655,587**	**3,637,096**

	2017			
	EDA ATTIKIS (former EPA ATTIKIS)	**EDA THESS A.E**	**EPA THESSALONIKIS - THESSALIAS A.E**	**EPA ATTIKIS**
Non-current Assets	270,080,173	290,870,639	2,815,715	2,478,517
Cash and cash equivalents	4,023,833	15,366,455	29,582,513	37,646,067
Other Current Assets	18,409,301	23,686,319	66,490,386	43,738,983
Assets held for sale	18,145,358			
Long term loans		(12,800,000)	-	
Other long term liabilities	(5,818,109)	(18,474,065)	(24,118,244)	(24,136,600)
Short-term loans	(19,837,229)		-	
Other current liabilities	(11,924,381)	(19,652,685)	(44,735,031)	(32,037,524)
Total Equity	**273,078,946**	**278,996,662**	**30,035,339**	**27,689,442**
Group share in equity (51%)	139,270,263	142,288,298	15,318,023	14,121,616
Elimination of indirect participation of the Group				(9,207,430)
Other adjustments	560			
Cost value of jointly controlled companies	**139,270,823**	**142,288,298**	**15,318,023**	**4,914,185**
Revenue	50,355,516	53,386,235	185,104,706	159,716,740,18
Depreciation and amortization	(14,275,806)	(15,651,120)	(379,944)	(44,433)
Finance income	19,848	219,382	702,742	518,781
Finance cost	(587,479)	(162,784)	(357,610)	(326,582)

(All amounts are expressed in EUR, unless otherwise stated)

Income tax	(4,052,226)	(7,338,431)	(4,390,266)	(4,141,475)
Net profit for the period and other comprehensive income (100%)	**7,852,436**	**17,520,963**	**10,395,037**	**9,635,658**
Net profit for the period and other comprehensive income (51%)	**4,004,743**	**8,935,691**	**5,301,469**	**4,914,185**

For the Company, the dividend income from investments in subsidiaries and jointly controlled entities is included in “Income from investment” in the statement of comprehensive income.

The Group received dividends for 2016 of EUR 10,568,067, EUR 5,087,905 and EUR 10,254,682 from EPA Thessaloniki, EPA Thessalias and EPA Attikis respectively, while in 2017 the Group received dividends of EUR 7,965,816 from EDA Attικis, EUR 421,647 from EPA THESS, and EUR 12,990,878 from EDA THESS.

- **Y.A.F.A. POSEIDON A.E**

The Group owns 50% of the shares of the company Y.A.F.A. POSEIDON SA which was established on 12 June 2008 by the parent company D.EP.A SA and the Dutch company Edison International Holding N.V. (100% subsidiary of Edison S.p.A. Italy), which owns the remaining 50% of the shares. Y.A.F.A. POSEIDON A.E, will design, construct and operate the underwater natural gas pipeline between Greece and Italy. On 15 May 2012 and on 31 October 2012, DEPA participated in the capital increase by paying a total amount of EUR 2,150,000. On 23 October 2014 the Extraordinary General Assembly resolved to increase the share capital by EUR 1,500,000, and DEPA, based on its participation percentage, paid EUR 750,000 on 19 February 2015. On 12 May 2015 the Extraordinary General Assembly resolved to increase the share capital by EUR 5,250,000, and DEPA, based on its participation percentage, paid EUR 1,312,500 on 25 May 2015 and EUR 1,312,500 on 21 August 2015. On 8 December 2015 the Extraordinary General Meeting of Poseidon decided to increase the share capital by the amount of EUR 500,000 (DEPA: EUR 250,000) and DEPA based on its shareholding paid on 7 April 2016 EUR 125,000 while the remaining amount of EUR 125,000 were paid on 14 June 2017.

Pursuant to the decision 26 / 28.07.2017 of the Extraordinary General Meeting of Poseidon, a share capital increase of EUR 28,000,000 (DEPA: EUR 14,000,000) was decided by the issuance of twenty-eight million new shares of nominal value of 1 euro each and DEPA based on its participation percentage paid on 15/09/2017 the amount of EUR 5,000,000.The remaining amount of EUR 18,000,000 will be paid by the shareholders in cash based on their shareholding in Poseidon's share capital.

- **«SOUTH STREAM NATURAL GAS PIPELINE A.E.»**

The Group owns 50% of the shares of SOUTH STREAM NATURAL GAS PIPELINE A.E. which was incorporated on 13 July 2010. The Operator of the national natural gas system (DESFA A.E.) and the company OAO GAZPROM participate in the share capital of the company with 50% each. The purpose of the company is: a) the development, financing, construction, management, operation and maintenance of South Stream natural gas pipeline, owned by the company, which will be located in Greece, and b) to provide supporting services and to conduct any relevant research regarding the aforementioned activities in (a).

- **«INTERCONNECTOR GREECE BULGARIA AD»**

The Group owns 25% of the shares of INTERCONNECTOR GREECE BULGARIA AD which was established on 5 January 2011. IGI Poseidon A.E. and the Bulgarian company Energy Holding EAD participated in the share capital of the company by 50% each. The purpose of the company is: a) the development, planning, finance, management, construction, operation and maintenance of IGB natural gas pipeline, owned by the company, b) the ownership of IGB’s pipeline, c) the operation of IGB, the ability to transfer through the pipeline and to conclude transfer agreements for IGB, d) to sign contracts for the interconnection of pipelines on tangent points and the IGB installations. The registered share capital of “ICGB AD” was EUR 4,400,000 as at 31 December 2011 and it was fully paid. According to the decision of the General Assembly of the Shareholders of ICGB AD held on 25 October 2011, the share capital increased by EUR 400,000 through the issuance of new shares. The share capital increase, was paid on 23 January 2012. The paid in share capital of “ICGB AD” was increased in 2013 by EUR 2,000,000 according to the decision of the General Assembly of the Shareholders on 19 December 2012. At 31 December 2014 the share capital amounted to EUR 6,400,004. According to the decision No 22/12.05.2015 of the Extraordinary General Assembly of the shareholders of Y.A.F.A POSEIDON, the share capital of ICGB increased by EUR 10,500,000, which was paid based on the participation percentage of its shareholders i.e. EUR 5,250,000. The share capital increase was effected in two equal installments of EUR 2,625,000 paid on 26 May 2015 and on 8 September 2015, respectively. Thus, on 31 December 2015 the total share capital of ICGB was EUR 16,900,004.

(All amounts are expressed in EUR, unless otherwise stated)

17. Deferred tax

In some cases revenues and expenses are recognized at a different time than when these revenues and expenses become eligible to be recognized as taxable income from the tax authorities. In these cases the recognition of deferred tax asset or liability is required.

