ASPROFOS ENGINEERING SA

Financial Statements
according to
International Financial Reporting
Standards ("IFRS")
for the year ended 31 December 2017

ASPROFOS SA

COMPANY'S REG. NO.: 4712/01 NT/B/86/654

HEADQUARTERS: 284 EL. VENIZELOU AVENUE, 17675 KALLITHEA

(Amounts in Euro thousands)

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Business data

Board of Directors : Gerasimos Katopodis, BOD Chairperson (until 12/5/2018)

Vasileios Kounelis, BOD Chairperson (from 14/5/2018)

Petros Papasotiriou, Managing Director

Christoforos Antotsios, Vice-Chairman (from 14/5/2018),
Member (from 14/05/2018)

Dimitrios Sarrigiannis, member (until 12/5/2018)
Lambros Klimos, member (until 12/5/2018

Ioannis Kalathas, member (from 14/5/2018)

Stefanos Papadimitriou (from 14/5/2018)

Spyridon Lattas, member (from 14/5/2018)

Solon Filopoulos, member (Employee Representative)

Address of Company's Headquarters: 284 El. Venizelou Avenue - 17675 Athens

COMPANY'S REG. NO.: 4712/01NT/B/86/654

Audit firm: ERNST & YOUNG (HELLAS)

CERTIFIED AUDITORS-ACCOUNTANTS SA

8B CHIMARRAS, 15125 MAROUSSI

SOEL Reg. No. OF COMPANY 107

ERNST & YOUNG (HELLAS)
Certified Auditors-Accountants SA
8B Chimarras, Maroussi
151 25 Athens

Tel.: 210 2886 000
Fax: 210 2886 905
ey.com

Report by an Independent Certified Auditor-Accountant

To the Shareholders of the company "Asprofos Engineering SA"

Audit Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of "Asprofos Engineering SA" (the Company), which comprise of the statement of financial position as at 31 December 2017, the statements of comprehensive income, changes in equity and cash flows for the fiscal period that ended on that date, and a summary of significant accounting policies and methods and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all fundamental respects, the financial position of the Company "Asprofos Engineering SA" as at 31 December 2017, its financial performance and its cash flows for the year that ended then in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the applicable legal and regulative framework where appropriate.

Base of opinion

We conducted our audit in accordance with the International Auditing Standards (IAS) included in the Greek Legislation. Our responsibilities, pursuant to these standards, are described further in the section of our report "Auditor's responsibilities relating to the financial statements audit". We are independent of the Company, in accordance with the Code of Conduct for Professional Auditors of the Board of International Standards of Conduct for Auditors, as it has been incorporated in the Greek Legislation and the requirements of conduct relating to the financial statements audit in Greece, and we have fulfilled our ethical obligations pursuant to the requirements of the applicable legislation and the aforementioned Code of Conduct. We believe that the audit evidence we have obtained are sufficient and suitable to provide a basis for our opinion.

Other information

The Management is responsible for the other information. Other information includes the Management Report of the Board of Directors, which is referred to the "Report on Other Legal and Regulatory Requirements", and any other information, which is either required by special provisions of law or the Company has incorporated optionally, but does not include the financial statements and the audit report on them.

Our opinion on the financial statements does not cover other information and we do not express, with this opinion, any form of conclusion regarding assurance on them.

As far as our audit on the financial statements is concerned, our responsibility is to read the other information and, in this way, to examine whether the other information is substantially inconsistent with the financial statements or the knowledge we have acquired during the audit or otherwise it appears to be substantially incorrect. If, on the basis of the works we have carried out, we come to the conclusion that there is a substantial error in the other information, we are obliged to report this fact. We have nothing to say about this issue.

Responsibilities of the Management on the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted by the European Union, and for those safeguards concerning the internal audits that management considers necessary for the preparation of the financial statements exempt from fundamental error due either to deceit or error.

During the financial statements preparation, the Management is responsible for the evaluation of the Company's ability to continue its activity, disclosing - where applicable - the issues relating to the continuing activity and use of the accounting basis of the continuing activity, unless the Management intends either to liquidate the Company or to discontinue their activity or does not have other realistic alternative than to proceed to these actions.

Auditor's responsibilities relating to the financial statements audit

Our goals are to obtain a reasonable assurance about whether or not the financial statements, as a whole, are free of a substantial error, which is due to fraud or error, as well as to issue an auditor's report, which includes our opinion. The reasonable assurance constitutes a high level assurance, but it is not a guarantee that the audit carried out in accordance with the IAS, as they have been incorporated into the Greek Legislation, will always detect a substantial error, where it exists. Mistakes may result from fraud or error and are considered substantial when, individually or together, it could reasonably be expected that they would affect the economic decisions of the users, which are taken based on the financial statements.

As task of the audit, in accordance with the IAS as incorporated into the Greek Legislation, we exercise a professional judgement and we obtain a professional skepticism throughout the audit. Furthermore:

- We identify and evaluate the risks of a substantial mistake in the financial statements, which is due to either fraud or error, by designing and performing audit procedures that correspond to these risks, and we obtain audit evidence that is sufficient and suitable to provide a basis for our opinion. The risk of non-identification of a substantial mistake, which is due to fraud, is higher than the risk, which is due to error, since the fraud can include collusion, forgery, deliberate omissions, false assurances or circumvention of the safeguards concerning the internal audits.

- We understand the safeguards concerning the internal audits that are relevant to the audit, for the purpose of the design of audit procedures, but not for the purpose of an opinion on the effectiveness of the safeguards concerning the internal audits of the Company.

- We evaluate the appropriateness of the accounting principles and practices used and the reasonableness of accounting estimates and the relevant disclosures made by Management.

- We take decisions on the appropriateness of the use by Management of the accounting basis of the continuing activity and on the basis of the audit evidence acquired for whether or not there is a substantial uncertainty regarding facts or conditions, which can indicate a substantial uncertainty regarding the Company's ability to continue its activity. If we come to the conclusion that there is a substantial uncertainty, we are obliged to draw attention in the auditor's report to the relevant disclosures of the financial statements or, if these disclosures are insufficient, to differentiate our opinion. Our conclusions are based on audit evidence acquired until the date of the auditor's report. However, future events or circumstances may have as a result for the Company to discontinue its operation as a continuing activity.

- We evaluate the overall presentation, the structure and the content of the financial statements, including the disclosures, as well as whether or not the financial statements depict the underlying transactions and the facts in a way that the reasonable presentation is achieved.

Among other issues, we disclose to Management the proposed range and the timeline of the audit, as well as important findings of the audit, including any significant omissions we may detect during our audit regarding the safeguards concerning the internal audit.

