ASPROFOS ENGINEERING S.A.

Financial Statements
according to
International Financial Reporting
Standards (IFRS)
for the year ended 31 December 2016

ASPROFOS S.A.

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

HEADQUARTERS: 284 EL.VENIZELOU AVENUE, 17675 KALLITHEA

Contents

Business data

Board of Directors : Gerasimos Katopodis, BOD Chairperson

Nikolaos Peppes, Vice-Chairman (until 24/02/2016)

Petros Papasotiriou, Managing Director

Christoforos Antotsios, member (until 24/02/2016)

Vice-Chairman (from 24/02/2016)

Dimitrios Sarrigiannis, member (from 24/02/2016)
Lambros Klimos, member (from 20/05/2016

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: PricewaterhouseCoopers Audit Firm S.A.

268 Kifisias Avenue

152 32 Halandri

Athens, Greece

Report by an Independent Certified Auditor-Accountant

To the Shareholders of the company “Asprofos Engineering S.A.”

Audit Report on the Financial Statements

We audited the attached financial statements of “Asprofos Engineering S.A.”, which comprise of the statement of financial position as at 31st December 2016, 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.

Management's Liability for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for the internal audits that management considers necessary for the preparation of the financial statements exempt from fundamental inaccuracy due either to deceit or error.

Auditor’s Liability

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Auditing Standards included in the Greek Legislation (ΦΕΚ/Β΄/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are exempt from fundamental inaccuracy.

The audit includes the performance of procedures in order to acquire auditing proof with respect to the amounts and reports of the financial statements. The selected procedures are based on the auditor’s judgment taking into consideration the risk of fundamental inaccuracy of the financial statements due either to deceit or error. Whilst performing the risk evaluation, the auditor audits the internal auditing system in relation to the preparation and presentation of the company’s financial statements for the purpose of designing appropriate auditing procedures and not for the purpose of expressing an opinion on the efficiency of the company’s internal auditing system. The audit also evaluates the appropriateness of the accounting principles and methods adopted as well as the justifiable assessments made by Management and the evaluation of the total presentation of the financial statements.

We believe that the auditing evidence that we have accumulated suffices and is appropriate to base our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all fundamental respects, the financial position of the Company “Asprofos Engineering S.A.” as at 31st December 2016, its financial performance and its cash flows for the year that ended then in accordance with International Financial Reporting Standards as adopted by the European Union.

<u>Report on Other Legal and Regulatory Requirements</u>

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 31/12/2016.

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

b) On December 31, 2016, the Company’s total equity was less than half of the share capital. Thus, there is reason for the application of the provisions of article 47 of C.L. 2190/1920.

pwc

Athens, 19 May 2017
Certified auditor

PricewaterhouseCoopers
Audit firm
Certified Auditors-Accountants
SOEL Reg. No. 113

Konstantinos Michalatos
SOEL Reg. No. 17701

(Amounts in Euro thousands)

Statement of Financial Position

	Note	31 December 2016	31 December 2015
ASSETS			
Fixed assets			
Tangible assets	**5**	2,425	2,793
Intangible assets	**6**	110	140
Other long-term receivables		2	2
Deferred tax assets	**7**	314	-
		2,851	**2,935**
Current assets			
Customers and other receivables	**8**	3,280	2,282
Cash and cash equivalents	**9**	714	583
		3,994	**2,865**
Total Assets		**6,845**	**5,800**
EQUITY			
Share Capital	**10**	12,030	5,027
Reserves	**11**	867	980
Results carried forward		(11,273)	(10,957)
		1,624	**(4,950)**
LIABILITIES			
Long-term liabilities			
Liabilities for personnel benefits due to termination of the service	**12**	3,052	2,649
Other long-term liabilities	**13**	2	2
		3,054	**2,651**
Short-term obligations			
Suppliers and other obligations	**14**	2,167	7,980
Tax and duties payable	**15**	-	119
		2,167	**8,099**
Total liabilities		**5,221**	**10,750**
Total equity and liabilities		**6,845**	**5,800**

The notes on pages 11-39 are an integral part of these Financial Statements.