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Deferred tax liability				
Untaxed reserves	(217,448)	(217,448)	(217,448)	(217,448)
Borrowings cost	(1,233)	(3,287)	-	-
Effect of foreign currency translation differences from valuation	(23,860)	(75,257)	(11,986)	(63,384)
Capitalization of borrowing costs	(4,897,650)	(4,897,650)	-	-
Revenue from EPA networks	(797,685)	(757,101)	(797,685)	(757,101)
Depreciation and amortization	(48,380,612)	(37,921,861)	(16,419,110)	(14,447,700)
Other adjustments	(172,222)	-	(172,222)	-
	(54,490,711)	**(43,872,605)**	**(17,618,452)**	**(15,485,634)**
Deferred tax asset				
Provision for doubtful customers	28,743,561	23,651,988	28,743,561	23,651,988
Provision for inventory obsolescence	2,612,398	2,840,404	241,716	483,432
Employee benefits obligations	2,973,530	3,018,047	324,788	361,001
Provisions for legal cases	743,248	743,248	666,398	743,248
Government grants	10,234,296	8,690,592	3,568,779	4,274,099
Other provisions	5,786,709	5,882,904	13,533	50,709
Foreign currency translation differences	29,395	198,330	29,395	198,330
Tax losses carried forward	8,960,661	13,413,157	8,960,661	13,413,157
	60,083,737	**58,438,671**	**42,548,829**	**43,175,962**
Net deferred tax asset in the statement of financial position	**5,593,025**	**14,566,066**	**24,930,379**	**27,690,328**

(All amounts are expressed in EUR, unless otherwise stated)

	GROUP			
	01/01/2016	**Debit / (Credit) in profit and loss**	**Debit / (Credit) in equity**	**31/12/2016**
Deferred tax liability				
Untaxed reserves	(217,448)	-	-	(217,448)
Borrowing cost	(5,341)	2,054	-	(3,287)
Effect of foreign currency translation differences from valuation	(11,875)	(63,383)	-	(75,257)
Capitalization of borrowing costs	(3,418,939)	(1,478,710)	-	(4,897,650)
Revenue from EPA networks	(644,875)	(112,227)	-	(757,101)
Depreciation and amortization	(28,050,233)	(9,871,628)		(37,921,861)
	(32,348,711)	**(11,523,894)**	**-**	**(43,872,605)**
Deferred tax asset				
Provision for doubtful customers	21,871,856	1,780,132	-	23,651,988
Provision for inventory obsolescence	2,840,404	-	-	2,840,404
Employee benefit obligations	2,215,214	(207,617)	1,010,450	3,018,047
Provisions for legal cases	754,848	(11,600)	-	743,248
Government grants	7,134,621	1,555,971	-	8,690,592
Other provisions	5,879,851	3,053	-	5,882,904
Foreign currency translation differences	85,854	112,476	-	198,330
Tax losses carried forward	23,849,886	(10,436,729)	-	13,413,157
	64,632,534	**(7,204,314)**	**1,010,450**	**58,438,671**
Net deferred tax asset in the statement of financial position	**32,283,824**	**(18,728,208)**	**1,010,450**	**14,566,066**

(All amounts are expressed in EUR, unless otherwise stated)

	GROUP			
	01/01/2017	**Debit / (Credit) in profit and loss**	**Debit / (Credit) in equity**	**31/12/2017**
Deferred tax liability				
Untaxed reserves	(217,448)	-	-	(217,448)
Borrowing cost	(3,287)	2,054	-	(1,233)
Effect of foreign currency translation differences from valuation	(75,257)	51,397	-	(23,860)
Capitalization of borrowing costs	(4,897,650)	-	-	(4,897,650)
Revenue from EPA networks	(757,101)	(40,584)	-	(797,685)
Depreciation and amortization	(37,921,861)	(10,458,751)	-	(48,380,612)
Other adjustments	-	(172,222)	-	(172,222)
	(43,872,605)	**(10,618,106)**	**-**	**(54,490,711)**
Deferred tax asset				
Provision for doubtful customers	23,651,988	5,091,573	-	28,743,561
Provision for inventory obsolescence	2,840,404	(228,006)	-	2,612,398
Employee benefit obligations	3,018,048	(27,097)	(17,421)	2,973,530
Provisions for legal cases	743,248	-	-	743,248
Government grants	8,690,592	1,543,704	-	10,234,296
Other provisions	5,882,904	(96,195)	-	5,786,709
Foreign currency translation differences	198,330	(168,935)	-	29,395
Tax losses carried forward	13,413,157	(4,452,496)	-	8,960,661
	58,438,671	**1,662,548**	**(17,421)**	**60,083,737**
Net deferred tax asset in the statement of financial position	**14,566,066**	**(8,955,558)**	**(17,421)**	**5,593,025**

(All amounts are expressed in EUR, unless otherwise stated)

	COMPANY			
	01/01/2016	Debit / (Credit) in profit and loss	Debit / (Credit) in equity	31/12/2016
Deferred tax liability				
Untaxed reserves	(217,448)	-	-	(217,448)
Effect of foreign currency translation differences from valuation	-	(63,383)	-	(63,383)
Revenue from EPA networks	(644,875)	(112,227)	-	(757,101)
Depreciation and amortization	(10,576,489)	**(3,871,211)**		**(14,447,700)**
	(11,438,813)	**(4,046,821)**		**(15,485,634)**
Deferred tax asset				
Provision for doubtful customers	21,871,856	1,780,132	-	23,651,988
Provision for inventory obsolescence	483,432	-	-	483,432
Employee benefits obligations	360,325	11,549	(10,873)	361,001
Provisions for legal cases	754,848	(11,600)	-	743,248
Government grants	4,198,007	76,091	-	4,274,098
Other provisions	47,656	3,053	-	50,709
Foreign currency translation differences	85,854	112,476	-	198,330
Tax losses carried forward	23,849,886	(10,436,729)	-	13,413,157
	51,651,863	**(8,463,028)**	**(10,873)**	**43,175,962**
Net deferred tax asset in the statement of financial position	**40,213,050**	**(12,511,850)**	**(10,873)**	**27,690,328**

(All amounts are expressed in EUR, unless otherwise stated)

	COMPANY				
	01/01/2017	**Debit / (Credit) in profit and loss**	**Debit / (Credit) in equity**	**Transfers to DEDA**	**31/12/2017**
Deferred tax liability					
Untaxed reserves	(217,448)	-	-	-	(217,448)
Effect of foreign currency translation differences from valuation	(63,383)	51,397	-	-	(11,986)
Revenue from EPA networks	(757,101)	(40,584)	-	-	(797,685)
Depreciation and amortization	(14,447,700)	(3,513,602)		1,542,192	(16,419,110)
Withheld tax on dividends	-	(172,222)	-	-	(172,222)
	(15,485,633)	**(3,675,011)**	**-**	**1,542,192**	**(17,618,452**
Deferred tax asset					
Provision for doubtful customers	23,651,988	5,091,573	-	-	28,743,561
Provision for inventory obsolescence	483,432	-	-	(241,716)	241,716
Employee benefits obligations	360,001	7,543	(2,448)	(41,308)	324,788
Provisions for legal cases	743,248	-	-	(76,850)	666,398
Government grants	4,274,098	(173,568)	-	(531,751)	3,568,779
Other provisions	50,709	(926)	-	(36,250)	13,533
Foreign currency translation differences	198,330	(168,935)	-	-	29,395
Tax losses carried forward	13,413,157	(4,452,496)	-	-	8,960,661
	43,175,961	**303,191**	**(2,448)**	**(927,875)**	**42,548,829**
Net deferred tax asset in the statement of financial position	**27,690,328**	**(3,371,820)**	**(2,448)**	**614,317**	**24,930,377**
Presentation on the statement of financial position					
Deferred tax asset	**27,690,328**				**24,930,377**

Deferred tax asset consists of temporary differences expected to be settled in more than one year. The amount relating to the recovery of tax losses expires in 2021 and in 2022 when five years will have elapsed from its formation. Its recoverability is based on the Company's business plans, with and without DESFA.

