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

Interim Condensed Financial Statements for the period from 1 January 2018 to 30 June 2018 in accordance with International Accounting Standard 34 as adopted by the European Union

(TRANSLATED FROM THE GREEK ORIGINAL)

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(All amounts are expressed in EUR unless otherwise stated)

INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		30/06/2018	30/06/2017	30/06/2018	30/06/2017
Continuing operations					
Revenue		366,480,932	488,364,635	416,184,415	587,204,622
Cost of Sales		(343,158,162)	(447,138,729)	(392,035,754)	(545,972,277)
Gross profit		**23,322,770**	**41,225,906**	**24,148,661**	**41,232,345**
Administrative expenses		(7,842,870)	(8,811,813)	(7,400,951)	(7,988,636)
Distribution expenses		(3,534,869)	(3,969,477)	(3,479,283)	(3,923,781)
Other income/(expenses)		(4,333,656)	414,781	(4,320,424)	443,329
Amortization of grants		727,957	728,906	350,714	350,714
Share of profit/(loss) from equity-accounted investees		9,152,428	13,486,094		
Dividends				8,433,687	20,956,694
Gains/(Losses) from foreign currency translation differences		2,331,450	(1,225,295)	2,331,450	(1,225,295)
Operating profit		**19,823,209**	**41,849,102**	**20,063,854**	**49,845,370**
Finance costs		(504,914)	(561,480)	(502,078)	(560,052)
Finance income		4,039,830	10,054,566	4,039,275	10,053,818
Profit before income tax		**23,358,125**	**51,342,188**	**23,601,051**	**59,339,136**
Income tax	4	(4,136,362)	(8,146,111)	(3,976,415)	(8,298,751)
Profit for the period		**19,221,763**	**43,196,077**	**19,624,636**	**51,040,385**
Discontinued operations					
Profit (loss) from discontinued operation, net of tax	12	**(63,450,085)**	**57,541,534**	**50,459,209**	**16,753,596**
Profit/(Loss) from continuing and discontinued operations, net of tax		**(44,228,322)**	**100,737,611**	**70,083,845**	**67,793,981**

*The Group's and the Company's comparative figures have been restated due to the presentation of DESFA A.E and ZENITH A.E as discontinued operations.

The notes on pages 9 to 23 are an integral part of these condensed interim financial statements.

(All amounts are expressed in EUR unless otherwise stated)

INTERIM STATEMENT OF FINANCIAL POSITION

		GROUP	
ASSSETS	**Note**	**30/06/2018**	**31/12/2017**
Non-current assets			
Property, plant and equipment	5	697,189,416	1,933,524,969
Investment property		417,534	427,038
Intangible assets	5	2,362,829	16,363,485
Investment in joint ventures		287,940,592	301,791,329
Investment in associates		22,695,522	23,730,152
Other long-term receivables		362,636	438,074
Deferred tax assets		20,358,936	5,593,025
Total non-current assets		**1,031,327,465**	**2,281,868,073**
Current assets			
Inventories		7,685,776	49,296,903
Trade and other receivables	6	251,870,287	363,157,634
Cash and cash equivalents	7	398,505,617	532,162,638
Total current assets		**658,061,680**	**944,617,175**
Assets held for distribution		1,447,993,182	-
Assets held for sale		12,585,421	-
TOTAL ASSETS		**3,149,967,749**	**3,226,485,248**
LIABILITIES			
EQUITY			
Share capital		991,238,046	991,238,046
Reserves		203,864,830	196,050,108
Retained Earnings		569,274,620	692,806,205
Amount recognized directly in equity related to assets held for sale/distribution		722,042	-
Total Equity		**1,765,099,538**	**1,880,094,359**
LIABILITIES			
Non-current liabilities			
Loans and borrowings		-	197,021,235
Provisions and other liabilities	9	2,562,924	54,020,732
Government grants		35,557,145	293,165,942
Employee benefits		1,280,064	5,239,662
Other long-term liabilities		513,284,572	524,586,754
Total non-current liabilities		**552,684,705**	**1,074,034,325**
Current liabilities			
Trade and other payables	10	193,458,599	202,828,951
Loans and borrowings		-	25,801,431
Short-term tax liabilities		1,258,926	43,726,182
Total current liabilities		**194,717,525**	**272,356,564**
Liabilities directly associated with the assets held for distribution		637,465,981	-
Total liabilities		**1,384,868,211**	**1,346,390,889**
TOTAL EQUITY AND LIABILITIES		**3,149,967,749**	**3,226,485,248**

The notes on pages 9 to 23 are an integral part of these condensed interim financial statements.