Report on Other Legal and Regulatory Requirements

Taking into consideration that the management is responsible for the preparation of the Management Report of the Board of Directors, in accordance with the provisions of paragraph 5 of article 2 (part B) of Law 4336/2015, we note that:

a) In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of article 43a of the C.L. 2190/1920 and its content corresponds to the attached financial statements of the fiscal year ended 31/12/2017.

b) Based on the knowledge we acquired during our audit, for the company "Asprofos Engineering SA" and its environment, we have not identified material inaccuracies in the Management Report of the Board of Directors.

It is highlighted that the equity of the Company have become negative and, as a result, the conditions of articles 47 and 48 of C.L. 2190/1920 are fulfilled.

Athens, 30 May 2018

MARIA CHATZIANTONIOU
SOEL Reg. No. 25301

ERNST & YOUNG (HELLAS)
CERTIFIED ACCOUNTANTS SA
8B CHIMARRAS, 15125 MAROUSSI
SOEL Reg. No. OF COMPANY 107

(Amounts in Euro thousands)

Statement of Financial Position

	Note	31 December 2017	31 December 2016
ASSETS			
Fixed assets			
Tangible assets	**5**	2,054	2,425
Intangible assets	**6**	49	110
Other long-term receivables		2	2
Deferred tax assets	**7**	763	314
		2,868	**2,851**
Current assets			
Customers and other receivables	**8**	1,918	3,280
Cash and cash equivalents	**9**	386	714
		2,304	**3,994**
Total Assets		**5,172**	**6,845**
EQUITY			
Share Capital	**10**	12,030	12,030
Reserves	**11**	856	867
Results carried forward		(14,001)	(11,273)
Total equity		**(1,115)**	**1,624**
LIABILITIES			
Long-term liabilities			
Liabilities for personnel benefits due to termination of the service	**12**	3,309	3,052
Other long-term liabilities	**13**	2	2
		3,311	**3,054**
Short-term obligations			
Suppliers and other obligations	**14**	2,976	2,167
		2,976	2,167
Total liabilities		**6,287**	**5,221**
Total equity and liabilities		**5,172**	**6,845**

The notes on pages 13-41 are an integral part of these Financial Statements.

BoD Chairperson	Managing Director	Chief Financial & Administrative Services Officer	Head of Financial Services
Vasileios Kounelis	Petros Papasotiriou	Andreas Varvakis	Anastasia Gioka

(Amounts in Euro thousands)

Statement of Comprehensive Income

	Note	Year ended 31 December 2017	31 December 2016
Turnover (sales)	**17**	**9,679**	**11,189**
Cost of goods sold	**18**	(10,125)	(9,175)
Gross profit/(loss)		**(446)**	**2,014**
Administrative and disposal expenses	**18**	(2,718)	(2,406)
Other income/(expenses)	**19**	29	21
Operating result		**(3,135)**	**(371)**
Financial income		.	1
Financial expenses		(38)	(40)
Net financial expenses		**(38)**	**(39)**
Loss before taxes		**(3,173)**	**(410)**
Income tax	**21**	445	240
Net losses		**(2,728)**	**(170)**
Other total losses:			
Items that will not be classified in the income statement in the future:			
Actuarial losses on defined-benefit pension plans			
Deferred tax liability for actuarial losses	**12**	(15)	(256)
		4	74
Aggregated total losses of the fiscal year		**(2,739)**	**(352)**

The notes on pages 13-41 are an integral part of these Financial Statements.

(Amounts in Euro thousands)

Statement of Changes in Equity

	Note	Share capital	Reserves	Results Carried forward	Total Owner Equity
Balance as at 1 January 2016		5,027	980	(10,957)	(4,950)
Net actuarial losses on defined-benefit pension plans	11	-	(182)	-	(182)
Net losses of the fiscal year		-	-	(170)	(170)
Aggregated total losses of the fiscal year		**-**	**(182)**	**(170)**	**(352)**
Reclassifications		-	69	(69)	-
Share capital increase		7,003	-	-	7,003
Share capital increase expenditure		-	-	(77)	(77)
Balance as at 31 December 2016		**12,030**	**867**	**(11,273)**	**1,624**
Balance 1 January 2017		12,030	867	(11,273)	1,624
Net actuarial losses on defined-benefit pension plans		-	(11)	-	(11)
Net losses of the fiscal year		-	-	(2,728)	(2,728)
Aggregated total losses of the fiscal year		**-**	**(11)**	**(2,728)**	**(2,739)**
Balance 31 December 2017		**12,030**	**856**	**(14,001)**	**(1,115)**

The notes on pages 13-41 are an integral part of these Financial Statements.

(Amounts in Euro thousands)

Statement of Cash Flows

		Year ended	
	Note	**31 December 2017**	**31 December 2016**
Cash flows from operating activities			
Net cash outflows from operating activities	**22**	(278)	(6,568)
Interest paid		(38)	(40)
Taxes paid		-	(213)
Net cash outflows from operating activities		**(316)**	**(6,821)**
Cash flows for investments			
Purchases of tangible and intangible assets	**5.6**	(12)	(54)
Sale of tangible assets	**5**	-	2
Interest income	**20**	-	1
Net cash outflows for investments		**(12)**	**(51)**
Cash flows from financial activities			
Share capital increase		-	7,003
Net cash flows from financial activities		**-**	**7,003**
Net increase/(decrease) in cash and cash equivalents		**(328)**	**131**
Cash and cash equivalents at the beginning of the fiscal period	9	714	583
Cash and cash equivalents at the end of the fiscal period	**9**	**386**	**714**

The notes on pages 13-41 are an integral part of these Financial Statements.

Notes to the financial statements

1 General information

The company ASPROFOS ENGINEERING SA (hereinafter referred to as the "Company" or "ASPOFOS") is a 100% subsidiary of the company HELLENIC PETROLEUM SA (ELPE SA). The Company provides specialized services in the field of industrial investments focusing in the investments of refineries, natural gas and infrastructure projects, ranging from feasibility studies, basic design and detailed design to construction supervision and start-up services.

The Company is headquartered in Greece at 284 El. Venizelou Avenue, Kallithea, P.C. 17675. The Company's website address is ***www.asprofos.gr.***

Early in 2015, the Company established a branch in Albania, based in Tirana. The branch engaged in the provision of services for the preparation of installation permits concerning the installation of the transatlantic pipeline (TAP) in the Albanian territory, i.e. a project that was terminated during the fiscal year 2016.

The accounting principles applied for the calculation and identification of the accounting figures are the same as those applied in the consolidated financial statements of the Hellenic Petroleum Group (the "Group") as at 31 December 2017. The functional currency and the Company's reporting currency is the Euro and the financial data presented in these Financial Statements are expressed in Euro thousands, unless otherwise indicated.