18. Inventories

Inventories of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Natural Gas	37,227,334	14,966,809	27,197,797	6,860,072
Construction and maintenance materials of the Natural Gas Pipeline	21,077,838	21,490,473	3,328,945	3,618,013
Transfers to DEDA	-	-	(2,269,407)	-
Total	**58,305,172**	**36,457,282**	**28,257,335**	**10,478,085**
Less: Provision for obsolescence	(9 008 270)	(9 794 497)	(1 667 008)	(1 667 008)
Transfers to DEDA	-	-	833 504	-
Total	**49,296,903**	**26,662,785**	**27,423,831**	**8,811,076**

In 2017, inventories included in cost of sales amount to 708,221,744 (2016: EUR 543,028,462) for the Group and EUR 889,698,833 (2016: 655,851,309) for the Company.

19. Cash and cash equivalents

Cash and cash equivalents represent cash in hand and bank deposits available on demand. In particular:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cash on hand	2,516,543	9,692	2,509,903	6,365
Sight deposits	32,616,340	10,334,398	3,162,647	4,646,572
Time deposits	497,029,755	310,699,741	293,261,800	170,496,569
Balance	**532,162,638**	**321,043,831**	**298,934,350**	**175,149,506**

The Group's time deposits at 31.12.2017 amount to EUR 497,029,755 (2016: EUR 310,699,741), part of which belongs to DEPA A.E. (EUR 293,261,800) and the remaining amount to DESFA A.E All of the Group's time deposits are denominated in Euro. All of the Group's sight deposits are denominated in Euro, except for three sight deposits of the Company denominated in USD of total value 24.49 (EUR: 20.42). The above mentioned deposits are in Greek banks.

(All amounts are expressed in EUR, unless otherwise stated)

20. Trade and other receivables

Trade and other receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade Receivables	265,027,574	304,461,001	242,935,937	283,959,356
Notes Receivable	1,950,000	3,900,000	1,950,000	3,900,000
Notes Receivable Overdue	13,850,000	11,900,000	13,850,000	11,900,000
Cheques Receivable	13,187,936	7,676,183	13,187,936	7,676,183
Cheques Receivable Overdue	1,270,346	1,230,346	1,270,346	1,230,346
Short-term receivables from subsidiaries	490,542	7,030,358	14,322,679	38,203,292
Short-term receivables from associates	16,792	4,637,701	805	4,637,701
Trade Receivables	**295,793,191**	**340,835,589**	**287,517,703**	**351,506,880**
Tax receivable from the Greek State	45,393,746	52,762,785	45,383,651	52,762,785
Various debtors	23,771,326	24,029,959	1,181,606	1,335,338
Advances	55,137	53,798	18,405	17,695
Pledged deposits	8,356,167	9,489,146	8,356,167	9,489,146
Prepaid expenses	2,630,209	802,536	2,061,480	382,269
Deferred income	79,042,340	117,433,111	74,857,678	108,246,697
Prepayments to suppliers	29,945,793	34,068,057	29,943,931	34,068,057
	189,194,718	**238,639,391**	**161,802,918**	**206,301,988**
Total	**484,987,908**	**579,474,980**	**449,320,620**	**557,808,867**
Less: Impairment	(121,830,273)	(98,113,892)	(115,298,422)	(98,113,892)
Balance	**363,157,634**	**481,361,090**	**334,022,198**	**459,694,975**

Tax receivable from the Greek State mainly includes withholding taxes on dividends received from Group companies of EUR 39.3 million, while pledged deposits include mainly deposit to HSBC of EUR 8.3 million. Various debtors mainly include receivables from DESFA (EUR 22.4 million which is analyzed in prepayments to suppliers EUR 0.8 million, pledged deposits EUR 10.8 million for supply security levy, receivable from Greek State EUR 9.3 million and other EUR 1.5 million).

The carrying value of trade and other receivables approximate their fair value at the date of the statement of financial position.

(All amounts are expressed in EUR, unless otherwise stated)

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
Trade receivable (excl. related parties)	265,027,574	304,461,001	242,935,937	283,959,356
Notes receivable	1,950,000	3,900,000	1,950,000	3,900,000
Notes receivable overdue	13,850,000	11,900,000	13,850,000	11,900,000
Cheques receivable	13,187,936	7,676,183	13,187,936	7,676,183
Cheques receivable overdue	1,270,346	1,230,346	1,270,346	1,230,346
Total trade receivables (excluding subsidiaries and associates)	**295,285,856**	**329,167,530**	**273,194,219**	**308,665,884**

Analysis of trade receivables				
Performing	34,774,280	60,793,982	19,214,494	40,292,337
Past due – not impaired (up to 30 days)	74,037,994	43,129,621	74,037,994	43,129,621
Past due – not impaired (up to 60 days)	8,544,028	34,769,977	8,544,028	34,769,977
Past due – not impaired (up to 90 days)	3,267,481	57,022,759	3,267,481	57,022,759
Past due – not impaired (up to 180 days)	24,094,413	9,812,028	24,094,413	9,812,028
Past due – not impaired (over 180 days)	28,737,388	25,525,270	28,737,388	25,525,270
Impaired	121,830,273	98,113,892	115,298,422	98,113,892
Total trade receivables	**295,285,856**	**329,167,530**	**273,194,219**	**308,665,885**

Past due receivable are those for which the credit period of 20 days has elapsed. Receivables are considered to be impaired when there is objective evidence that the Company will not collect them and therefore there is a need to form a provision. Total impairment of such receivables amounts to EUR 121.8 million, as at 31 December 2017.

During the year, the Group booked additional allowance for doubtful receivables amounting to EUR 23.7 and EUR 17.2 that concerns the Company. The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Balance at 1 January	**98,113,892**	**89,613,892**	**98,113,892**	**89,613,892**
Impairment loss recognized	36,920,845	8,500,000	30,388,994	8,500,000
Utilized provision	(6,724,233)	-	(6,724,233)	-
Unutilized provision	(6,480,231)	-	(6,480,231)	-
Balance at 31 December	**121,830,273**	**98,113,892**	**115,298,422**	**98,113,892**

Impairment of trade and other receivables is performed:

a) The Group examines all overdue receivables and recognizes a provision per customer taking into account the delay of collection, the objective and qualitative aspects of each client, the existence of guarantees if any, as well as the existence of legal or other actions taken.
b) In order to secure its receivables, the Company has received letters of guarantee from customers amounting to EUR 86.7 million.

(All amounts are expressed in EUR, unless otherwise stated)

21. Share capital

At 31 December 2017, the Company's paid share capital amounted to EUR 991,238,046 (2016: EUR 991,238,046) divided into 11,258,951 (2016: 11,258,951) ordinary shares of nominal value of EUR 88.04 each.