(All amounts are expressed in EUR unless otherwise stated)

INTERIM STATEMENT OF FINANCIAL POSITION

		COMPANY	
ASSETS	**Note**	**30/06/2018**	**31/12/2017**
Non-current assets			
Property, plant and equipment	5	612,575,899	620,084,364
Investment property		417,534	427,038
Intangible assets	5	2,241,272	2,347,154
Investment in subsidiaries and joint ventures		316,410,412	955,534,502
Investment in associates		30,825,000	30,825,000
Other long-term receivables		345,697	161,431
Deferred tax assets		21,731,368	24,930,377
Total non-current assets		**984,547,182**	**1,634,309,866**
Current assets			
Inventories		5,577,444	27,423,831
Trade and other receivables	6	251,181,659	334,022,198
Cash and cash equivalents	7	393,782,557	298,934,350
Total current assets		**650,541,660**	**660,380,379**
Assets held for distribution		629,341,478	-
Assets held for sale		9,782,613	-
TOTAL ASSETS		**2,274,212,933**	**2,294,690,245**
LIABILITIES			
EQUITY			
Share capital		991,238,046	991,238,046
Reserves		178,616,093	170,801,370
Retained Earnings		380,837,541	389,334,917
Total Equity		**1,550,691,680**	**1,551,374,333**
LIABILITIES			
Non-current liabilities			
Provisions and other liabilities	9	2,297,924	2,297,924
Government grants		14,827,168	15,177,882
Employee benefits		1,132,785	1,119,949
Other long-term liabilities		513,243,166	524,400,348
Total non-current liabilities		**531,501,043**	**542,996,103**
Current liabilities			
Trade and other payables	10	190,808,946	197,106,267
Short-term tax liabilities		1,211,264	3,213,542
Total current liabilities		**192,020,210**	**200,319,809**
Total liabilities		**723,521,253**	**743,315,912**
TOTAL EQUITY AND LIABILITIES		**2,274,212,933**	**2,294,690,245**

The notes on pages 9 to 23 are an integral part of these condensed interim financial statements.

Chairman of the Board of Directors	Velissarios Dotsis
Chief Executive Officer & Vice chairman	Dimitrios-Evaggelos Tzortzis
Executive Director Financial Activities Member of the Greek Economic Chamber – 750 – A' Class Signatory Right	Maria Fandridaki
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)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserve	Other Reserves	Special Reserves	Tax free reserves	Retained Earnings	Total
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 for the period 1/1-30/06/2017 after tax	-	-	-	-	-	100,737,611	100,737,611
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	**100,737,611**	**100,737,611**
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	-	37,533,547	-	-	(37,533,547)	-
Dividends	-	-	-	-	-	(52,579,301)	(52,579,301)
Total transactions with the owners of the Company	-	-	37,533,547	-	-	(90,112,848)	(52,579,301)
Balance at 30 June 2017	**991,238,046**	**62,943,584**	**42,763,888**	**81,376,695**	**1,459,942**	**671,163,865**	**1,850,946,018**
Balance at 1 January 2018	991,238,046	70,449,584	42,763,887	81,376,695	1,459,942	692,806,205	1,880,094,359
Adjustment of initial application of IFRS 9	-	-	-	-	-	(5,000,386)	(5,000,386)
Restated balance at 1 January 2018	991,238,046	70,449,584	42,763,887	81,376,695	1,459,942	687,805,818	1,875,093,972
Profit for the period 1/1-30/06/2018 after tax	-	-	-	-	-	(44,228,322)	(44,228,322)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	**(44,228,322)**	**(44,228,322)**
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	-	7,814,723	-	-	(7,814,723)	-
Dividends	-	-	-	-	-	(65,766,112)	(65,766,112)
Total transactions with the owners of the Company	-	-	7,814,723	-	-	(73,580,835)	(65,766,112)
Balance at 30 June 2018	**991,238,046**	**70,449,584**	**50,578,609**	**81,376,695**	**1,459,942**	**569,996,662**	**1,765,099,538**

The notes on pages 9 to 23 are an integral part of these condensed interim financial statements.

(All amounts are expressed in EUR unless otherwise stated)

COMPANY'S INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserve	Other Reserves	Special Reserves	Tax free reserves	Retained Earnings	Total
Balance at 1 January 2017	991,238,046	42,570,584	4,781,483	81,376,695	1,504,062	421,786,467	1,543,257,336
Profit for the period 1/1-30/06/2017 after tax	-	-	-	-	-	67,793,981	67,793,981
Total comprehensive income for the period	-	-	-	-	-	67,793,981	67,793,981
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	-	37,533,547	-	-	(37,533,547)	-
Dividends	-	-	-	-	-	(52,579,301)	(52,579,301)
Total transactions with the owners of the Company	-	-	37,533,547	-	-	(90,112,848)	(52,579,301)
Balance at 30 June 2017	**991,238,046**	**42,570,584**	**42,315,030**	**81,376,695**	**1,504,062**	**399,467,600**	**1,558,472,016**
Balance at 1 January 2018	991,238,046	45,605,584	42,315,030	81,376,695	1,504,062	389,334,917	1,551,374,333
Effect of IFRS 9	-	-	-	-	-	(5,000,386)	(5,000,386)
Restated balance at 1 January 2018	991,238,046	45,605,584	42,315,030	81,376,695	1,504,062	384,334,531	1,546,373,947
Profit for the period 1/1-30/06/2018 after tax	-	-	-	-	-	70,083,845	70,083,845
Total comprehensive income for the period	-	-	-	-	-	**70,083,845**	**70,083,845**
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	-	7,814,723	-	-	(7,814,723)	-
Dividends	-	-	-	-	-	(65,766,112)	(65,766,112)
Total transactions with the owners of the Company	-	-	7,814,723	-	-	(73,580,835)	(65,766,112)
Balance at 30 June 2018	**991,238,046**	**45,605,584**	**50,129,752**	**81,376,695**	**1,504,062**	**380,837,541**	**1,550,691,680**