These Financial Statements for the fiscal year ended 31 December 2017 were approved for publication by the Company's Board of Directors on 30 May 2018. The Company's shareholders are able to modify the Financial Statements following their Publication.

2 Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of the Financial Statements are presented below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Framework for the preparation of the Financial Statements

The present financial statements of the Company for the year ended on 31 December 2017 have been prepared by Management in accordance with the International Financial Reporting Standards (IFRS), which have been issued by the International Accounting Standards Board (IASB) and have been approved by the European Union.

These Financial Statements have been prepared under the historical cost principle, except for other financial assets and liabilities that are measured at fair value. The preparation of the Financial Statements in accordance with the IFRS, requires that the Company's Management exercises its judgment as well as estimates in applying the accounting principles for the calculation of various accounting figures. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Statements are stated in note 4 "Critical accounting estimates and assumptions". These estimates are based on the perception of the events and actions by the Company's management and actual events may differ from these estimates.

2.1.1 Going concern

The Financial Statements as at 31 December 2017 are prepared in accordance with the IFRS and fairly present the Company's financial position, results and cash flows, based on the principle of going concern. Taking the principle of the going concern into consideration, the Management assessed the following:

Macroeconomic environment: Developments over the last few years have made the macroeconomic and financial environment in the country volatile. The return to economic stability largely depends on the actions and decisions of institutional bodies within the country and abroad. Given the nature of the activities and the Company's financial situation, negative developments are not expected to significantly affect its smooth operation. The low international crude oil prices of the last years have reduced the investment programs in the Company's countries of operation. Nevertheless, Management continually assess the situation in order to ensure that all necessary and possible measures and actions are taken in time to minimize any impact on the Company's activities.

Development of activities: The revenue forecasts for 2018 largely depend on HELLENIC PETROLEUM SA Group projects and to a lesser degree on the customers. Promotions that were launched three years ago in the Eastern European and the Middle East markets continue unabated.

At 31 December 2017, the total equity of the Company amounts to € 1,115 thousand. The provisions of articles 47 and 48 of Law 2190/1920 apply and, as required by law, the issue is mentioned in the Management Report of the Board of Directors in order to be included to the agenda of the next General Meeting of Shareholders for discussion and relevant decision-making. The Parent Company continues to financially support the Company, so that it is able to seamlessly continue its activity, should this be necessary.

2.1.2 Changes in standards and interpretations

(A) New standards, amendments to standards and interpretations which have been adopted by the Company.

The accounting principles adopted are in line with those adopted in the previous fiscal year with exception the new standards and amendments applied for the first time in 2017 (annual periods beginning on or after 1 January 2017) and which, however, have no significant effect on the attached financial statements of the Company or do not apply for the Company. There standards are analyzed as follows:

- **IAS 12 Income Taxes (Amendments): Recognition of Deferred Tax Assets for Unrealized Losses**

  The purpose of these amendments is to clarify the accounting treatment for deferred tax assets for unrealized losses on debt instruments measured at fair value. For example, the amendments clarify the accounting treatment for deferred tax assets when the entity is not permitted to deduct the unrealized losses for tax purposes or when it is ready and able to hold the debt securities until the reversal of unrealized losses.

- **IAS 7: Statements of Cash Flows (Amendments): Disclosure Initiative**

  The purpose of these amendments is to enable the users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments require from the entities to provide disclosures that enable the investor to evaluate changes in liabilities arising from financial activities, including both cash and non-cash changes.

- The **IASB** has issued Annual Improvements to IFRS Standards 2014-2016 Cycle**,** which is a collection of amendments to IFRSs. The improvement does not have significant effect on the financial statements of the Company.

    - ***IFRS 12 Disclosure of Interests in Other Entities:*** the amendments clarify that the disclosure requirements in IFRS 12, other than the disclosures of summarized financial information about subsidiaries, joint ventures and associates, apply to an entity's participation in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5.

B) Standards issued but not yet effective in the present accounting period and not early adopted by the Company

- **IFRS 9 Financial Instruments: Classification and Measurement**

  The standard is effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The final version of IFRS 9 reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Company will implement the new standard during the required date without readjustment of the comparative information. The standard is not expected to have significant effect on the financial statements of the Company during its implementation.

- **IFRS 15 Revenue from Contracts with Customers**

  The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g. sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgments and estimates. The Company plans to adopt the new standard during the required date without readjustment of the earnings carried forward cumulatively. The Company performed an initial assessment regarding the impact of IFRS 15 and is in the process of performing a detailed analysis of the differences per type of revenue, between the new standard and the existing accounting policies.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**

  The clarifications are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The objective is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly: (a) the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, (b) of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and (c) of licensing and providing additional guidance for accounting of intellectual property and royalties. The clarifications also provide additional practical expedients for companies that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

- **IFRS 16: Leases**

  The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, namely the customer ("lessee") and the supplier ("lessor"). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. Thus, the new standard is not expected to have significant impact on the financial statements of the Company during its implementation.

- **Conceptual Framework for International Financial Reporting Standards**

  The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting. These concepts contribute to standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The International Accounting Standards Board also issued a separate accompanying document, Amendments to References to the Conceptual Framework, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. It's objective is to support transition to the revised Conceptual Framework in IFRS Standards for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers, who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Amendment: Sales or contributions of assets between an investor and its associate or joint venture**

  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB postponed the effective date of this amendment indefinitely, pending the outcome of its research project on the equity method of accounting. The amendments have not yet been adopted by the European Union.

- **IFRS 2: Classification and Measurement of Share-based Payment Transactions(Amendments)**

  The amendments are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The amendments provide requirements on the accounting (a) for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, (b) for share-based payment transactions with a net settlement feature for withholding tax obligations and (c) for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Management has assessed that the amendment will not have a significant impact in the Group's financial statements.

- **IAS 40: Transfers of Investment Property (Amendments)**

  The amendments are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The amendments clarify when an entity should transfer property, including property under construction or development into or out of investment property. The amendments state that a change in use of a property occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of that change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in its use. Management has assessed that the amendment will not have a significant impact in the Group's financial statements.

- **IFRS 9: Prepayment Features with Negative Compensation (Amendment)**

  The amendment is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The amendment clarifies that the financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset, there may be "negative compensation") are allowed to be measured at amortized cost or at fair value through other comprehensive income. Management has assessed that the amendment will not have a significant impact in the Group's financial statements.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**

  The amendments are effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The amendments relate to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint ventures that, in substance, form part of the "net investment" in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The amendments clarify that an entity applies IFRS 9, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. The amendments have not yet been adopted by the European Union.