According to the Shareholders Register of the Company, as at 31 December 2017, its shareholders were the following:

SHAREHOLDER	NO OF SHARES	PARTICIPATION PERCENTAGE AS AT 31/12/2017
GREEK STATE (H.R.A.D.F.)	7,318,318	65.00%
HELLENIC PETROLEUM A.E.	3,940,633	35.00%
TOTAL	**11,258,951**	**100.00%**

(All amounts are expressed in EUR, unless otherwise stated)

22. Reserves

The reserves for the Group and Company are analyzed as follows:

GROUP

	Statutory reserve	Other reserves	Special reserves	Untaxed reserves	Total
Balance as at 1 January 2016	55,893,084	5,230,341	81,376,695	1,459,942	143,960,061
Transfer to reserves	7,050,500	-	-	-	7,050,500
Balance as at 31 December 2016	**62,943,584**	**5,230,341**	**81,376,695**	**1,459,942**	**151,010,561**
Balance as at 1 January 2017	**62,943,584**	**5,230,341**	**81,376,695**	**1,459,942**	**151,010,561**
Transfer to reserves	7,506,000	37,533,547	-	-	45,039,547
Balance as at 31 December 2017	**70,449,584**	**42,763,887**	**81,376,695**	**1,459,942**	**196,050,108**

COMPANY

	Statutory reserve	Other reserves	Special reserves	Untaxed reserves	Total
Balance as at 1 January 2016	**37,287,584**	**4,781,483**	**81,376,695**	**1,504,062**	**124,949,823**
Transfer to reserves	5,283,000	-	-	-	5,283,000
Balance as at 31 December 2016	**42,570,584**	**4,781,483**	**81,376,695**	**1,504,062**	**130,232,823**
Balance as at 1 January 2017	**42,570,584**	**4,781,483**	**81,376,695**	**1,504,062**	**130,232,823**
Transfer to reserves	3,035,000	37,533,547	-	-	40,568,547
Balance as at 31 December 2017	**45,605,584**	**42,315,030**	**81,376,695**	**1,504,062**	**170,801,370**

(All amounts are expressed in EUR, unless otherwise stated)

According to the provisions of the Greek corporate legislation, companies are required to transfer a minimum of 5% of their annual net profit to a statutory reserve until the reserve reaches one third (1/3) of the paid-in share capital. This reserve cannot be distributed unless the company dissolves, but it can be used to offset accumulated losses.

The remaining reserves were created according to special provisions of various tax laws, which either allow the payment of income tax at the time of the distribution to the shareholders or offer tax relief as investment incentive, or according to the decision of the General shareholders meeting

23. Dividends and earnings per share

According to the provisions of the Greek corporate legislation, Societes Anonymes are required to distribute each year, as a dividend, an amount that equals to 35% of the profits after taxes and after the formation of the statutory reserve. According to article 30 of Law 2579/98, from 1997 and thereafter, companies and organizations whose exclusive shareholder or shareholder by over 60% (of its share capital) is the Greek State, either directly or through another company or organization whose exclusive or major shareholder is the Greek State and operate as a Societe Anonyme, are required to distribute the entire dividend to the shareholders from the year 1997 onwards as determined by the company's articles of association or by law provisions.

On 18 June 2018, the Company's Board of Directors, proposed the distribution of 2017 profits after tax amounting to EUR 20,266,111.80 (EUR 1.80 per share) and an additional dividend of EUR 45,500,000 (EUR 4.04 per share) from prior years' profits. The proposal is subject to the approval of the annual General Assembly of the shareholders

Earnings per share

The calculation of basic earnings per share is as follows:

	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Net earnings attributable to shareholders	129,876,586	130,721,970	60,690,303	105,783,223
Weighted average number of shares outstanding	11,258,951	11,258,951	11,258,951	11,258,951
Basic and diluted earnings per share (in euro per share)	**11.54**	**11.61**	**5.39**	**9.40**

24. Loans and Borrowings

The Group's borrowings were granted by Greek and foreign banks and are denominated in EUR. Amounts payable within a year from the date of the statement of financial position are classified as current, while amounts payable after one year are classified as long-term. The Group accrues for interest that is recognized in the period's profit and loss. The borrowings of the Group by bank, are analyzed as follows:

	GROUP					
	31/12/2017		31/12/2016			
Bank	**Short term liabilities**	**Long term liabilities**	**Short term liabilities**	**Long term liabilities**	**Time of repayment of long term liabilities**	**Interest Rate**
EUROPEAN INVESTMENT BANK (4)	-	-	2,500,000	-	25/04/2017	4.52%
EUROPEAN INVESTMENT BANK (5)	7,000,000	-	7,000,000	7,000,000	15/05/2018	5.55%
EUROPEAN INVESTMENT BANK (6)	545,455	7,090,909	545,455	7,636,364	17/07/2031	4.48%
EUROPEAN INVESTMENT BANK (7)	1,083,333	3,250,000	1,083,333	4,333,333	17/07/2021	4.33%
EUROPEAN INVESTMENT BANK (8)	833,333	3,333,333	833,333	4,166,667	10/07/2022	4.89%
EUROPEAN INVESTMENT BANK (9)	454,545	6,363,636	454,545	6,818,182	10/07/2032	4.98%
EUROPEAN INVESTMENT BANK (10)	1,304,348	18,913,044	1,304,348	20,217,391	31/01/2033	4.62%
EUROPEAN INVESTMENT BANK (11)	1,400,000	23,100,000	1,400,000	24,500,000	31/05/2035	3.88%
EUROPEAN INVESTMENT BANK (12)	1,875,000	26,250,000	1,875,000	28,125,000	20/12/2032	3.26%
EUROPEAN INVESTMENT BANK (13)	1,562,500	23,437,500	-	25,000,000	21/10/2033	3.66%
EUROPEAN INVESTMENT BANK (14)	-	40,000,000	-	40,000,000	16/12/2029	1.92%
EUROPEAN INVESTMENT BANK (15)	2,666,667	34,666,667	2,666,667	37,333,333	03/11/2031	1.18%
NATIONAL BANK	7,076,250	10,616,146	7,076,250	17,692,395	19/03/2020	4.98%
Total Liabilities	**25,801,431**	**197,021,235**	**26,738,931**	**222,822,666**		

All borrowings relate to DESFA S.A. The fair value of existing borrowings as at 31 December 2017 is analyzed as follows:

LOAN	**FAIR VALUE OF LOAN 31/12/2017**
LOAN € 70,000,000- EUROPEAN INVESTMENT BANK 5	7,040,085.41
LOAN € 12,000,000- EUROPEAN INVESTMENT BANK 6	8,129,786.10
LOAN € 13,000,000- EUROPEAN INVESTMENT BANK 7	4,381,294.73
LOAN € 10,000,000- EUROPEAN INVESTMENT BANK 8	4,334,557.07
LOAN € 10,000,000- EUROPEAN INVESTMENT BANK 9	7,845,518.05
LOAN € 30,000,000- EUROPEAN INVESTMENT BANK 10	22,143,482.80
LOAN € 85,000,000- NATIONAL BANK	18,084,597.75
LOAN € 35,000,000- EUROPEAN INVESTMENT BANK 11	23,897,495.34
LOAN € 30,000,000- EUROPEAN INVESTMENT BANK 12	25,127,892.65
LOAN € 25,000,000- EUROPEAN INVESTMENT BANK 13	23,622,425.40
LOAN € 40,000,000- EUROPEAN INVESTMENT BANK 14	31,181,364.39
LOAN € 40,000,000- EUROPEAN INVESTMENT BANK 15	25,338,297.42
Total	**201,126,797.14**

H The fair value was measured based on the discounted cash flows which at 31 December 2017 amounts to EUR 201.1 million.

(All amounts are expressed in EUR, unless otherwise stated)

The above mentioned loans include covenants concerning the fulfillment of financial obligations and information on the work in progress. These covenants have not been breached during 2017.