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

(Amounts in Euro thousands)

Statement of Comprehensive Income

	Note	Year ended 31 December 2016	Year ended 31 December 2015
Turnover (sales)	**17**	**11,189**	**11,730**
Cost of goods sold	**18**	(9,175)	(9,437)
Gross profit		**2,014**	**2,293**
Administrative and disposal expenses	**18**	(2,406)	(2,493)
Other income / (expenses)	**19**	21	65
Operating result		**(371)**	**(135)**
Financial income	**20**	1	2
Financial expenses	**20**	(40)	(54)
Net financial (expenses)/income		(39)	(52)
Loss before taxes		**(410)**	**(187)**
Taxes	**21**	240	(138)
Net losses/income of the fiscal year		**(170)**	**(325)**
Other comprehensive income(expenditure):			
Items that will not be classified in the income statement in the future:			
Actuarial Gains/(Losses) on defined-benefit pension plans	**12**	(256)	(47)
Deferred tax liability for actuarial losses		74	-
Total comprehensive expenses for the fiscal period		**(352)**	**(372)**

The notes on pages 11-39 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 2015		**5,027**	**1,027**	**(10,632)**	**(4,578)**
Net actuarial Gains/Losses on defined-benefit pension plans		-	(47)	-	(47)
Net profit / (loss) for the fiscal period		-	-	(325)	(325)
Total comprehensive income/(expenses) for the fiscal period		**-**	**(47)**	**(325)**	**(372)**
Balance as at 31 December 2015		**5,027**	**980**	**(10,957)**	**(4,950)**
Balance as at 1 January 2016		**5,027**	**980**	**(10,957)**	**(4,950)**
Net actuarial (Losses)/Gains on defined-benefit pension plans		-	(182)	-	(182)
Net profit / (loss) for the fiscal period		-	-	(170)	(170)
Total comprehensive (expenses)/income for the fiscal period		**-**	**(182)**	**(170)**	**(352)**
Reclassifications		-	69	(69)	-
Transactions with shareholders					
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**

The notes on pages 11-39 are an integral part of these Financial Statements.

(Amounts in Euro thousands)

Statement of Cash Flows

		Year ended	
	Note	**31 December 2016**	**31 December 2015**
Cash flows from operating activities			
Cash flows from operating activities	**22**	(6,568)	(167)
Interest paid	**20**	(40)	(54)
Taxes paid		(213)	(138)
Net cash flows from operating activities		**(6,821)**	**(359)**
Cash flows from investments			
Purchases of tangible and intangible assets	**5.6**	(54)	(212)
Sale of tangible assets	**5**	2	-
Interest income	**20**	1	2
Net cash flows from investments		**(51)**	**(210)**
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		**131**	**(569)**
Cash and cash equivalents at the beginning of the fiscal period	**9**	**583**	**1,152**
Increase/(decrease) in cash and cash equivalents		131	(569)
Cash and cash equivalents at the end of the fiscal period	**9**	**714**	**583**

The notes on pages 11-39 are an integral part of these Financial Statements.

Notes to the Financial Statements

1 General information

The company ASPROFOS S.A. is a 100% subsidiary of the company HELLENIC PETROLEUM S.A. 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 as at 31 December 2016. 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 2016 were approved for publication by the Company's Board of Directors on **19th April 2017**. 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.

Basis for the preparation of the Financial Statements

The Financial Statements for ASPROFOS ENGINEERING SA for the year ending 31 December 2016 have been prepared by Management in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee as adopted 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 International Accounting Standards, 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 2016 are prepared in accordance with the International Financial Reporting Standards (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 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 2017 largely depend on HELLENIC PETROLEUM 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 2016, the Company's total equity after the share capital increase of € 7,003 thousand, amounts to € 1,624 thousand and the provisions of Article 48 of Law 2190/1920 are not applicable, as was the case during the previous years. However, the total of Equity remains below half of the Share Capital and the provisions of Article 47 of Law 2190/1920 are applicable. The Parent Company will continue 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 Company has adopted the following new standards, amendments to standards and interpretations for the first time in the financial period that commenced on 1st January 2016. None of the following did not affect significantly the financial statements of the Company.

IAS 19 Revised (Amendment) "Employee Benefits"

The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) "Joint Arrangements"

This amendment requires an investor to apply accounting for acquisitions when acquiring an interest in a joint operation which constitutes a 'business'.