- **IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration**

  The interpretation is effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date for the transactions for each payment or receipt of advance consideration. Management has assessed that the interpretation will not have a significant impact in the Group's financial statements.

- **IFRIC Interpretation 23: Uncertainty over Income Tax Treatments**

  The interpretation is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The interpretation provides guidance on addressing the uncertainty involved in tax treatments, during the accounting for income taxes. The interpretation provides supplementary clarifications on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty about the acceptance of treatments by tax authorities, and accounting for the consequences of changes in facts and circumstances. The interpretation has not yet been adopted by the European Union.

- The **IASB has issued Annual Improvements to IFRS Standards 2014-2016 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures, for which an earlier application is permitted. These improvements have not yet been adopted by the European Union.

  ➢ ***IFRS 1 First-time Adoption of International Financial Reporting Standards:*** *this improvement deletes the short-term exceptions for disclosures of financial instruments, employee benefits and investment companies, during the First-time Adoption of International Financial Reporting Standards.*

  ➢ ***IAS 28 Investments in Associates and Joint Ventures:*** *the amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity, which is a venture capital organization or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.*

- The **IASB has issued Annual Improvements to IFRS Standards 2015-2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. These improvements have not yet been adopted by the European Union.

  ➢ ***IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:*** *The amendments to IFRS 3 clarify that, when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that, when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.*

  ➢ ***IAS 12 Income Taxes:*** *the amendments clarify that the tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits have been recognized.*

  ➢ ***IAS 23 Borrowing Costs:*** *the amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.*

- ***IAS 19***: *Plan amendments, curtailments or settlements (Amendments): the amendments are effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement of a defined benefit plan has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement of a defined benefit plan affects the application of the asset ceiling requirements. The amendments have not yet been adopted by the European Union.*

2.2 Tangible assets

Tangible assets primarily include buildings and other equipment. Tangible assets are recorded at acquisition cost less accumulated depreciation and impairment, except for fields which are valued at acquisition cost less impairment. Acquisition cost includes all directly attributable expenses related to the acquisition of assets. Subsequent expenditure is added to the tangible assets' book value or as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and their cost can be measured reliably. The repair and maintenance cost is written off in the income statement when incurred.

Plots are not depreciated. Depreciation of other tangible assets is calculated using the straight line method over their estimated useful life, as follows:

- Buildings	20 years
- Other equipment	3-5 years

The tangible assets' residual values and useful life are reviewed at each date of preparation of the financial statements.

When the tangible assets' book value exceeds its recoverable value, the difference (impairment) is immediately recorded as an expense.

Profits and losses from the sale of tangible assets are determined from the difference between the proceeds and the net book value. These profits or losses are written off against the results as part of other net income/(expenses) as well as other profits/(losses).

2.3 Intangible assets

Software

The software cost includes the purchase and installation cost. The cost of the software usage licenses are capitalized on the basis of the acquisition cost and the development of the specific software until it is ready for use. These costs are amortized on a straight-line basis over their useful life (3 years).

2.5 Impairment of non-financial assets

On each date of preparation of the financial statements, the Company assesses whether or not there are indications of impairment. If there are indications of impairment or if an annual impairment test of the asset is required, then its recoverable value is also calculated. The assets that have an undefined useful life are not amortized and are subject to an impairment test on an annual basis or more frequently, if there are certain facts and indications, which suggest the potential impairment of the assets. Assets subject to amortization undergo an impairment test when there are indications that the carrying value may not be recovered. An impairment loss is identified when the carrying value of the asset exceeds its recoverable value. The recoverable value is the higher of the fair value less required selling costs and use value (present cash flow value expected to be generated based on Management's assessment on future economic and operating conditions.) For the purposes of assessing impairment losses, assets are grouped into the lowest cash generating units. For the non-financial assets, apart from goodwill, it is estimated, on each date of preparation of the financial statements, if there are indications that the impairment losses have been recognized in the past, have been reduced or do no longer exist. If there are such indications, the Company calculates the recoverable value of the asset or CGUs. Impairment losses recognized in the past are reversed, only if the estimates used at the time of recognition of the loss have changed. The reversal of the impairment is allowed to the extent that the carrying value of the asset does exceed neither its recoverable value nor the carrying value of the asset minus the depreciation, if it has not been impaired in the previous years.

2.6 Financial assets

The Company's financial assets are classified into the category "loans and receivables". This category includes non-derivative financial assets with fixed or determinable payments that are not traded active market and there is no selling intention. They are included under current assets, except for maturities greater than 12 months after the date of preparation of the financial statements, which are included in non-current assets. Receivables are included in the statement of financial position under the category "Customers and other receivables" and are presented at the amortized cost using the effective interest method (See also note 2.7).

At each date of financial statements preparation, the Company assesses whether there are objective indications that prove that the financial assets have been impaired.

If there is objective evidence of impairment, the amount of the impairment loss is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future losses from unrecorded credit risk) discounted to the original effective interest rate of the financial asset. The current amount of the asset is reduced by the use of a provision for impairment and the amount of the loss is recognized in the income statement in the item "Administration and distribution expenses"

2.7 Customers and other receivables

Receivables from customers are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method, less impairment provisions. Impairment losses are recognized when there is a serious objective indication that the Company is not able to collect all amounts due according to the contractual terms.

The customer's serious problems, the possibility of bankruptcy, financial reorganization and the inability of scheduled payments are considered indicators that the receivable is uncertain. The amount of the impairment provision 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 impairment loss amount is recorded as an expense in the statement and is included in the "Administration and selling expenses" account. If, in a subsequent period, the impairment loss decreases and this reduction can be objectively related to events that occurred after the impairment loss recognition (for example, improving the borrower's creditworthiness), the reversal of the loss is recognized in the income statement.

The nominal value less the provision for doubtful trade receivables is assumed to approach their fair value.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash, sight and time deposits, short-term investments with high liquidity and low risk investments and a maturity of up to 3 months and bank overdrafts.

2.9 Share Capital

The share capital includes the Company's common shares. Direct expenses for the issue of shares appear, after deducting the relevant income tax, as a reduction of the issued product.

2.10 Employee benefits

(a) Obligations due to retirement

The Company has both defined-contribution and defined-benefit plans.

The defined-contribution plan is a pension plan under which the Company makes fixed payments to a separate legal entity. The Company has no legal obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In the case of defined-contribution plans, the company pays contributions to social insurance funds on a mandatory basis. The Company has no other obligation if they have paid its contributions. Contributions are recognized as personnel expenses when a debt is occurred. Prepaid contributions are recognized as an asset to the extent that a refund or offsetting of future payments is possible.