25.Employee Benefits

The obligation of the Group towards employees working in Greece for future benefits depending on the years of service of each employee, is accounted for and presented on the basis of the employees' expected benefit payable at the reporting date, discounted at its present value, in relation to its future time of payment. Accrued benefits for each period are charged to profit and loss and increase the benefits liability. Benefits that are paid to employees that retire reduce this liability.

In 2017, the discount rate was set at 1.30% (2016: 1.30%) in order to reflect the rate of corporate bonds in the Eurozone. Specifically, for the year ended 31 December 2017, the discount rate used was the yield of the iBoxx AA-rated Euro corporate bond 10+.

The obligation of the Company to retired personnel was determined by an actuarial report that was prepared by an independent company of certified actuaries.

Since 2012, the Company pays part of the retirement liability through an insurance plan.

Number of employees and payroll expenses:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Number of employees	**271**	**274**	**49**	**55**
Payroll expense analysis:				
Payroll cost	(14,300,650)	(13,854,774)	(3,789,265)	(3,661,423)
Retirement benefits expense	(361,860)	(380,553)	(43,137)	-
Social security contributions	(3,412,069)	(3,070,991)	(818,023)	(661,637)
Cost	**(18,074,579)**	**(17,306,318)**	**(4,650,425)**	**(4,323,060)**
Defined benefit obligation	1,540,504	8,506,871	(26,011)	(39,824)
Total cost	**(16,534,075)**	**(8,799,447)**	**(4,676,436)**	**(4,362,884)**

Furthermore, the Group receives services from seconded personnel.

(All amounts are expressed in EUR, unless otherwise stated)

The movement in the net liability is as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Amounts recognized in the balance sheet				
Present value of liability	5,239,662	7,158,962	1,119,949	1,244,822
Net liability in the balance sheet	**5,239,662**	**7,158,962**	**1,119,949**	**1,244,822**
Amounts recognized in the income statement				
Service cost	79,882	546,327	11,884	16,085
Net interest on liability/(asset)	66,570	249,243	14,127	23,739
Cost of curtailments/settlements/termination of service	4,818	-	-	-
Total cost recognized in the income statement	**151,270**	**795,570**	**26,011**	**39,824**
Changes in present value of liability				
Present value of liability at the beginning of the year	5,467,188	12,562,074	1,244,822	1,242,491
Current service cost	79,882	546,327	11,884	16,085
Interest cost	66,570	249,243	14,127	23,739
Benefits paid by the employer	(318,722)	(380,553)	-	-
Cost of curtailments/settlements/termination of service	4,818	-	-	-
DEDA spin-off on 01/01/2017	-	-	(142,441)	-
Past service credit	-	(9,302,441)	-	-
Actuarial loss /(gain)-economic assumptions	393,239	3,222,933	-	67,925
Actuarial loss /(gain)- experience period	(453,313)	261,379	(8,443)	(105,418)
Present value of liability at the end of the year	**5,239,662**	**7,158,962**	**1,119,949**	**1,244,822**
Adjustments				
Adjustments in liabilities from changes in assumptions	(393,239)	(3,222,933)	-	(67,925)
Experience adjustments in liabilities	453,313	(261,379)	8,443	105,418
Total actuarial gain/(loss) in equity	**60,074**	**(3,484,312)**	**8,443**	**37,493**
Other adjustments in equity	-	-	-	-
Total amount recognized in equity	**60,074**	**(3,484,312)**	**8,443**	**37,493**
Changes in net liability recognized in the balance sheet				
Net liability at the beginning of the year	5,467,188	12,562,074	1,244,822	1,242,491
Benefits paid by the employer	(318,722)	(380,553)	-	-
Total expense recognized in income statement	151,270	(8,506,871)	26,011	39,824
Total amount recognized in equity	(60,074)	3,484,312	(150,884)	(37,493)
Net liability at the end of the year	**5,239,662**	**7,158,962**	**1,119,949**	**1,244,822**

The actuarial valuation method is the Projected Unit Credit method.

The principal actuarial assumptions used from the parent company are as follows:

	COMPANY	
	31/12/2017	31/12/2016
Discount rate	1.30%	1.30%
Inflation rate	1.50%	1.50%
Annual average future salary increases	1.00%	1.00%
Duration of liabilities	8.48	9.16

Sensitivity Analysis Results:

These results depend on the assumptions used for the preparation of the actuarial study.

On 31/12/2017:

If we had used a higher discount rate by 0.5%, then the present value of the liability would be lower by 4.1%.

If we had used a lower discount rate by 0.5%, then the present value of the liability would be higher 4.4%.

(All amounts are expressed in EUR, unless otherwise stated)

26.Government grants

Government grants relate to investments in property, plant and equipment and are recognized as income at the same period as the depreciation of the granted related tangible assets – mainly machinery. In accordance with the legislation under which the grants were obtained, several restrictions exist regarding the transfer of the subsidized machinery and the legal status of the subsidized company. During the audits performed by the relevant authorities, there were no instances of non-compliance with these restrictions.

The Parent Company of the Group has obtained grants from the Greek State and the European Union in order to finance the construction and installation of the natural gas transmission network throughout Greece. After 1 January 1997, grants were received only through the Greek State in accordance with the decision of the Ministry of Finance, and were considered as direct capital contributions. Grants received from the European Union and the Greek State up to 31 December 1996 are recorded as long-term liabilities in the Consolidated Statement of Financial Position and are amortized over the useful life of the related assets. Grants received subsequent to 31 December 1996 were converted to share capital. According to the Ministerial Decision 39075/161 on 9 June 2003, future grants received from the Greek State should be recorded as "Grants" in the Consolidated Statement of Financial Position.

The movement in grants is analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Balance at the beginning of the year	297,107,409	302,483,469	36,201,748	32,266,193
Grants received during the year	8,871,096	11,530,384	1,541,166	6,216,534
Transfers to DEDA	-	-	(21,863,605)	-
Amortization of grants	(12,812,563)	(13,956,173)	(701,427)	(2,280,979)
Adjustments	-	(2,950,271)	-	-
Total	**293,165,942**	**297,107,409**	**15,177,882**	**36,201,748**

27.Provisions and other liabilities

Provisions for contingent risks and expenses of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Provision for legal cases	24,644,929	19,363,539	2,562,924	2,562,924
Transfers to DEDA- Provision for legal cases	-	-	(265,000)	-
Provision for prior years commission to Greek State	17,800,000	17,800,000	-	-
Provision for users compensations for supply security levy	11,575,803	9,979,342	-	-
Total	**54,020,732**	**47,142,881**	**2,297,924**	**2,562,924**

(All amounts are expressed in EUR, unless otherwise stated)

28.Other long-term liabilities

Other long-term liabilities of the Group and Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Rentals guarantees	-	-	2,714	-
Customers' guarantees	189,120	190,120	-	-
Suppliers' guarantees	-	4,601	-	4,601
Deferred income from rights of use of network	524,397,634	536,805,433	524,397,634	536,805,433
Total	**524,586,754**	**537,000,154**	**524,400,348**	**536,810,034**

The medium and low pressure natural gas distribution network of Attica, Thessaly and Thessaloniki region is owned by DEPA A.E., which grants the right of use of the network to Gas Supply Companies (now EDA). In exchange, for the right of use, DEPA A.E. recognizes a deferred income which is amortized on a straight line basis in the profit and loss using the same amortization rate as the one used for the rights of use.