IAS 16 and IAS 38 (Amendments) "Clarification of Allowable Depreciation Methods"

This amendment clarifies that the use of a revenue-based method is not considered to be an appropriate for calculating the depreciation of an asset and also clarifies that revenues are not considered an appropriate manifestation of consumption of the economic benefits embodied in an intangible asset.

IAS 27 (Amendment) "Separate Financial Statements"

This amendment allows reporting entities to use the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate Financial Statements and also clarifies the definition of separate Financial Statements.

IAS 1 (Amendments) "Disclosures"

The amendments clarify the guidelines of IAS 1 on the concepts of materiality and aggregation, the presentation of subtotals, the structure of financial statements and disclosures of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment Companies: Application of exemption from consolidation "

The amendments clarify that investment companies and their subsidiaries are exempt from consolidation.

Annual improvements in IFRS 2012

The following amendments describe the most important changes to IFRSs in the wake of the 2010-12 cycle results of the annual improvements project of the International Accounting Standards Board (IASB).

IFRS 2 "Share-based Payment".

The amendment clarifies the term 'vesting condition' and distinctively defines the 'performance condition' and 'service condition'.

IFRS 3 "Business Combinations"

The amendment clarifies that the obligation for a consideration that meets the definition of a financial asset is classified as a financial liability or as a component of equity because of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that any potential consideration, whether financial or non-financial, which is not a component of equity, is measured at fair value through profit or loss.

IFRS 8 "Operating Segments"

The amendment requires the disclosure of management's estimates as regards the combination of operating segments.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that the standard does not exclude the possibility of measuring short-term receivables and liabilities in the amounts of invoices in cases where the effect of discounting is insignificant.

IAS 16 "Tangible Fixed Assets" and IAS 38 "Intangible Assets"

Both standards have been amended to clarify how the depreciable carrying amount of the asset and cumulative depreciation are treated when an entity follows the revaluation method.

IAS 24 "Related Party Disclosure"

The standard has been amended to include as a related party a company that provides key management services to the entity or the parent of the entity.

Annual improvements in IFRS 2014

The amendments set out below describe the key changes to four IFRSs.

IFRS 5 "Non-current assets held for sale and discontinued activities"

The amendment clarifies that when an asset (or group of assets) is reclassified from "held for sale" to "held for distribution" or vice versa, this is not a change in the plan for sale or distribution and should not be accounted for as a change.

IFRS 7 "Financial Instruments: Disclosures ".

The amendment adds specific guidance to help the management determine whether the terms of an agreement for servicing a transferred financial asset are a continuing involvement and specifies that the additional disclosures required by the amendment to IFRS 7 "Disclosures - Offsetting Financial assets and liabilities' are not required for all interim periods, unless required in IAS 34.

IAS 19 "Employee Benefits"

The amendment clarifies that when determining the discount rate for post-employment benefit obligations, the currency in which the obligations are presented and not the country in which they arise is significant.

IAS 34 "Interim Financial Reporting"

The amendment clarifies the concept of "information disclosed anywhere else in the interim financial report" referred to in the standard.

The adoption of the above amendments does not have a significant effect on the Company.

(b) Obligatory Standards and Interpretations for subsequent periods

Some new standards, amendments to standards and interpretations have been issued, which are not mandatory for the accounting period beginning on 1 January 2016. The Company's assessment of the impact of the application of these new standards, amendments and interpretations is set out below.

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

The IFRS 9 replaces the provisions of IAS 39 on the classification and measurement of financial instruments also includes an expected credit loss model which replaces the model of realized credit losses that is currently applicable. The IFRS 9 establishes a hedge accounting approach based on principles and addresses inconsistencies and weaknesses in current IAS 39 model. The Company is currently assessing the impact of IFRS 9 on its financial statements.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 was issued in May 2014. The purpose of the standard is to provide a single, comprehensible revenue recognition model to all contracts with customers that will improve comparability between companies in the same industry, different sectors and different capital markets. It contains the principles to be applied by a reporting entity so as to determine the amount of income and the timing of their recognition. The basic principle is that a reporting entity would recognize revenue in a way that reflects the transfer of goods or services to customers to the amount which it expects that it is entitled to in exchange for those goods or services. The Company is currently assessing the impact of IFRS 15 on its financial statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019

IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that reasonably presents the essence of lease-related transactions. The IFRS 16 introduces a single lessee accounting model, via which the lessee is required to recognize assets and liabilities for all leases with a duration in excess of 12 months, unless the underlying asset is not of significant value. With respect to the accounting by the lessor, IFRS 16 essentially incorporates the requirements of IAS 17. Therefore, the lessor still classifies lease contracts into operating and finance leases, and applies a different accounting method for each type of contract. The Company is currently assessing the impact of IFRS 16 on its financial statements. The standard has not yet been adopted by the European Union.