The notes on pages 9 to 23 are an integral part of these condensed interim financial statements.

(All amounts are expressed in EUR unless otherwise stated)

INTERIM STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	1/1-30/06/2018	1/1-30/06/2017	1/1-30/06/2018	1/1-30/06/2017
Cash flows from operating activities:				
Profit before income tax	23,358,125	51,342,188	23,601,051	59,339,136
Adjustments for:				
Depreciation	12,623,687	12,472,267	11,161,523	11,017,200
Provisions	(1,140,698)	(2,332,386)	(1,140,698)	(2,332,386)
(Profit)/ losses on jointly controlled companies	(9,900,973)	(13,906,298)	-	-
(Profit)/ losses from associates	748,545	420,204	-	-
Income from dividends	-	-	(8,433,687)	(20,956,694)
Amortization of grants	(727,957)	(728,906)	(350,714)	(350,714)
Foreign currency differences	28,844	694,213	28,844	694,213
Net finance costs	(3,534,916)	(9,493,087)	(3,537,197)	(9,493,766)
Amortization of rights of use	(14,831,450)	(17,074,887)	(14,831,450)	(17,074,887)
Other adjustments	-	3,144	-	3,144
	6,623,207	21,396,453	6,497,672	20,845,246
Adjustments for changes in working capital or changes related to operating activities:				
Decrease / (increase) in inventories	21,846,387	(3,048,525)	21,846,387	(3,026,845)
Decrease / (increase) in receivables	20,375,130	67,220,237	90,011,080	64,954,800
Decrease / (increase) in long-term receivables	(185,116)	(10,002)	(184,266)	-
(Decrease)/increase in liabilities (excluding banks)	(3,395,693)	(20,468,470)	(72,467,012)	(23,369,215)
Cash flows from operating activities	45,263,915	65,089,693	45,703,861	59,403,986
Interest and other related expenses paid	(356,147)	(561,480)	(353,311)	(560,052)
Taxes paid	-	-	-	-
Net cash from operating activities (a)	**44,907,768**	**64,528,213**	**45,350,550**	**58,843,934**
Net cash from discontinued operations (d)	**95,466,839**	**72,755,991**	**-**	**-**
Cash flows from investing activities:				
Acquisition of subsidiaries, associates, joint ventures and other investments	-	(105,922)	-	(105,922)
Acquisition of property, plant, equipment and intangible assets	(662,057)	(390,214)	(374,709)	(157,161)
Interest received	157,595	5,169,210	157,039	5,168,462
Net cash from investing activities (b)	**(504,462)**	**4,673,074**	**(217,670)**	**4,905,379**
Net cash from discontinued operations (e)	**(15,241,407)**	**(12,151,746)**	**49,715,327**	**16,331,949**
Cash flows from financing activities				
Net cash from financing activities (c)	**-**	**-**	**-**	**-**
Net cash from discontinued operations (f)	**(14,942,382)**	**(16,661,132)**	**-**	**-**
Net increase/ (decrease) in cash and cash equivalents of the period (a)+(b)+(c)+(d)+(e)+(f)	**109,686,356**	**113,144,400**	**94,848,207**	**80,081,262**
Cash and cash equivalents at the beginning of the period	532,162,638	321,043,831	298,934,350	175,149,506
Cash and cash equivalents at the end of the period	**641,848,994**	**434,188,231**	**393,782,557**	**255,230,769**

* The Group's and the Company's comparative figures have been restated due to the presentation of DESFA A.E and ZENITH A.E as discontinued operations.

The notes on pages 9 to 23 are an integral part of these condensed interim financial statements.

1. Description of the Group

The Public Gas Corporation and its subsidiaries, associates and joint ventures (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. Athens, Greece.

According to article 3 of the Greek Law 2364/1995, amended by Law 2992/2002, the Parent Company of the Group, DEPA, 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, when, 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. by means of 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.

Based on the above, the assets and liabilities that relate to high pressure Transmission System, were transferred as of June 30, 2006 (date of spinoff) from DEPA 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 prefect of Athens. The geographical boundaries of operation of the new subsidiary “EDA A.E.” 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 23 December 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).

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.