29.Trade and other payables

The total liabilities of the Group and the Company towards suppliers and other creditors are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade payables	87,989,792	66,737,762	75,724,299	56,381,439
Cheques payables	5,052	3,720	-	-
Customer advances	30,232,872	34,669,061	12,869,067	8,920,447
Taxes payables	8,423,078	10,370,093	8,423,078	10,370,093
Social security contributions payable	566,906	505,683	115,581	101,980
Liabilities to subsidiaries and related parties	9,147,635	530,878	26,367,178	1,988,615
Other creditors	5,233,921	3,872,020	359,991	535,586
Other accrued liabilities	26,425,646	31,153,682	31,978,381	50,867,422
Deferred income	30,174,207	40,875,297	30,174,207	40,875,297
Accrued expenses	4,629,841	6,768,774	11,094,484	9,312,180
Total	**202,828,951**	**195,486,969**	**197,106,267**	**179,353,059**

Other accrued liabilities include gas purchases for December 2017.

30.Financial risk management

The Group is exposed to various financial risks, the most important of which are: the market risk which includes foreign exchange risk and interest rate risk, credit risk and liquidity risk. The policies for managing the relevant risks of the Group aim at minimizing the negative impact they may have on the financial position and the performance of the Group.

Macroeconomic Environment: Following a period of economic recession in 2009-2016, the Greek economy begun recovering during 2016 and continued growing in 2017. Economic recovery, improved banking system stability, completion of the second EU bailout program review and significant progress on the third program, as well as improved confidence reflected in the Greek government bond yields, improved macroeconomic backdrop in the country. Employment growth had a positive impact on income and private consumption. However, inflation and wage growth are still weak. Despite the significant progress in economic recovery recorded in 2017, concerns around the banking system sustainability and government funding after the bailout program termination remain, as reflected in debt capital and equity markets risk assessment and pricing. The above mentioned are beyond the Group's control; however, Management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize the impact on the Group's operations.

As mentioned, the main financial instruments of the Group are cash, bank deposits, trade and other receivables and payables and bank loans. Management of the Group reviews and revises the respective policies and processes with regard to the management of the financial risks on a regular basis as described below:

I. Market risk

- ***Interest Rate risk:*** As of 31 December 2017 all of current and non-current loans have been obtained at fixed interest rates and therefore, the Group is not exposed to risks associated with changes in interest rates. Management continuously monitors the fluctuations of the interest rates and the financing needs of the Group and evaluates on a case by case basis the duration of the loans and the relation between fixed and floating rate.
- ***Exchange Rate risk:*** The Group is exposed to foreign currency risk due to changes in the US dollar exchange rate with respect to the supply of natural gas which is carried out based on contracts with foreign suppliers, mainly expressed in U.S. dollars. As of 31 December 2017, if the exchange rate of euro had appreciated against the U.S. dollar by 10% and all other variables remained unchanged, the before tax results of the current fiscal year of the parent company and the Group would increase by EUR 5,723 thousands and respectively the after tax results of the Group would increase by EUR 4,064 thousands, mostly due to the valuation of purchases and obligations to suppliers that are mainly expressed in U.S. dollars. Moreover, if the exchange rate of euro had depreciated against the U.S. dollar by 10%, and all other variables remained unchanged, the results before tax of the parent company and the Group would be lower by EUR 6,995 thousands and respectively the after tax results of the Group for the year would be lower by EUR 4,967 thousands, mostly due to the valuation of purchases and obligations to suppliers that are mainly expressed in U.S. Dollars.
- ***Price risk:*** The Group is subject to risk from changes in the prices of other competitive products as the cost of natural gas is affected by fluctuations in oil prices and natural gas selling prices are partially regulated compared to competitive fuel. The pricing policy of the Group is based on the gas purchase price.

II. Credit risk

Credit risk arises from cash and cash equivalents, derivatives and bank deposits as well as credit exposures from the Group's wholesale and retail customers.

Customers have a 20 days credit period from the date of consumption, except for customers that are state owned companies, for which the credit period is set by Law up to 60 days. If the credit period is exceeded, interest accrues on the customers' balance.

(All amounts are expressed in EUR, unless otherwise stated)

The Group is subject to sales concentration, since 38.64% of its total sales are to the Public Power Corporation SA, 19.09% to Alouminion A.E. and 7.43% to Elpedison Energiaki A.E.

The Company's management continually monitors the financial position of its customers as well as the extent and limits of the offered credits. At year-end, management considered that the credit risk is covered by collateral and provisions, which were deemed necessary at the time, in conjunction with the undertaken actions by the Company to obtain guarantees and repayment schedules from overdue customers. The highest exposure to credit risk, in case counterparties do not meet their obligations in relation to each class of recognized financial assets, is the carrying amount of these receivables as shown in the Statement of Financial Position reduced by the value of guarantees and collaterals (Note 32).

III. Liquidity risk

Liquidity risk is dealt with through the availability of sufficient cash and cash equivalents as well as credit limits with the banks. The existing available, unused and approved banking credit limits towards the Group, are sufficient so as to deal with any possible lack of cash funds.

The following table presents an analysis of financial liabilities as well as liabilities arising from derivatives, according to their contractual settlement dates.

GROUP

31/12/2017	Up to 1 year	Between 1 and to 2 years	Between 2 and to 5 years	Over 5 years
Loans	25,801,431	22,444,878	48,542,968	126,033,389
Trade and other payables	202,828,951	-	-	-

GROUP

31/12/2016	Up to 1 year	Between 1 and to 2 years	Between 2 and to 5 years	Over 5 years
Loans	26,738,931	25,808,514	56,709,635	140,304,517
Trade and other payables	195,486,969	-	-	-

COMPANY

31/12/2017	Up to 1 year	Between 1 and to 2 years	Between 2 and to 5 years	Over 5 years
Trade and other payables	197,106,267	-	-	-

COMPANY

31/12/2016	Up to 1 year	Between 1 and to 2 years	Between 2 and to 5 years	Over 5 years
Trade and other payables	179,353,059	-	-	-

(All amounts are expressed in EUR, unless otherwise stated)

IV. Capital Risk Management

The purpose of the Group, in managing capital, is to ensure the going concern principle, to distribute profits to shareholders and benefits to other stakeholders and to maintain a capital structure which will decrease the cost of capital.

Capital is reviewed based on a leverage ratio. The ratio is calculated as net debt divided by total equity. Net debt is calculated as the total liabilities less the future revenue from the networks rights of use and cash and cash equivalents. Total equity is the total equity presented in the statement of financial position. More specifically:

	Ο ΟΜΙΛΟΣ		ΕΤΑΙΡΕΙΑ	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Total Liabilities	1,346,390,889	1,345,375,190	743,315,912	757,351,487
Less: Total rights of use	(554,571,841)	(577,680,731)	(554,571,841)	(577,680,731)
Less: Cash and cash equivalents (Note 19)	(532,162,638)	(321,043,831)	(298,934,350)	(175,149,506)
Net Debt	**259,656,410**	**446,650,628**	**(110,190,279)**	**4,521,250**
Total Equity	**1,880,094,359**	**1,802,787,708**	**1,551,374,333**	**1,543,257,337**
Net Debt/Total Equity	13.81%	24.78%	0%	0.29%

(All amounts are expressed in EUR, unless otherwise stated)