IAS 12 (Amendments) "Recognition of deferred tax assets for non realized losses" *(effective for annual periods beginning on or after* 1 January 2017)

The amendments clarify the accounting for the recognition deferred tax assets for non-realized losses that have resulted from debt instruments measured at fair value. The amendments have not yet been adopted by the European Union. The adoption of the above amendments does not have a significant effect on the Company.

IAS 7 (Amendments) "Disclosures" (*effective for annual periods beginning on or after 1 January 2017).*

The amendments introduce mandatory disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been adopted by the European Union. The adoption of the above amendments does not have a significant effect on the Company.

IFRS 2 (Amendments) "Classification and measurement of share-based payment transactions" (effective for annual periods beginning on or after 1 January 2018)

The amendment provides clarifications on the measurement basis for share-based payment transactions and cash-settled transactions and the accounting treatment for changes in terms that alter a cash-settled benefit to a share-based payment transaction. Furthermore, they introduce an exception to the principles of IFRS 2 under which a benefit should be treated as if it were to be settled in full in equity instruments where the employer is required to withhold an amount to cover the tax liabilities of employees resulting from share-based benefits and to attribute it to the tax authorities. The amendments have not yet been adopted by the European Union. The adoption of the above amendments does not have a significant effect on the Company.

IFRS 4 (Amendments) "Application of IFRS 9 *Financial Instruments* to IFRS 4 Insurance Contracts" ***(***effective for annual periods beginning on or after 1 January 2018)

The amendments introduce two approaches. The amended standard will (a) provide for all entities that issue insurance contracts to recognize in the other comprehensive income rather than in the income statement any deviations arising from the application of IFRS 9 prior to the adoption of the new standard for insurance contracts , and (b) provides the entities whose activities mainly concern the insurance industry the option of temporary exemption from the application of IFRS 9 by 2021. Entities that postpone the application of IFRS 9 will continue to apply the existing IAS 39 standard for financial instruments. The amendments have not yet been adopted by the European Union. The adoption of the above amendments does not have a significant effect on the Company.

IAS 40 (Amendments) "Transfer of Investment Property" (effective for annual periods beginning on or after 1 January 2018)

The amendments clarify that a transfer to or from investment properties is possible, only if a change in use is made. In order to assume that there has been a change in the use of a property, it should be assessed whether the property meets the definition or the change in use can be substantiated. The amendments have not yet been adopted by the European Union. The adoption of the above amendments does not have a significant effect on the Company.

IFRIC 22 "Transactions in Foreign Currency and Advances" (effective for annual periods beginning on or after 1 January 2018)

Interpretation provides guidance on how the date of the transaction is determined when the standard for foreign currency transactions, i.e. IAS 21, is applicable. The Interpretation is applied when an entity either pays or receives in advance a payment for contracts denominated in a foreign currency. The interpretation has not yet been adopted by the European Union.

Annual Improvements to IFRS 2014 (turnover 2014 - 2016) (effective for annual periods beginning on or after 1 January 2017)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been adopted by the European Union.

IFRS 12 "Disclosure of Participation in Other Entities"

The amendment clarifies that the obligation to provide IFRS 12 disclosures applies to interests in entities that have been categorized as held for sale, except for the obligation to provide summary financial information.

IAS 28 "Investments in associates and joint ventures"

The amendments clarify that when fund investment management bodies, mutual funds and entities with similar activities apply the option to measure participation in associates or interests in joint ventures at fair value through profit or loss statement, this option should be made separately for any associate or joint venture at initial recognition.

2.2 Foreign currency conversion

(a) Functional and reporting currency

The data in the Company's Financial Statements are measured based on the currency of the primary economic environment in which the company operates ("functional currency"). The Financial Statements are presented in Euros, which is the Company's functional and the reporting currency.