The defined-benefit plan is a pension plan that defines a specific amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and level of earnings.

The obligation that is recorded in the statement of financial position for defined-benefit plans is the present value of the defined-benefit obligation at the date of preparation of the financial statements less the fair value of plan's assets. The defined-benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is calculated by discounting the future cash outflows. The rate used to discount estimated cash flows should be determined by reference to market yields at the balance sheet date on high-quality corporate bonds whose duration is equivalent with the pension plan.

Actuarial gains and losses arising from experiential adjustments and changes in actuarial assumptions are debited or credited to equity, to other total income in the period in which they arise.

Past service cost is immediately recognized in the income statement.

(b) Employee termination benefits

Employment termination benefits are paid when employees leave prior to retirement, or when the employee leaves voluntarily in exchange for those benefits. The Company records these benefits when it commits to these either upon termination of employment of current employees according to a detailed plan without the possibility of withdrawal or when it offers these benefits as an incentive for voluntary redundancy. Employment termination benefits due 12 months after the date of the financial statements preparation are discounted to their present value.

2.11 Provisions

Provisions for potential risks and liabilities are made when the Company has legal contractual or other obligations arising out of past acts, or is likely to require future outflows to settle these obligations and these obligations can be estimated with relative precision. Restructuring provisions include fines due to lease termination and fees due to employee departure. Provisions may not be made for future operating losses.

Provisions are calculated based on the present value of the estimates made by Management for expenditure required to settle the present obligation at the date of the financial statements preparation. The discount rate used reflects the market conditions and the time value of money and the obligation-related increases.

2.12 Suppliers and other obligations

Suppliers and other payables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. Obligations are classified as short-term liabilities if payment is due within one year or earlier. If not, they are presented under long-term liabilities.

It is assumed that the carrying value of payable accounts approaches their fair values.

2.13 Current and deferred taxes

The income tax of the period includes the current income tax and the deferred taxes. The tax is recognized in the “Statement of Comprehensive Income”, unless it is related to the amounts that have been immediately recognized in “Equity”. In this case, the tax is also recognized in “Equity”.

The tax/income expense for the period is the tax payable, which is calculated on the taxable result of the period based on the applicable tax rate in Greece, adjusted to changes in the deferred tax asset or liability relating to temporary differences or unused tax losses.

The income tax on profits is calculated on the basis of the tax legislation adopted at the date of the financial statements preparation in the country, where the Company’s operations occur, and is recognized as an expense in the period, during which the profits arise. At intervals, the Management evaluates the cases, in which the tax legislation in force must be interpreted. Where necessary, provisions are made on the amounts that are expected to be paid to the tax authorities.

Deferred income tax is determined using the liability method in respect of temporary differences between the book value and the tax bases of assets and liabilities shown in the Financial Statements. Deferred income tax is not accounted for if it arises from initial asset or liability recognition in a transaction, other than a business combination, which did not affect the accounting or the taxable profit or loss when it was incurred. Deferred tax is determined using tax rates and laws in effect at the date of the financial statements preparation and are expected to apply when the deferred tax asset is realized or the deferred tax liability is paid.

Deferred tax assets are recognized to the extent that there will be a future taxable profit for the use of the temporary difference that creates the deferred tax asset.

Deferred tax assets and liabilities are offset only if the offsetting of tax assets and liabilities is legally permitted and if the deferred tax assets and liabilities arise from the same tax authority on the entity taxed and/or on different entities and there is an intention for the settlement to be done via offsetting.

2.14 Revenue recognition

Revenue comprises the fair value from the provision of services from engineering - technical services, and are net of Value Added Tax and discounts. Revenue is recognized as follows:

(a) Revenue from the provision of services

Revenues from the provision of services are recognized based on the costs that occurred during the period plus a profit margin. The Company has three main types of revenue from service provision

(i) Predetermined Price Contracts

Revenues based on predetermined price contracts are accounted for in the period that the services are provided based on the completion stage of the service in relation to the total revenue of the service provided.

(ii) Valuation contracts

Revenue based on contracts with a maximum price is taken into account when the services are provided on the basis of consumed man-hours.

(iii) Provision of personnel services

Revenue based on service contracts with a margin of profit.

(b) Interest income

Interest income is proportionately recognized on the basis of time and the use of the effective interest rate. When receivables are impaired, their carrying value is reduced to their recoverable amount which is the present value of expected future cash flows discounted by the original effective interest rate and the discount is allocated as interest income.

2.15 Leases

Leases of fixed assets, where the Company essentially retains all the risks and benefits of ownership, are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower amount between the fair value of the fixed asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and financial charges, so as to achieve a constant interest rate on the outstanding financial obligation. The corresponding obligations from leases, net of financial charges, are included in the long-term liabilities. The portion of the cost of the lease financing that corresponds to interest is recognized in the income statement during the lease so as to produce a constant interest rate on the balance of the obligation in each period. Fixed assets acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

The Company has no finance leases.

Leases where all the risks and benefits of ownership are essentially retained by the lessor are classified as operating leases. Payments made for operating leases (net of any incentives received from the lessor) are proportionately recognized in the income statement during the lease term. For Financial Statement reporting purposes, the Company has entered into operating lease agreements as presented in Note 24.

3 Financial Risk Management

Financial risk factors

The Company's activities are carried out almost throughout the Greek market, while a large part is carried out with the parent company HELLENIC PETROLEUM SA. Therefore the Company has limited exposure to market risks (such as foreign currency, cash flow and fair value interest rate risk) and credit risk. Potential exposure to liquidity risk is covered by the parent company HELLENIC PETROLEUM SA.

(a) Market risk

i) Foreign currency risk

The Company's functional currency is the Euro. The Company's foreign currency risk is considered limited because the Company carries out transactions in the functional currency.

ii) Cash flow and fair value interest rate risk.

The Company is not exposed to the risk of changes in fair value due to interest rate fluctuations, since in the years 2016 and 2017 the Company has not borrowed, but covered the necessary cash flows in cooperation with the Parent Company.

(b) Credit risk

Credit Solvency

The Company has no significant accumulation of credit risk since the majority of its receivables originate from the HELLENIC PETROLEUM SA Group of companies. Non-Group customers are companies for which management assesses creditworthiness in view of their financial condition, previous transactions, and other parameters. For banking institutions, deposits are mostly in financial institutions that have a credit rating of Caa3 (Moody's).

The following table shows the distribution of receivables from the clients:

	31 December 2017	31 December 2016
Total receivables from customers	1,803	3,056
Of which:		
Beyond the credit period, but non-impaired balance	506	1,343
Impaired balance	201	118
	707	**1,461**

Provisions for doubtful debts

The maximum exposure to credit risk is the fair value of each receivable category as mentioned above. Provisions are formed for receivables whose recovery is doubtful and it is has been estimated that they will result in a loss.