31.Related party transactions and balances

The Company considers as related parties:
a) Associates and Joint Ventures of the Group that are consolidated under the equity method as well as
b) Associates that are not consolidated but which are under common control with the Group due to the joint participation of the Greek State and have significant transactions with the Group. The related party transactions and balances with the jointly controlled entities that are either consolidated or not are stated at 100%. The Company's and the Group's related party transactions and balances during the fiscal years 1/1-31/12/2016 and 1/1-31/12/2017, respectively, are as follows:

	GROUP		GROUP		COMPANY		COMPANY	
	For the period 1/1-31/12/2016		For the period 1/1-31/12/2016		For the period 1/1-31/12/2016		For the period 1/1-31/12/2016	
	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties
Transactions with consolidated entities	177,321,607	931,566	42,981,434	5,104,082	191,073,048	118,036,998	67,955,653	19,825,436
Transactions with non-consolidated entities	366,204,317	231,437	156,902,500	972,712	366,204,317	231,437	156,902,500	972,712

	GROUP		GROUP		COMPANY		COMPANY	
	For the period 1/1-31/12/2017		For the period 1/1-31/12/2017		For the period 1/1-31/12/2017		For the period 1/1-31/12/2017	
	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties
Transactions with consolidated entities	195,036,144	3,473,230	26,113,041	454,362	204,005,746	178,052,183	36,991,786	28,095,891
Transactions with non-consolidated entities	545,475,683	67,773	83,549,475	1,907,502	545,475,683	67,773	83,549,475	1,907,502

(All amounts are expressed in EUR, unless otherwise stated)

Fees to the president and Board of Directors' members of the Group and the Company are as follows:

	31/12/2017	31/12/2016
Fees to the president and BoD members of the Company	602,351	447,920
Fees to the president, BoD members and supervisory committee members of the consolidated subsidiaries	558,633	388,242
Fees to the president and member of the BoD of the Group	**1,160,984**	**836,162**

The Company's main shareholder is the Greek State. There are no transactions and balances directly with the Greek State but with state owned entities or entities that the Greek State has the majority of shares. From these transactions, the major ones are with Public Power Corporation.

32.Commitments and Contingent Liabilities

32.1. Contingent liabilities from legal cases or arbitration

1) For DESFA AE:
a) Outstanding lawsuits against DESFA AE amount to EUR 30,262 thousand and are analyzed as follows: i) amount of EUR 8,913 thousand relates to construction-contractors' lawsuits. According to the company's accounting policy, compensations paid as a result of such cases, are included in the cost value of tangible assets and therefore no amount is provided for, ii) amount of EUR 29,442 thousand relates to other lawsuits against the company for which the company estimates that it will not pay more than EUR 22,082 thousand.
b) There are outstanding liabilities from Greek government guarantees of EUR 17,800 thousand for which the company has booked an equal provision.
c) There are pending lawsuits against the company concerning compensation for expropriation of properties amounting to EUR 12,346 thousand and are directly related to the construction and expansion of the pipeline network and other tangible assets. According to the company's accounting policy, compensations paid as a result of such cases, are included in the cost value of tangible and intangible assets and therefore no amount is provided for.
d) The company has booked a provision for users' compensations for supply security levy of EUR 11,576 thousand.
e) There are claims of the company against third parties of EUR 50,416 thousand.
2) For DEDA A.E.:
DEDA has booked a provision for pending lawsuits against the company of EUR 265 thousand.

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Contingent liabilities				
Construction contracts in progress	128,355,048	156,756,679	13,282,930	8,767,178
Letters of guarantee to suppliers and third parties	59,567,248	38,597,284	58,150,064	38,418,805
Total contingent liabilities	**187,922,296**	**195,353,963**	**71,432,994**	**47,185,983**
Contingent assets				
Letters of guarantee from customers	151,452,223	121,420,819	87,674,601	92,327,414
Letters of guarantee from suppliers	76,472,253	83,911,975	928,195	950,697
Letters of guarantee from contractors	7,371,421	7,470,475	7,325,438	7,470,475
Spin-off/Letters of guarantee from customers	-	-	(964,831)	-
Spin-off/Letters of guarantee from contractors	-	-	(4,891,015)	-
Total contingent assets	**235,295,897**	**212,803,269**	**90,072,388**	**100,748,586**

(All amounts are expressed in EUR, unless otherwise stated)

32.2 Commitments

a) **Insurance Cover:** The Group's property, plant and equipment is located all over Greece. The Group has insurance coverage for its property, plant and equipment for various types of risks, as determined by independent insurance brokers and management considers this coverage to be adequate.

b) **Natural Gas purchase agreements:**

i) On 26 July 1988, DEP A.E. signed a long term agreement with the Russian company SOJUZGAZEXPORT for the purchase and import of natural gas. The agreement was transferred to DEPA A.E. The delivery of natural gas started in 1996. The agreement expires in 2026. The quantitative and qualitative characteristics of the gas as well as the gas price are determined by a specific formula, which is also defined in the agreement.

ii) On February 1988, DEP A.E. signed a long term agreement with the Algerian State owned company SONATRACH for the purchase and import of liquefied natural gas. The agreement was officially effected in 2000 and has a duration of 21 years. The agreement was transferred to DEPA A.E. The specific quantity and the quality specifications of the product to be delivered are determined in the agreement. The natural gas price is also determined using a formula which is defined in the agreement.

iii) On 23 December 2003 DEPA A.E. signed a long-term agreement with the Turkish company BOTAS for the purchase and import of natural gas. The agreement was officially effected in 2007 and has a duration of 15 years. The specific quantity and the quality specifications of the product to be delivered are determined in the agreement. The natural gas price is also determined using a formula which is defined in the agreement.

iv) On 19 September 2013, DEPA A.E. signed a long term agreement with the Azeri company SOCAR for the purchase and import of natural gas from 2019 to 2044. The price of the gas is determined using a formula which is defined in the agreement. The agreement has been fully assigned by SOCAR to AGSC, based on a tripartite agreement signed on 17 December 2013

c) **Commitments and operating leases**

On 31 December 2017 the Group had contracts for operating leases for buildings and vehicles.

The future minimum operating lease payments from operating leases for buildings and vehicles on the basis of non-cancelable operating lease contracts are as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Up to 1 year	1,837,496	1,806,942	504,010	603,942
1 to 5 years	1,169,170	1,140,320	102,707	220,320
Over 5 years	209,764	9,903	-	9,903
Total	**3,216,430**	**2,957,165**	**606,717**	**834,165**

Leases recognized in the statement of comprehensive income for the year amount to EUR 2,643,210 (2016: EUR 2,338,574) for the Group and EUR 851,740 (2016: EUR 655,929) for the Company.

(All amounts are expressed in EUR, unless otherwise stated)

32.3 Other contingent liabilities

The Group's companies have not yet been audited by the tax authorities for the following years:

COMPANY	COUNTRY	OPEN TAX YEARS
DEPA A.E.	GREECE	2017
DESFA A.E	GREECE	2017
D.E.D.A. A.E.	GREECE	2017
EDA. ATTIKIS A.E.	GREECE	2017
EPA ATTIKIS A.E.	GREECE	2017
EDA THESS A.E.	GREECE	2017
EPA THESS A.E.	GREECE	2017
Y.A.F.A. POSEIDON A.E.	GREECE	2017
SOUTH STREAM A.E	GREECE	2014-2017
ICGB AD	BULGARIA	2011-2017

The tax audit for 2017 is in progress from the statutory auditors for all the Companies of the Group (except SOUTH STREAM & ICGB AD), according to article 65A of Law 4174/2013 and no material charges are expected for the Company and the Group.