(b) Transactions and balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing on the transaction date. Profits and losses from foreign currency differences arising from the settlement of such transactions during the period and from the conversion of financial instruments that are denominated in foreign currency using the exchange rates on the calculation date, are written off in the results except when transferred directly to equity because they relate to cash flow hedges and net investment hedges.

Foreign currency differences resulting from profits/losses and which arise from the valuation in Cash and Cash Equivalents are recorded as Financial profits/losses.

2.3 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 reporting date.

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).

2.4 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

Assets that have an indefinite useful life are not amortized and undergo an impairment test on an annual basis and when events or changes in circumstances indicate that the carrying value may not be recoverable. 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. Non-financial assets, other than goodwill, that suffered impairment are revalued for possible reversal of the impairment on each reporting date.

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 reporting date, which are included in non-current assets. Receivables are included in the balance sheet 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 balance sheet date, 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 an 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 Company does not have a defined-benefit pension plan that is funded.

The obligation that is recorded in the balance sheet for defined-benefit plans is the present value of the defined-benefit obligation at the reporting date 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 owner 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 reporting date 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 balance sheet date. 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

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. Deferred tax is determined using tax rates and laws in effect at the reporting date 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.

(Amounts in Euro thousands)

(a) Market risk

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.

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 2015 and 2016 the Company has not borrowed, but covered the necessary cash flows in cooperation with the Parent Company.

(b) Credit risk

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 2016	**31 December 2015**
Total receivables from customers	3,056	2,188
Of which:		
Beyond the credit period, but non-impaired balance	1,343	289
Impaired balance	118	118
	1,461	**407**

Provisions for doubtful debts

The maximum exposure to credit risk as at the Balance Sheet date 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.

(Amounts in Euro thousands)

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

	31 December 2016	31 December 2015
Up to 30 days	101	45
30-60 days	493	67
Over 60 days	749	177
Total	**1,343**	**289**

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

	31 December 2016	31 December 2015
Up to 30 days	-	-
30-60 days	-	-
Over 60 days	118	118
Total	**118**	**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 2016 to suppliers amounted to EUR 966 thousand (31 December 2015: 6,990 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 are calculated based on the present value of the estimates made by Management for expenditure required to settle the expected obligation at the balance sheet date.

(Amounts in Euro thousands)

5 Tangible fixed assets

	Plots	Buildings	Furniture & accessories	Total
Cost				
Balance as at 1 January 2015	**1,283**	**7,604**	**1,194**	**10,081**
Additions	-	-	97	97
Sales / write-offs	-	-	(102)	(102)
Balance as at 31 December 2015	**1,283**	**7,604**	**1,189**	**10,076**
Accumulated depreciation				
Balance as at 1 January 2015	**-**	**5,867**	**1,141**	**7,008**
Period depreciations	-	343	34	377
Sales / write-offs	-	-	(102)	(102)
Balance as at 31 December 2015	**-**	**6,210**	**1,073**	**7,283**
Undepreciated value as at 31 December 2015	**1,283**	**1,394**	**116**	**2,793**
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**

The Company has pledged tangible assets to secure its loan obligations.

(Amounts in Euro thousands)

6 Intangible assets

	Software	Total
Cost		
Balance as at 1 January 2015	**608**	**608**
Additions	115	115
Balance as at 31 December 2015	**723**	**723**
Accumulated depreciation		
Balance as at 1 January 2015	**536**	**536**
Period depreciations	47	47
Balance as at 31 December 2015	**583**	**583**
Undepreciated value as at 31 December 2015	**140**	**140**
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**

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 2016
Opening balance of receivables/(liabilities)	-
Improvement/(charge) of the income statement	240
Movements as regards the net position	74
Closing Balance	**314**

(Amounts in Euro thousands)

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

	31 December 2016
Tangible and intangible assets	(571)
Provisions for staff benefits	885
Closing Balance	**314**
Deferred tax assets	**885**
Deferred tax liabilities	**(571)**

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

8 Customers and other receivables

	31 December 2016	31 December 2015
Customers - Related parties 24	2,153	380
Customers - Other customers	903	1,808
Less: Provisions for impairment	(118)	(118)
Net customer receivables	**2,938**	**2,070**
Other receivables	342	212
Total	**3,280**	**2,282**

The carrying values of these receivables represent their fair value.