The aging analysis of trade receivables, beyond the credit period, but non impaired, is as follows:

	31 December 2017	31 December 2016
Up to 30 days	226	101
30-60 days	122	493
Over 60 days	158	749
Total	**506**	**1,343**

Also here is the aging analysis of impaired receivables from customers:

	31 December 2017	31 December 2016
Up to 30 days	-	-
30-60 days	-	-
Over 60 days	201	118
Total	**201**	**118**

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when required.

Liquidity risk is addressed by the Company's finance department in cooperation with the parent company by securing sufficient cash resources. The Company's liquidity depends on cash management at Group level, since the Company has a large number of obligations in HELLENIC PETROLEUM SA.

Given the market developments in 2016, the liquidity risk is greater and cash flow management has become more urgent. Its liabilities as at 31 December 2017 to suppliers amounted to EUR 954 thousand (31 December 2016: EUR 966 thousand) expire within one year, are equal to their current balances and the effect of discounting is not significant.

(d) Capital risk management

With respect to capital management, the Company's objectives are to ensure continuity in the future in order to provide satisfactory returns to shareholders and to maintain an optimal capital structure by reducing the cost of capital in this way.

The Company has no existing loans in the reporting periods and presents cash and cash equivalents.

4 Significant accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. Thus, these estimates will, by definition, seldom be identical with the actual facts mentioned below. Estimates and assumptions involving significant risk adjustment to the carrying value of assets and liabilities within the next financial year are addressed below.

Estimates and assumptions are continually evaluated and are based on historical experience and are adjusted according to current market conditions and other factors, including expectations of future events, which are considered reasonable in the present circumstances.

(a) Income tax

The tax for the period includes current income tax and deferred taxes. The tax is recognized in the income statement, except for taxes related to items recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or directly in equity, respectively.

Current income tax is calculated on the taxable income of the year, based on the applicable tax provisions and tax rates, at the date of preparation of the financial statements in the country where the Company operates and generates taxable income

The Company is subject to taxation and discretion is required in determining the income tax provision. There are many transactions and calculations for the final tax determination.

The Company has not formed a provision for obligations arising from anticipated tax audits, because due to the accumulated tax losses it estimates that future taxes from such an audit are not anticipated. If the final tax is different from the initially recorded, the difference will have an impact the income tax recognized in the result.

(b) Pension plans

The present value of pension benefits depends on a number of factors that are determined using actuarial methods and assumptions. Such an actuarial assumption is the discount rate used to calculate the cost of the benefit. Changes in these assumptions will change the present value of the related liabilities in the statement of financial position.

The Company determines the appropriate discount rate at the end of each year. This is defined as the rate that should be used to determine the present value of future cash flows, which are expected to be required to meet pension plan obligations. In determining the appropriate discount rate, the Company uses the rate of low-risk corporate bonds, which are converted into the currency in which the benefits will be paid, and whose expiry date approaches that of the relative pension obligation.

Other key assumptions for pension benefit obligations are based, in part, on current market conditions. Additional information is disclosed in Note 12 herein.

(c) Estimation of impairment of receivables

The Company reviews annually whether its assets have suffered any form of impairment in accordance with the accounting practice. Recoverable amounts of receivables require estimates. The estimates made are the timing and the amount of repayment of the receivables as well as the value of any collaterals of the receivables received. The above assessments involve a high degree of subjectivity and require the management's judgment.

(d) Provisions for litigation

The company has pending court cases. Management evaluates the outcome of the assumptions and, if there is the possibility of a negative outcome, the Company proceeds to the formation of the necessary provisions. Provisions, where required, are calculated based on the present value of the estimates made by Management for expenditure required to settle the expected obligation at the date of preparation of the financial statements.

(e) Depreciation rates:

The fixed assets of the Company are amortized based on their remaining useful life. These useful lives are reassessed periodically to evaluate whether they continue to be suitable.

5 Tangible fixed assets

	Plots	Buildings	Furniture & accessories	Total
Cost				
Balance as at 1 January 2016	**1,283**	**7,604**	**1,189**	**10,076**
Additions	-	-	20	20
Sales/write-offs	-	-	(2)	(2)
Balance as at 31 December 2016	**1,283**	**7,604**	**1,207**	**10,094**
Accumulated depreciation				
Balance as at 1 January 2016	**-**	**6,210**	**1,073**	**7,283**
Period depreciations	-	342	45	387
Sales/write-offs	-	-	(1)	(1)
Balance as at 31 December 2016	**-**	**6,552**	**1,117**	**7,669**
Undepreciated value as at 31 December 2016	**1,283**	**1,052**	**90**	**2,425**
Cost				
Balance 1 January 2017	**1,283**	**7,604**	**1,207**	**10,094**
Additions	-	- 9		9
Sales/write-offs	-	-	-16	-16
Balance 31 December 2017	**1,283**	**7,604**	**1,200**	**10,087**
Accumulated depreciation				
Balance 1 January 2017	**-**	**6,552**	**1,117**	**7,669**
Period depreciations	-	342	36	378
Sales/write-offs	-	-	-14	-14
Balance 31 December 2017	**-**	**6,894**	**1,139**	**8,033**
Undepreciated value as at 31 December 2017	**1,283**	**710**	**60**	**2,054**

There are no mortgages on the Company’s tangible assets.

6 Intangible assets

	Software	Total
Cost		
Balance as at 1 January 2016	**723**	**723**
Additions	34	34
Balance as at 31 December 2016	**757**	**757**
Accumulated depreciation		
Balance as at 1 January 2016	**583**	**583**
Period depreciations	64	64
Balance as at 31 December 2016	**647**	**647**
Undepreciated value as at 31 December 2016	**110**	**110**
Cost		
Balance 1 January 2017	**757**	**757**
Additions	3	3
Sales/write-offs	-14	-14
Balance 31 December 2017	**746**	**746**
Accumulated depreciation		
Balance 1 January 2017	**647**	**647**
Period depreciations	59	59
Sales/write-offs	-9	-9
Balance 31 December 2017	**697**	**697**
Undepreciated value as at 31 December 2017	**49**	**49**

The intangible assets regard exclusive software programs and are amortized based on the straight-line method and within a period of 3 years.

7 Deferred tax assets

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax receivables against current tax liabilities and when deferred income taxes relate to the same tax authority.