Pursuant to the provisions of article 80A of Law 4001/2011, as introduced by article 4 of Law 4336/2015, and as amended and currently in force, on 2 January 2017 the spin-off of the gas Distribution division of DEPA (excluding the networks of the areas of Attica, Thessaly and Thessaloniki) and the establishment, through the contribution of the detached division, of a new company under the name Gas Distribution Company Rest of Greece A.E. (DEDA), was completed. In accordance to the provision of paragraph 6 of the above Article 80A of Law 4001/2011, DEDA automatically and legally subrogated to all rights, obligations and legal relations of DEPA concerning the contributed gas Distribution division, while this transfer is considered a quasi-universal succession.

DEPA is an associate of Hellenic Petroleum S.A and is consolidated in the Financial Statements of Hellenic Petroleum SA 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.

Approval of Financial Statements

These condensed consolidated interim financial statements ("Condensed Financial Statements") were authorized for issue by the Company's Board of Directors on 1 November 2018.

2. Basis of preparation and summary of Significant Accounting Policies

Statement of compliance

These condensed interim financial statements for the six-month period ended 30 June 2018 (hereinafter referred to as “financial statements”) have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting as adopted by the European Union. They do not include all of the information required for annual financial statements and should be read in conjunction with the financial statements of the Group and the Company as at and for the year ended 31 December 2017.

Significant accounting policies

The financial statements have been prepared on a historical cost basis (except for specific financial assets measured at fair value) and on a going concern basis. The financial statements are presented in Euro, unless otherwise stated.

Changes in accounting policies

Except the adoption of IFRS 9 and IFRS 15 as described below, the accounting policies applied for the preparation of the condensed interim financial statements are the same with those applied in the published financial statements of the Group for the year ended 31 December 2017.

The company has initially adopted IFRS 15 “Revenue from Contracts with Customers” and IFRS 9 “Financial Instruments” from 1 January 2018.

The group has initially adopted IFRS 15 “Revenue from Contracts with Customers” and IFRS 9 “Financial Instruments” using the cumulative effect method with the effect of initially applying these standards recognized at the date of initial application (i.e. 1 January 2018). Accordingly the information presented for 2017 has not been restated, i.e. it is presented as previously reported under IAS 18, IAS 11, IAS 39 and related interpretations.

As required by IAS 34, the nature and the effect of changes are described below.

IFRS 15 “Revenue from Contracts with Customers”
IFRS 15 replaced IAS 11 “Construction contracts”, IAS 18 “Revenue” and related interpretations and applies to all revenue from customers’ contracts except those that are in scope of other standards. The new standard introduces a five steps model for the recognition of revenue from customers’ contracts.

1. Identification of contract(s) with a customer.
2. Identification of performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when (or as) the entity satisfies a performance obligation.

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. Furthermore, it includes the principles that an entity must apply to determine revenue measurement and timing of recognition. According to IFRS 15, revenue is recognized as control of goods or services is passed to the customer, either over time or at a point in time.

IFRS 9 «Financial Instruments»

IFRS 9 replaces the provisions of IAS 39 that concern the classification and measurement of financial assets and liabilities and also includes a new model for recognizing lifetime expected credit losses which replaces the model of recognizing only incurred credit losses.

The new provisions for impairment losses, in some cases, result in the expected losses being recognized earlier.

a) Classification and measurement of financial assets and liabilities

IFRS 9 retains almost all of the existing requirements of IAS 39 for the classification and measurement of financial liabilities. However it eliminates previous categories of financial assets existing under IAS 39: held to maturity, loans and receivable and available for sale.

According to IFRS 9, financial assets and liabilities are subsequently measured at fair value through profit and loss, at amortized cost or at fair value through other comprehensive income. The classification is based on two criteria:

- the business model under which the financial asset is held i.e. whether its objective is to hold and collect contractual cash flows or both to hold and collect contractual cash flows and sell the financial asset
- the contractual cash flows of the financial asset are solely payments of principal and interest (SPPI criterion)

Financial assets held with the intent to collect contractual cash flows are measured at amortized cost.

The adoption of IFRS 9 had no impact on the Group's accounting policies concerning financial liabilities.

The effect of IFRS 9 in the classification and measurement of financial assets is described below.

b) Impairment

The Group has two categories of financial assets subject to expected credit losses model:

- Trade receivables
- Financial assets measured at amortized cost.

Expected credit losses are calculated as the difference between the cash flows in accordance with the contract and the cash flows that the Group expects to receive.

Impairment of trade receivables is presented under "other expenses" in the Statement of Comprehensive Income.

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which, loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

In determining the expected credit losses for trade receivables, the Group uses credit loss estimation table in accordance with the ageing of balances which is based on historical data for credit losses, adjusted for future factors in relation to the debtors and the economic environment.

The following tables summarize the impact of adopting IFRS 15 and IFRS 9 in the Group's and Company's interim statements of financial position as at 1 January 2018 and 30 June 2018 and their interim statements of profit and loss for the six months ended 30 June 2018 for each of the line items affected.