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 2016	31 December 2015
Balance 1 January	118	118
Balance 31 December	**118**	**118**

(Amounts in Euro thousands)

9 Cash and cash equivalents

	31 December 2016	31 December 2015
Fund	9	4
Cash at banks	705	579
Total	**714**	**583**

The weighted average effective interest rate was:

	31 December 2016	31 December 2015
Euro	0.24%	0.19%

10 Share Capital

	Number of Shares	Share Capital
31 December 2015	**171,300**	**5,027**
Share capital increase	238,600	7,003
31 December 2016	**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 31 December 2015	**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**

(Amounts in Euro thousands)

Statutory reserves

According to Greek law, 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 2016	31 December 2015
Statement of financial position obligations:		
Pension benefits	3,052	2,649
Total	**3,052**	**2,649**

	31 December 2016	31 December 2015
Charges to the income statement:		
Pension benefits	191	199
Total	**191**	**199**

	31 December 2016	31 December 2015
Charges to the other total income statement:		
Pension benefits	(256)	(47)
Total	**(256)**	**(47)**

The amounts entered in the Statement of financial position:

(Amounts in Euro thousands)

	31 December 2016	**31 December 2015**
Present value of unfunded obligations	3,052	2,649
Total	**3,052**	**2,649**

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

	31 December 2016	**31 December 2015**
Current service cost	84	84
Interest rate cost	84	84
Total	**168**	**168**
Additional costs of staff retirement settlement	22	31
Total included in employee benefits	**191**	**199**

The change of the obligation that has been entered in the balance sheet is as follows:

	31 December 2016	**31 December 2015**
Opening balance	2,649	2,588
Total debits to results	191	199
Paid contributions	(44)	(185)
Actuarial loss/(gain)	256	47
Closing Balance	**3,052**	**2,649**

Remeasurement of actuarial assumptions

	31 December 2016	**31 December 2015**
(Gains) / losses from the change of financial assumptions	417	(81)
(Gains)/losses from experiential adjustments	(161)	128
Totals	**256**	**47**

The main actuarial assumptions used are as follows:

	31 December 2016	**31 December 2015**
Discount Rate	1.90%	3.50%
Future salary increases	0.50%	0.50%
Average weighted program duration	13.27 years	12.45 years

(Amounts in Euro thousands)

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%	5%
Future salary increases	0.5%	5%	-

13 Other long-term liabilities

	31 December 2016	**31 December 2015**
Rental bonds	2	2
Total	**2**	**2**

14 Suppliers and other obligations

		31 December 2016	**31 December 2015**
Customer advances - Related parties	25	-	5,778
Suppliers - Related parties	25	527	527
Suppliers - Others		439	685
Value added tax		363	115
Insurance organizations and other taxes		649	658
Accrued expenses		140	185
Other obligations		49	32
Total		**2,167**	**7,980**

Other obligations include obligations to other creditors.

15 Tax and duties payable

	31 December 2016	**31 December 2015**
Tax and duties payable	-	119
Total	**-**	**119**

Other obligations from tax for the fiscal year 2015 concern the Albanian branch.

(Amounts in Euro thousands)

16 Employee Benefits

		Year ended	
		31 December 2016	**31 December 2015**
Payroll		5,591	5,391
Social Security expenses		1,388	1,321
Cost of pension plans and health care schemes		180	166
Personnel leaving pay		22	36
Other employee benefits		141	98
Total		**7,322**	**7,012**

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

17 Turnover (Sales)

		Year ended	
		31 December 2016	**31 December 2015**
Sale of services to related parties	**25**	8,530	4,863
Sale of services to other customers		2,659	6,867
Total		**11,189**	**11,730**

(Amounts in Euro thousands)