	Year ended	
	31 December 2017	**31 December 2016**
Beginning Balance - receivable	**314**	**-**
Credit of the profit and loss account	445	240
Credit of the remaining total profit and loss account	4	74
Closing Balance - receivable	**763**	**314**

The analysis of deferred tax assets and liabilities is as follows:

	31 December 2017	**31 December 2016**
Tangible fixed and intangible assets	(477)	(571)
Provisions for staff benefits	959	885
Provisions for impaired exposures	53	-
Holiday pay provisions	228	-
Closing Balance - receivable	**763**	**314**
Deferred tax assets	**1,240**	**885**
Deferred tax liabilities	**(477)**	**(571)**

A deferred tax asset resulting from tax losses has not been recognized in these Financial Statements since the Company believes that there will be sufficient taxable profits in the coming years to offset the overall loss.

8 Customers and other receivables

		31 December 2017	31 December 2016
Customers - Related parties	23	871	2,153
Customers - Other customers		932	903
Less: Provisions for impairment		(201)	(118)
Net customer receivables		**1,602**	**2,938**
Other receivables		316	342
Total		**1,918**	**3,280**

The carrying values of these receivables represent their fair value.

There are no mortgages on the Company's receivables.

The receivables from customers are usually settled in 30-60 days. The aging analysis of receivables from customers is presented in Note 3 (b).

Other receivables include receivables from personnel, withheld tax and deferred expenses.

Movements on the provision for impairment of trade receivables are as follows:

	31 December 2017	31 December 2016
Balance 1 January 2017	118	118
Addition	83	-
Balance 31 December 2017	**201**	**118**

9 Cash and cash equivalents

	31 December 2017	31 December 2016
Fund	12	9
Cash at banks	374	705
Total	**386**	**714**

Cash at banks regard current accounts in EUR and are remunerated with variable interest rates depending on the amount of the deposit and based on the monthly deposit rates of the banks. The present value of these current accounts approaches their carrying value due to the variable interest rates and their short-term maturities.

The weighted average effective interest rate was:

	31 December 2017	31 December 2016
Euro	0.26%	0.24%

10 Share Capital

	Number of Shares	Share Capital
31 December 2016	**409,900**	**12,030**
31 December 2017	**409,900**	**12,030**

The share capital includes the Company’s common shares. According to the decision of the Ordinary General Meeting of Shareholders dated 20/05/2016, the share capital of the company increased by EUR 7,002,910.00 through the issue of 238,600 new shares of nominal value 29,35 euro each. Thus, the share capital of the company already amounts to € 12,030,565,000 and is divided into 409,900 registered shares, each having a nominal value of € 29.35, and is fully paid.

11 Reserves

	Statutory reserves	Untaxed reserves	Other reserves	Total
Balance as at 1 January 2016	**206**	**1,012**	**(238)**	**980**
Net actuarial Gains/Losses on defined-benefit pension plans	-	-	(182)	**(182)**
Reclassifications	-	-	69	**69**
Balance as at 31 December 2016	**206**	**1,012**	**(351)**	**867**
Net actuarial Gains/Losses on defined-benefit pension plans	-	-	(11)	**(11)**
Balance as at 31 December 2017	**206**	**1,012**	**(362)**	**856**

Statutory reserves

According to Greek legislation, companies are required to transfer a minimum of 5% of their annual net profits, according to their accounting books, to a statutory reserve until such reserve is equal to one third of their share capital. This reserve may not be distributed, but can be used to write off losses.

Untaxed reserves

Untaxed reserves concern:

- Profits that have not been taxed, under the applicable fiscal and institutional framework. In the case of their distribution, profits will be taxed based on the tax rate applicable at the time of their distribution to shareholders or conversion to share capital.
- Partially taxed reserves which are taxed at a tax rate which is lower than the applicable current rate. In the case of their distribution, profits will be taxed based on the tax rate applicable at the time of their distribution to shareholders or conversion to share capital.

Other reserves

Other reserves include actuarial profits and losses

12 Liabilities for personnel benefits due to termination of the service

	31 December 2017	31 December 2016
Statement of financial position obligations:		
Pension benefits	3,309	3,052
Total	**3,309**	**3,052**

	31 December 2017	31 December 2016
Charges to the income statement:		
Pension benefits	242	191
Total	**242**	**191**

	31 December 2016	31 December 2016
Charges to the other total income statement:		
Pension benefits	(15)	(256)
Total	**(15)**	**(256)**

The amounts entered in the Statement of financial position are as follows:

	31 December 2017	31 December 2016
Present value of unfunded obligations	3,309	3,052
Total	**3,309**	**3,052**

The amounts entered in the Statement of Comprehensive Income are as follows:

	31 December 2017	31 December 2016
Current service cost	166	84
Interest rate cost	76	84
Total	**242**	**168**
Additional costs of staff retirement settlement	-	23
Total included in employee benefits	**242**	**191**

The change of the obligation that has been entered in the statement of financial position is as follows:

	31 December 2017	31 December 2016
Opening balance	3,052	2,649
Total debits to results	242	191
Paid contributions	-	(44)
Actuarial loss	15	256
Closing Balance	**3,309**	**3,052**

The main actuarial assumptions used are as follows:

	31 December 2017	31 December 2016
Discount Rate	2.0%	1.90%
Future salary increases	0.5%	0.50%
Average weighted program duration	12.16 years	13.27 years

The sensitivity analysis of the defined-benefit obligation to employees due to retirement to changes in the main weighted assumptions are the following:

	Effect on obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount Rate	0.5%	-4%	4%
Future salary increases	0.5%	4%	4%

13 Other long-term liabilities

	31 December 2017	31 December 2016
Rental bonds	2	2
Total	**2**	**2**

14 Suppliers and other obligations

		31 December 2017	31 December 2016
Suppliers - Related parties	23	537	527
Suppliers - Others		417	439
Value added tax		326	363
Insurance organizations and other taxes		747	649
Accrued expenses		883	140
Other obligations		66	49
Total		**2,976**	**2,167**

The obligations to suppliers are not interest-bearing accounts and are usually settled in 60 days, except for balances with related parties that may exceed 60 days.

Other obligations include obligations to other creditors.

15 Employee Benefits

	Year ended	
	31 December 2017	**31 December 2016**
Payroll	5,868	5,591
Social Security expenses	1,467	1,388
Cost of pension plans and health care schemes	190	180
Personnel leaving pay	-	22
Other employee benefits	132	141
Total	**7,657**	**7,322**

Other benefits include benefits and aids to the Company's staff under the Collective Agreements, and training allowances.