(All amounts are expressed in EUR unless otherwise stated)

	GROUP			
	31/12/2017	IFRS 9 adjustments	IFRS 15 adjustments	Balance 01/01/2018
Non-current assets				
Deferred tax asset	5,593,025	2,042,411	-	7,635,436
Total non-current assets	**2,281,868,073**	**2,042,411**	**-**	**2,283,910,484**
Current assets				
Trade and other receivables	363,157,634	(7,042,797)	-	356,114,837
Total current assets	**944,617,175**	**(7,042,797)**	**-**	**937,574,378**
TOTAL ASSETS	**3,226,485,248**	**(5,000,386)**	**-**	**3,221,484,862**
EQUITY				
Retained Earnings	692,806,205	(5,000,386)	-	687,805,819
Total Equity	**1,880,094,359**	**(5,000,386)**	**-**	**1,875,093,973**
TOTAL EQUITY AND LIABILITIES	**3,226,485,248**	**(5,000,386)**	**-**	**3,221,484,862**

	COMPANY			
ASSETS	31/12/2017	IFRS 9 adjustments	IFRS 15 adjustments	Balance 01/01/2018
Non-current assets				
Deferred tax asset	24,930,377	2,042,411	-	26,972,788
Total non-current assets	**1,634,309,866**	**2,042,411**	**-**	**1,636,352,277**
Current assets				
Trade and other receivables	334,022,198	(7,042,797)	-	326,979,401
Total current assets	**660,380,379**	**(7,042,797)**	**-**	**653,337,582**
TOTAL ASSETS	**2,294,690,245**	**(5,000,386)**	**-**	**2,289,689,859**
EQUITY				
Retained Earnings	389,334,917	(5,000,386)	-	384,334,531
Total Equity	**1,551,374,333**	**(5,000,386)**	**-**	**1,546,373,947**
TOTAL EQUITY AND LIABILITIES	**2,294,690,245**	**(5,000,386)**	**-**	**2,289,689,859**

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		
ASSETS	**Balance 30/06/2018 with the application of IFRS 15**	**IFRS 15 adjustments**	**Balance 30/06/2018 without the application of IFRS 15**
Non-current assets			
Investment in joint ventures	287,940,592	(55,728)	287,884,864
Deferred tax assets	20,358,936		20,358,936
Total non-current assets	**1,031,327,463**	**(55,728)**	**1,031,271,735**
TOTAL ASSETS	**3,149,967,746**	**(55,728)**	**3,149,912,019**
Retained Earnings	569,274,620	(55,728)	569,218,892
Total Equity	**1,765,099,539**	**(55,728)**	**1,765,043,811**
TOTAL EQUITY AND LIABILITIES	**3,149,967,750**	**(55,728)**	**3,149,912,022**

	GROUP		
	IFRS 15 30/06/2018	**Adjustments**	**IAS 18/IAS 11 30/06/2018**
Gross profit	**23,322,770**		**23,322,770**
Other income/(expenses)	(4,333,656)		(4,333,656)
Share of profit/(loss) from equity-accounted investees	9,152,428	(55,728)	9,096,700
Operating result	**19,823,209**	**(55,728)**	**19,767,481**
Profit before income tax	**23,358,125**	**(55,728)**	**23,302,397**
Income tax	(4,136,362)		(4,136,362)
Profit from continuing operations, net of tax	**19,221,763**	**(55,728)**	**19,166,035**
Profit from discontinued operations, net of tax	**(63,450,085)**		**(63,450,085)**
Profit from continuing and discontinued operations, net of tax	**(44,228,322)**	**(55,728)**	**(44,284,048)**

Judgments and estimates

The preparation of interim financial statements in accordance with IFRS as adopted by the European Union (“IFRS”) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments and estimates made by management in applying Group’s accounting policies were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2017.

(All amounts are expressed in EUR unless otherwise stated)

Financial Risk Management

Group's financial risk management policies are consistent with those disclosed in the annual financial statements as at and for the year ended 31 December 2017 with the exception of the risk related to the macroeconomic and business environment in Greece.

Following a period of economic recession in 2009-2016, during which real GDP fell by 26%, the Greek economy returned to positive growth rates in 2017, with GDP rising by 1.4%, supported mainly by exports of goods and services, as well as investments. The upward trend of the economy continued for a fifth consecutive quarter, with real GDP in the first quarter of 2018 increasing by 0.8% compared to the fourth quarter of 2017 and 2.3% compared to the first quarter of 2017 (the highest annual growth since 2008). Economic recovery, improved banking system stability, completion of the second and third EU bailout program reviews, as well as improved confidence reflected in the Greek government bond yields and the recent 7-year government bond issue, contributed to an enhanced macroeconomic backdrop in the country. Employment growth (+2.2% in 2017, +0.3% in the first quarter of 2018) 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 and the first quarter of 2018, the Greek economy faces a number of significant challenges, such as the high public debt, large non-performing loans, high unemployment, low structural competitiveness and the collapse of investment, which should be addressed in the medium-term and will affect the country's future growth prospects. The above is beyond the control of the Group but 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.