According to the provisions of Article 82 paragraph 5 of L.2238/94 the Company and Group for the tax years 2011 to 2016 have received a tax certificate with unqualified opinion by the auditors (with the exception of years 2014-2017 for SOUTH SREAM and years 2011-2017 for ICGB AD).

Pursuant to POL.1006 / 5.1.2016 the companies for which an unqualified tax certificate has been issued, are not exempt from the regular tax audit by the competent tax authorities. For this reason, the Greek tax authorities have the right to carry out a tax audit of the selected open tax years, taking into account the work performed for the issuance of the tax compliance certificate.

32.4 Liens

The parent company in order to secure receivables from customers has filed liens on their property, of total amount EUR 75 million.

33. Fair value disclosures

Financial assets and liabilities are measured at amortized cost. There is no obligation to disclose the levels 1, 2, 3 as the fair value of these assets and liabilities measured at amortized cost is not materially different from their respective book value. There are no transfers between levels as at 31 December 2017.

34. Other significant disclosures

- **Sale of DESFA**

According to Law 4772/2017 up to 31 December 2017, 66% of DESFA's shares owned by DEPA A.E. will be sold and transferred through an international tender procedure to be carried out by the Hellenic Republic Asset Development Fund (HRADF A.E.) and the remaining 34% will be transferred to the Greek State. The 66% of DESFA's share capital owned by DEPA A.E. will be transfer from DEPA A.E. to its shareholders, and upon sale will correspond to the 35% of ELPE's shareholding and 31% of HRADF shareholding on DESFA A.E.

Following a relevant invitation to submit binding offers on 10 October 2017, binding offers were submitted on 16 February 2018.

On 19 April 2018 the Board of Directors of HRADF A.E. and Hellenic Petroleum decided to accept the bid of EUR 535 million submitted by the joint venture of Snam S.p.A., Enagás Internacional S.L.U. and Fluxys S.A. for the sale of 66% of the share capital of DESFA SA (31% participation of HRADF and 35% participation of HELPE). It is noted that the completion of the transaction is subject to approval by the competent supervisory authorities.

DESFA is fully consolidated by the Group.

- **LNG Terminal in Northern Greece**

On 12 October 2017 DEPA and Gastrade signed a Cooperation Agreement for the participation of DEPA to the Project of European Common Interest (PCI) «LNG Terminal in Northern Greece» which is being developed by GASTRADE in the area of Alexandroupolis, Greece. The Agreement includes the next steps for the participation of DEPA to the share capital of GASTRADE and a list of common efforts of the Parties for the further commercial development of the Project. DEPA examines the possibility of participating in the corporate scheme that will develop the new infrastructure, provided that the project's viability is assured. At the same time, negotiations between Gastrade and the Bulgarian Energy Holding EAD (BEH) are in progress concerning the latter's participation in the corporate scheme that will implement the project. Regarding the participation of DEPA in the corporate scheme, due diligence, fair value valuation by an independent Consultant/Valuator and negotiations are in progress. On 2 May 2018, a meeting took place between Gastrade, DEPA and Bulgarian Energy Holding (BEH – partner of DEPA / Edison in the project of Interconnector Greece – Bulgaria IGB) which resulted in an agreement regarding the future capacity reservation by DEPA to the Project as well as DEPA's participation in the relevant market test that will be carried out in the coming months.

35. Events after balance sheet date

On 31 January 2018, the shares of "Attiki Gas Supply Company A.E." (EPA), were transferred from EDA Attikis to DEPA and Attiki Gas BV, with no consideration and in proportion to their participation in the share capital of EDA Attikis. Upon completion of the above mandatory transfer of shares (L.4336 / 2015), DEPA holds directly 51% of the shares of "Attiki Gas Supply Company A.E." and Attiki Gas B.V. holds 49%.

On 9 January 2018 a Financial Advisor was appointed by the Company to reform its participation in EPA Attikis and Thessaloniki-Thessaly (ZENITH) and on 16 May 2018, a Share Purchase Agreement was signed between DEPA A.E. and ENI Gas e Luce S.p.A. (EGL) for the sale and transfer of 51% of the share capital of ZENITH from DEPA to EGL for EUR 57,000,000 (including the dividend for the year 2017, amounting to EUR 4,959,208.71 which will be approved for distribution by the Ordinary General Meeting prior to the completion of the transaction). The completion of the transaction and the payment of the consideration by EGL to DEPA is conditional upon obtaining the necessary approvals from the competent authorities.

Negotiations for the sale and transfer of 49% of the share capital of EPA Attikis and 49% of the share capital of EDA Attikis from Attiki Gas BV to DEPA are in progress. These negotiations are expected to be completed in the near future, and the relevant Share Purchase Agreement will be signed between DEPA

A.E. and Attiki Gas BV. The completion of the transaction and therefore the payment of the consideration by DEPA to Attiki Gas BV is conditional upon obtaining the necessary approvals from the competent authorities.

The transfer of the (indirect) participation of “HELLENIC PETROLEUM A.E.” to the "HELLENIC GAS TRANSMISSION SYSTEM OPERATOR (DESFA) A.E." to the joint venture of Snam SpA, Enagás Internacional SLU and Fluxys SA was approved in the extraordinary general meeting held on 14 May 2018.

On 1 March 2018, a loan agreement between the Gas Distribution Company of Rest of Greece A.E. (DEDA) and the European Investment Bank (EIB) of EUR 48 million was signed. The agreement concerns the financing of projects for the development of natural gas distribution networks in the Central Greece, Central Macedonia and Eastern Macedonia - Thrace Regions. No funds have been disbursed to date.

DEPA, in accordance with Article 89 of Law 4001/2011, is required to prepare separate accounts for the individual natural gas activities and for any other activities using standardized rules for the allocation of assets and liabilities, costs and revenues, that must be submitted to RAE for approval. The separate financial statements for the year 2017 will be submitted by the Company to RAE. The financial statements submitted to RAE will be audited by the Company's auditor in accordance with the allocation rules approved by RAE.

There were no other events subsequent to the financial statements as of 31 December 2017 that would have a significant impact on the understanding of these Financial Statements and should either have been disclosed or affect the amounts in the published financial statements.

Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
DEPA SA

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the Separate and Consolidated Financial Statements of DEPA SA (the "Company") which comprise the Separate and Consolidated Statement of Financial Position as at 31 December 2017, the Separate and Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the Separate and Consolidated Financial Statements present fairly, in all material respects, the financial position of DEPA SA (Company name) as at 31 December 2017 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and comply with the regulatory requirements of C.L. 2190/1920.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants,* as it has been incorporated into Greek legislation, and the ethical requirements that are relevant to our audit of the separate and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these Separate and Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union and the relative regulatory requirements of C.L. 2190/1920, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

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

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities included in the Company's Consolidated Financial Statements in order to express an opinion on these Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of these consolidated financial statements. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Management is responsible for the preparation of the Board of Directors' Report Pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

(a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Article 43a and 107A of C.L. 2190/1920 and its contents correspond with the Separate and Consolidated Financial Statements for the year ended 31 December 2017.

(b) Based on the knowledge acquired during our audit, relating to the Company and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 18 June 2018

KPMG Certified Auditors AE
AM SOEL 114

Anastasios Kyriacoulis, Certified Auditor Accountant
AM SOEL 39291