16 Turnover (Sales)

		Year ended 31 December 2017	31 December 2016
Sale of services to related parties	**23**	8,721	8,530
Sale of services to other customers		958	2,659
Total		**9,679**	**11,189**

17 Expenses by category

	Year ended 31 December 2017	31 December 2016
Personnel salaries and expenses	7,657	7,322
Provision for staff compensation	242	168
Provision for doubtful debts	83	-
Holiday pay provisions	786	-
Depreciation of tangible assets	378	387
Repair and maintenance cost of tangible assets	125	158
Technical support of software	248	230
Amortization of intangible assets	59	64
Insurance premiums	72	80
Rent from operating leases	81	111
Travel / transportation expenses	230	190
Stationery / Forms	15	18
Conference and advertising expenses	33	16
Other Professional Fees	2,173	1,661
Subcontractors	316	528
Travel expenses, recoverable by the customer	19	20
Other taxes-duties	127	140
Other Expenses	15	8
Other	184	480
Total	**12,843**	**11,581**
Attributable to:		
Cost of good sold	10,125	9,175
Administrative expenses	1,919	1,753
Selling expenses	799	653
Total	**12,843**	**11,581**

The “Other” category includes the administration costs of the branch of Albania. For the year 2017, the amount is 28 thousand euro while for the year 2016 the amount is 337 thousand euro in the production cost.

18 Other income/(expenses)

	Year ended 31 December 2017	31 December 2016
Income from grants	6	1
Income from leases	18	18
Other extraordinary and non-operating income	5	2
Total	**29**	**21**

19 Income tax

	Year ended 31 December 2017	31 December 2016
Income tax	-	-
Deferred tax	445	240
Total	**445**	**240**

The basic tax rate for companies SA in 2017 is 29% (2016: 29%).
For the years 2011 and onwards, Greek companies are subject to annual tax audit by their statutory auditor-accountants in order to comply with the provisions of the applicable tax legislation. The result of this audit leads to the issuance of a tax certificate, which provided the relevant conditions are met replaces the audit by the public authority and allows the Company to close its tax obligations for the relevant fiscal year. The Company was audited for the fiscal periods 2011 - 2016 and received a tax compliance certificate with an unqualified opinion.

20 Net cash outflows for operating activities

	Note	Year ended 31 December 2017	31 December 2016
Loss before taxes		**(3,173)**	**(410)**
Depreciation of tangible and intangible assets	**5.6**	437	446
Financial expenses	**20**	38	39
Provisions		1,111	168
		(1,587)	**243**
Changes in working capital			
(Increase)/decrease of receivables		1,279	(998)
(Decrease)/increase of obligations		30	(5,813)
		1,309	**(6,811)**
Net cash outflows from operating activities		**(278)**	**(6,568)**

21 Contingent liabilities and legal cases

a) The Company is involved in various legal cases and has various outstanding obligations related to the ordinary course of business. Based on currently available information, Management believes that the outcome of these cases will not significantly impact the Company's results or its financial position, and for this reason, a provision for the year has not been formed other than the existing provision.

b) ASPROFOS SA has been tax audited up until the 2004 fiscal period. ASPROFOS SA has not been audited by tax authorities for the 2005-2010 fiscal periods. In accordance with the provisions of article 36, paragraph 1 of Law 4174/2013, the Tax Administration can proceed to the adoption of an act on administrative, estimated or corrective tax assessment within five (5) years from the end of the year, within which the deadline for the submission of declaration expires. On the basis of the decision of the plenary meeting of the Council of State 1738/2017 and having regard to the provisions of article 84, paragraph 1-4, article 68, paragraph 2 of Law 2238/1994 and article 36 of Law 4174/2013 and the decision No. (DEL B) 1136035 (EX) 2017/15.09.2017, the limitation periods shall be set at five (5) years from the end of the year, within which the deadline for the submission of declaration expires, apart from the cases of additional assets, in accordance with article 84, paragraph 1-4, and article 68, paragraph 2 of Law 2238/1994 (previous Income Tax Code/KFE), in which the State's right to the initial or supplementary registration for the tax imposition is time-barred after a period of ten years, as soon as new data have been received by the Head of the Tax Office (DOY) after the main limitation deadline. Furthermore, it was assumed, with the same decision, that any extension of the use limitation period does not comply with the principles of the Constitution, unless it has been voted by law in the next year from the year that it regards.

Pursuant to the aforementioned legislation, the Management regards that the 2005-2010 fiscal periods have been written off and no additional tax obligations are expected to arise.

c) As at 31 December 2017, the Company, for projects that it has undertaken, has open Good Performance Letters of Guarantee amounting to € 1,444 thousand (31 December 2016: € 1,225 thousand)

22 Commitments and other contractual obligations

The Company's only contractual obligation is the operating lease of 14 passenger cars, and the lease of 8 photocopiers.

The total lease payments that are payable under the operating leases are as follows:

	31 December 2017	31 December 2016
Up to 1 year	95	80
From 1-5 years	202	240
Total	**297**	**320**

The lease expense that was entered in the income statement during the fiscal period amounts to € 47 thousand (€ 48 thousand in 2016).

23 Transactions with related parties

i. Sales of goods and services

	Year ended	
	31 December 2017	**31 December 2016**
Sale of services		
HELLENIC PETROLEUM SA	7,785	7,479
Other Group Companies	265	431
Other associated companies	670	620
	8,720	**8,530**

	Year ended	
	31 December 2017	**31 December 2016**
Purchase of services		
HELLENIC PETROLEUM SA	8	2
Other associated companies	23	18
	31	**20**

ii. Fiscal period balances arising from sales/purchases of products/services

	31 December 2017	31 December 2016
Receivables from related parties:		
Group companies		
-Customer balances	577	1,891
Other associated companies	294	262
- Balance from related parties		
	871	**2,153**
Obligations to related parties :		
Group companies		
-Customer balances (advances)		
HELLENIC PETROLEUM SA	-	-
-Supplier balances		.
HELLENIC PETROLEUM SA	537	527
	537	**527**

Transactions with related parties have been conducted under normal commercial terms that the Company abides by for transactions with third parties.

Transactions and balances with associated companies relate to:

a) The parent company HELLENIC PETROLEUM SA and its subsidiaries.

b) The Group's Associated Companies, which are consolidated in the Group with the equity method:

- Public Gas Corporation (DEPA) SA
- Elpedison Energy
- Hellenic Gas Transmission System Operator (DESFA) SA

c) Related parties that are jointly controlled with the parent company due to their joint participation of the Greek State:

- Public Power Corporation SA (PPC)

iii. Remuneration of the members of the Board of Directors

The total remuneration of the members of the Board of Directors in the fiscal period 2017 amounted to € 258 thousand. Respectively, in the fiscal period 2016 it amounted to € 259 thousand.

24 Subsequent events

There are no events occurred after the date of preparation of the financial statements as at 31 December 2017 that significantly affect their understanding and should whether be disclosed or differentiate the items in the financial statements.