3. Seasonality of operations

Consumption of natural gas from domestic customers for heating purposes is subject to fluctuations due to seasonality, with increased demand at the first and fourth quarter of the year. This is mainly attributable to the seasonal weather conditions with no need to adjust the accounting policies due to seasonality.

4. Income Tax

The income tax expense presented in the statement of comprehensive income for the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Current tax	1,265,005	-	1,265,005	-
Prior year taxes	-	1,966,302	-	1,966,302
Deferred tax	(5,401,367)	(10,112,413)	(5,241,420)	(10,265,054)
Total taxes recognized in the Statement of Comprehensive Income	**(4,136,362)**	**(8,146,111)**	**(3,976,415)**	**(8,298,751)**

The effective tax rate for the first half of 2018 is approximately 18% and 16% for the Group and the Company. The corresponding rates for the first half of 2017 were approximately 17% and 14% respectively.

(All amounts are expressed in EUR unless otherwise stated)

5. Tangible and Intangible Assets

Purchases and depreciation/amortization of tangible and intangible assets of the Group for the six months period of 2018 was EUR 662,057 (2017: EUR 13,347,102) and EUR 12,623,687 (2017: EUR 40,055,216) respectively. Purchases and depreciation/amortization of tangible and intangible assets of the Company was EUR 374,709 (2017: EUR 157,161) and EUR 11,161,523 (2017: EUR 11,017,200) respectively Tangible and intangible assets in the Statement of Financial Position of the Company, except from the above tangible and intangible assets, include networks constructed by EDA. Tangible assets of EUR 1,227,629,906 and intangible assets of EUR 13,917,138 have been transferred to assets to be distributed.

6. Trade and other receivables

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

	GROUP		COMPANY	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Trade Debtors	286,192,807	295,793,191	285,834,367	287,517,703
Less : Provisions	(121,187,686)	(121,830,273)	(121,187,686)	(115,298,422)
Total	165,005,121	173,962,918	164,646,681	172,219,281
Other Receivables	86,865,166	189,194,717	86,534,980	161,802,918
Total	**251,870,287**	**363,157,634**	**251,181,659**	**334,022,198**

It should be noted that Trade Debtors of the Company include short term receivables from related parties (see note 13).

7. Cash and Cash Equivalents

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

	GROUP		COMPANY	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Cash on hand	11,081	2,516,543	11,080	2,509,903
Sight deposits	6,477,580	32,616,340	1,754,520	3,162,647
Time deposits	392,016,957	497,029,755	392,016,957	293,261,800
Balance	**398,505,618**	**532,162,638**	**393,782,557**	**298,934,350**
DESFA's cash	**243,343,378**			
Total per cash flow statement	**641,848,996**	**532,162,638**	**393,782,557**	**298,934,350**

Cash is deposited in Greek Banks.

8. Dividends

According to the provisions of Greek corporate legislation, Societe Anonymes are required to distribute each year, as a dividend, an amount that equals to 35% of the profits after taxes and after the establishment of the statutory reserve. According to article 30 of Law 2579/98 companies and organizations whose exclusive shareholder or owner with a majority over 60% of its share capital is the

(All amounts are expressed in EUR unless otherwise stated)

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, from the fiscal year 1997 and thereafter, the total dividend to the Shareholder as determined by the company's articles of association or by law provisions.

On 29 June 2018, the annual General Assembly of shareholders approved the distribution of profits after tax amounting to EUR 65,766,111.79. The payment of the dividends was made on 27 July 2018.

9. Provisions & Other liabilities

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

	GROUP		COMPANY	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Provisions for legal disputes and claims	2,562,924	24,644,929	2,297,924	2,297,924
Provisions for prior years commission to Greek State	-	17,800,000	-	-
Provision for users compensations and supply security duties	-	11,575,803	-	-
Total	**2,562,924**	**54,020,732**	**2,297,924**	**2,297,924**

10. Trade and other payables

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

	GROUP		COMPANY	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Suppliers	34,384,070	87,989,792	21,698,946	75,724,299
Cheques payables		5,052		
Customer advances	11,612,506	30,232,872	11,492,129	12,869,067
Tax payables	4,826,723	8,423,078	4,826,723	8,423,078
Social security	179,931	566,906	155,006	115,581
Liabilities to subsidiaries and related parties	4,615,398	9,147,635	15,519,561	26,367,178
Dividends paid	65,766,112		65,766,112	
Other creditors	629,268	5,233,921	494,741	359,991
Other accrued liabilities	32,097,139	26,425,646	32,097,139	31,978,381
Deferred income	29,662,900	30,174,207	29,662,900	30,174,207
Accrued expenses	9,684,552	4,629,841	9,095,689	11,094,484
Total	**193,458,599**	**202,828,951**	**190,808,946**	**197,106,267**

11. Assets held for distribution

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

(All amounts are expressed in EUR unless otherwise stated)

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 consortium 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).