18 Expenses by category

	Year ended 31 December 2016	31 December 2015
Personnel salaries and expenses	7,322	7,012
Provision for staff compensation	168	163
Depreciation of tangible assets	387	377
Repair and maintenance cost of tangible assets	158	92
Technical support of software	230	198
Amortization of intangible assets	64	47
Insurance premiums	80	71
Rent from operating leases	111	95
Travel / transportation expenses	190	289
Stationery / Forms	18	19
Conference and advertising expenses	16	11
Other Professional Fees	1,661	1,633
Subcontractors	528	820
Travel expenses, recoverable by the customer	20	6
Other taxes-duties	140	137
Other Expenses	8	36
Expenses from foreign currency differences	-	17
Other*	480	907
Total	**11,581**	**11,930**
Attributable to:		
Cost of good sold	9,175	9,437
Administrative expenses	1,753	1,821
Selling expenses	653	672
Total	**11,581**	**11,930**

* The "Other" category includes the production costs of the branch of Albania, for the year 2016 the amount is 337 thousand euro while for the year 2015 the amount is 759 thousand euro.

19 Other income / (expenses)

	Year ended 31 December 2016	31 December 2015
Income from grants	1	38
Income from leases	18	18
Other extraordinary and non-operating income	2	9
Total	**21**	**65**

(Amounts in Euro thousands)

20 Financial expenses - net

	Year ended 31 December 2016	31 December 2015
Debit interest		
Other financial expenses	(40)	(54)
	(40)	**(54)**
Credit interest		
Interest income	1	2
	1	**2**
Net financial expenses	**(39)**	**(52)**

21 Taxes

	Year ended 31 December 2016	31 December 2015
Income tax	-	(138)
Deferred tax	240	-
Total	**240**	**(138)**

The basic tax rate for companies S.A. in 2016 is 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 - 2015 and received a tax compliance certificate with an unqualified opinion.
For the Company, the tax audit for the 2016 fiscal period is currently being conducted by PricewaterhouseCoopers SA. Upon completion of the tax audit, Management does not expect that any significant tax obligations will arise, other than those recorded and disclosed in the financial statements.

(Amounts in Euro thousands)

22 Cash flows from operating activities

	Note	Year ended 31 December 2016	31 December 2015
Fiscal Period Profit / (Loss)		**(410)**	**(187)**
Depreciation of tangible and intangible assets	**5.6**	451	424
Financial expenses/(income)	**20**	39	52
Provisions		147	14
		227	**303**
Changes in working capital			
(Increase) / decrease of receivables		(985)	(795)
(Decrease)/ increase of obligations		(5,810)	325
		(6,795)	**(470)**
Net cash flows from operating activities		**(6,568)**	**(167)**

23 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. Management believes that there will not be significant tax burdens from future audits, and therefore has not formed the relevant provision.

c) As at 31 December 2016, the Company has open Good Performance Letters of Guarantee amounting to € 1,225 thousand (31 December 2015: € 1,179 thousand), for projects that it has undertaken

(Amounts in Euro thousands)

24 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 2016	31 December 2015
Up to 1 year	80	68
From 1-5 years	240	152
Total	**320**	**220**

The lease expense that was entered in the income statement during the fiscal period amounts to € 48 thousands (€ 63 thousands in 2015).

25 Transactions with related parties

i. Sales of goods and services

	Year ended	
	31 December 2016	**31 December 2015**
Sale of services		
HELLENIC PETROLEUM SA	7,479	3,847
Other Group Companies	431	341
Other associated companies	620	677
	8,530	**4,865**

	Year ended	
	31 December 2016	**31 December 2015**
Purchase of services		
HELLENIC PETROLEUM SA	-	147
Other associated companies	18	13
	18	**161**

(Amounts in Euro thousands)

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

	Year ended	
	31 December 2016	**31 December 2015**
Receivables from related parties:		
Group companies		
-Customer balances	1,891	69
Other associated companies	262	311
- Balance from related parties		
	2,153	**380**
Obligations to related parties :		
Group companies		
-Customer balances (advances)		
HELLENIC PETROLEUM SA	-	5,778
-Supplier balances		
HELLENIC PETROLEUM SA	527	527
Net balances from related parties	**527**	**6,305**

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 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. Board of Directors' Remuneration

The Board of Directors' total remuneration during the 2016 fiscal period amounted to € 259 thousands of which € 166 thousands relates to the employee representative's fees and Managing Director's payroll cost.

Respectively, during the 2015 fiscal period the remuneration amounted to € 327 thousands of which € 237 thousands relates to the employee representative's fees and Managing Director's payroll cost.

26 Events after the reporting period

There are no significant events after the Balance sheet date as at 31 December 2016.