With Decision No. 235 of 25 June 2018, the Court of Audit approved the transaction and on 13 July 2018 the European Commission also gave its approval in accordance with the European Union Merger Regulation.

On 20 July 2018, the sellers HRADF and ELPE and the buyer SENFLUGA Energy Infrastructure Holdings S.A (special purpose entity set up by the consortium of Snam S.p.A., Enagás Internacional S.L.U. και Fluxys S.A.) signed the sale and purchase agreement. On the same date, the Shareholders' Agreement for the sale of DESFA between SENFLUGA S.A. and the Hellenic Republic was signed.

Although the parties undertake valid commitments upon signing of the SPA, the effectiveness of all provisions of the SPA (including the transfer of shares and the payment of the consideration) remains subject to approvals, some of which lie beyond the control of the parties.

The transaction is expected to be completed by the end of the year.

DESFA is accounted as assets held for distribution on the statement of financial position of the Group and the Company due to the reduction of the share capital in kind upon return of DESFA's shares to the shareholders of DEPA.

As of 30 June 2018, assets held for distribution and related liabilities are as follows:

Property, plant and equipment	1,220,600,275
Intangible assets	13,854,680
Investments in subsidiaries	282,201
Other investments	350,000
Long-term receivables	260,556
Inventories	12,988,891
Trade and other receivables	59,680,256
Cash and cash equivalents	243,343,378
Fair value adjustment	(103,367,055)
Assets held for distribution	***1,447,993,182***

Long-term loans and borrowings	187,260,671
Employee benefits	4,027,269
Government grants	251,320,539
Other provisions	57,594,590
Other long-term liabilities	145,000
Deferred tax liabilities	20,396,303
Trade and other payables	44,550,065
Short-term loans and borrowings	20,619,613
Short-term tax liabilities	51,551,931
Liabilities directly associated with the assets held for distribution	***637,465,981***

(All amounts are expressed in EUR unless otherwise stated)

Valuation loss of EUR 103,367,055 on fair value less distribution cost, has been recognized on discontinued operations of the interim statement of comprehensive income.

12. Discontinued operations

On 09 January 2018 a Financial Advisor was engaged by the Parent 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 a consideration of EUR 57,000,000 (including the dividend for the year 2017, amounting to EUR 4,959,208.71).

The entity is committed to distributed DESFA to its shareholders (HRADF and ELPE) and sell ZENITH A.E. The impact of the above for the Group and the Company is presented in the table below.

	GROUP		COMPANY	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Income	111,693,290	131,486,868	50,459,209	16,753,596
Expense	(58,035,792)	(55,581,641)	-	-
Profit from equity-accounted investees	2,226,607	3,979,697		
Fair value adjustment	(103,367,055)	-	-	-
Profit before tax	**(47,482,949)**	**79,884,924**	**50,459,209**	**16,753,596**
Income tax	(15,967,136)	(22,343,390)	-	-
Profit after tax	**(63,450,085)**	**57,541,534**	**50,459,209**	**16,753,596**

(All amounts are expressed in EUR unless otherwise stated)

13. Related party transactions and balances

The Company considers as related parties:

a) Associates and Joint Ventures of the Group consolidated with the equity method as well as

b) Associates that are not consolidated but are under common control with the group due to the joint participation of the Greek State and have significant transactions with the Group. The transactions and balances with consolidated and unconsolidated associates and jointly controlled entities are stated at 100%. The Group's and the Company's related party transactions and balances during the periods 1/1-30/06/2017, 30/06/2017, 1/1-30/06/2018 and 30/06/2018 respectively, are as follows:

	GROUP		GROUP		COMPANY		COMPANY	
	1/1-30/06/2017		30/06/2017		1/1-30/06/2017		30/06/2017	
	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	129,413,011	247,601	4,502,381	472,352	138,198,790	102,178,470	15,372,372	28,686,774
Transactions with unconsolidated entities	277,416,080	63,289	156,003,668	3,201,494	277,416,080	63,289	156,003,668	3,201,494

	GROUP		GROUP		COMPANY		COMPANY	
	1/1-30/06/2018		30/06/2018		1/1-30/06/2018		30/06/2018	
	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	83,358,312	135,899	11,022,002	515,010	70,280,517	51,346,766	21,383,614	14,712,640
Transactions with unconsolidated entities	193,883,836	76,294	49,508,172	1,024,451	193,883,836	76,294	49,508,172	1,024,451

(All amounts are expressed in EUR unless otherwise stated)

The Company considers as related parties the members of the Board of Directors (including their related parties). Fees to the president and Board of Directors' members of the Group and the Company are as follows:

	30/06/2018	30/06/2017
Fees of the Chairman and BoD members of the Company	194,367	272,401
Fees of the consolidated Subsidiaries' Chairman, BoD members and supervisory board	271,644	232,047
Fees of the BoD members	**466,011**	**504,448**

14. Commitments and Contingent Liabilities

14.1 Contingent Liabilities from cases under dispute or under arbitration

DEPA and DEDA have booked a provision for pending lawsuits against them of EUR 2,297,924 and EUR 265,000 respectively.

14.2 Other contingent liabilities

14.2.1 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
NATURAL GAS DISTRIBUTION COMPANY A.E. (D.E.D.A.)	GREECE	2017
EDA ATTIKIS A.E.	GREECE	2017
EPA ATTIKIS A.E.	GREECE	2017
EDA THESSALONIKIS A.E.	GREECE	2017
EPA THESSALONIKIS A.E.	GREECE	2017
Y.A.F.A. POSEIDON A.E.	GREECE	2017
SOUTH STREAM A.E	GREECE	2014-2017
IGB AD	BULGARIA	2011-2017

The tax audit for 2017 from the statutory auditors is in progress for all the Companies of the Group (except for 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 and article 65A of Law 4174/2013 the Company and Group for the unaudited 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).

EDA ATTIKIS A.E has been audited by the tax authorities up to the fiscal year 2008, while for the fiscal years 2009-2010, the stature of limitation has expired.

On 12 July 2017 the Independent Authority of Public Revenue issued the audit order no. 277/0/1118 for the re-audit of the fiscal year 2012 of EPA Thessaloniki A.E. Tax audit is in progress.

On 12 July 2017 the Independent Authority of Public Revenue issued the audit order no. 194/0/1118 for the re-audit of the fiscal year 2012 of EPA Thessalias A.E. Tax audit has not yet started.

On 14 March 2018 the Independent Authority of Public Revenue issued the audit order no. 191/0/4224 for the audit of withholding payroll tax return for the year 2007 requested by EDA THESS upon decision No. 15476/2017 of Athens Court of First Instance for the collection of withholding tax claim.

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.

15. 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 carried at amortized cost is not materially different from their respective book value. There are no transfers between levels, compared to 31 December 2017.

16. Other disclosures

- **Loan agreement DEDA**

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.

- **LNG Terminal in Northern Greece**

On 2 May 2018, a meeting took place among 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 DEPA's participation in the first non-binding phase of the relevant market test that will be carried out in the coming months, DEPA's assurance that it will exhaust all possibilities to reserve capacity of up to 0.7 bcm / year during the second phase of the aforementioned market test, and upon completion of the market test, signing the agreement for capacity reservation and use of the terminal. This is a follow-up to the cooperation agreement signed on 12 October 2017 by DEPA and Gastrade for the conditional participation of DEPA in the share capital of GASTRADE, as well as for the joint efforts of the parties for further commercial development of the Project.

17. Subsequent events after the date of the Financial Statements

On 13 July 2018, the Share Purchase Agreement between the Public Gas Corporation A.E (DEPA) and Attiki Gas BV (Attiki Gas, 100% subsidiary of Shell Gas BV, a company of Royal Dutch Shell Group of Companies) was signed, for the sale and transfer of 49% of the share capital of the companies NATURAL GAS - GREEK ENERGY COMPANY (EPA Attikis) and ATTICA GAS DISTRIBUTION (EDA Attikis). The consideration for EPA Attikis is EUR 39 million and for EDA Attikis EUR 111 million. The completion of the transaction is conditional upon obtaining the necessary approvals from the competent authorities.

On 20 July 2018, the sale of 51% of the share capital of the Gas Supply Company of Thessaloniki Thessaly A.E (ZENITH) was completed by transferring of the corresponding shares from DEPA to Eni gas e luce S.p.A. (EGL). This transfer is in accordance with the relevant Share Purchase Agreement signed between DEPA and EGL on 16 May 2018 and upon approval of the transaction by the Hellenic Competition Committee with its decision dated 12 July 2018. The total consideration amounted to EUR 57 million (including the dividend for the year 2017).

The General Assembly of Shareholders of DEPA decided on 28 September 2018 to reduce the share capital of DEPA in kind in order to transfer DESFA's shares held by DEPA to the shareholders of HRADF and ELPE.

There were no other events subsequent to the condensed interim financial statements as of 30 June 2018 that materially impact these Interim Financial Statements and would need to be disclosed or adjust the amounts presented in these interim financial statements.

Independent Auditors' Report on Review of Condensed Interim Financial Information

(Translated from the original in Greek)

To the Shareholders of
PUBLIC GAS COMPANY (DEPA) S.A.

Introduction

We have reviewed the accompanying condensed standalone and consolidated Statement of Financial Position of PUBLIC GAS COMPANY (DEPA) S.A. (the "Company") as at 30 June 2018 and the related condensed standalone and consolidated statements of Comprehensive Income, Changes in Equity and Cash Flows for the six-month period then ended and the selected explanatory notes, which comprise the condensed interim financial information. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Athens, 1 November 2018

KPMG Certified Auditors AE
AM SOEL 114

Anastasios Kyriacoulis, Certified Auditor Accountant
AM SOEL 39291