HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A.
Financial Statements
for the period from 1 January 2018 to 31 December 2018
(Amounts in Euro thousand)

HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A.

357-359 MESOGEION AVE., CHALANDRI

General Register of Commerce No: 7483601000
S.A. REG. NUMBER: 62880/01AT/B/07/317(08)

Financial Statements for the period ended on 31 December 2018

in accordance with the International Financial Reporting Standards (IFRS)

CONTENTS

Independent Auditor's Report

To the Shareholders of
"HELLENIC GAS TRANSMISSION SYSTEM OPERATOR SOCIÉTÉ ANONYME"

<u>Report on the Audit of the Financial Statements</u>

Opinion

We have audited the accompanying financial statements of the Company **"HELLENIC GAS TRANSMISSION SYSTEM OPERATOR SOCIÉTÉ ANONYME"** (the Company), which comprise the e statement of financial position as at December 31, 2018, and the statement of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company **"HELLENIC GAS TRANSMISSION SYSTEM OPERATOR SOCIÉTÉ ANONYME"** as of December 31, 2018, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as incorporated in Greek Legislation. Our responsibilities, under those standards are described in the "Auditor's Responsibilities for the Audit of the financial statements" section of our report. During our audit, we remained independent of the Company, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated in Greek legislation and the ethical requirements relevant to the audit of the financial statements in Greece and we have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this respect.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as incorporated in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the Company. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

1) Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report according to the provisions of paragraph 5 of article 2 of L. 4336/2015 (part B), we note that:

a) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 43a and 107A of Codified Law 2190/1920 and its content is consistent with the accompanying financial statements for the year ended 31/12/2018.

b) Based on the knowledge we obtained during our audit about the company **"HELLENIC GAS TRANSMISSION SYSTEM OPERATOR SOCIÉTÉ ANONYME"** and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2) Unbundled Financial Statements

Considering that the management is responsible for the preparation of the unbundled financial statements, which include the Company's unbundled financial statement of financial position as at December 31, 2018, as well as the Company's statement of comprehensive income for the year 2018, in accordance with articles 80A and 89 of Law 4001/2011 and no. 332/2016 of the Regulatory Authority for Energy (RAE), we note that, in our opinion, the unbundled financial statements as presented in the explanatory information of the Company's financial statements have been prepared in accordance with the provisions of Law 4001 / 2011 and no. 332/2016 decision of RAE.

Marousi, 12/6/2019

The Certified Public Accountant
George Batsoulis
SOEL Reg. No. 14001
Hellenic Auditing Company S.A

Amount in thousand €

STATEMENT OF COMPREHENSIVE INCOME	NOTE	1/1-31/12/2018	1/1-31/12/2017
Sales	4	199.485	268.697
Less: Cost of Sales		(93.809)	(127.221)
Gross Profit		105.676	141.476
Other operating income	5	4.393	14.575
		110.069	156.050
Administrative expenses	6	(13.495)	(14.146)
Distribution expenses	7	(543)	(312)
Other operating expenses	8	(2.173)	(19.465)
Amortisation of fixed asset grants	23	11.283	11.355
Operating results		105.140	133.482
Financing cost	9	(5.541)	(7.520)
Foreign exchange differences	9	8	(23)
Results before taxes		99.608	125.940
Income tax	10	(24.776)	(35.362)
Income tax -deferred tax	10	(1.383)	(4.942)
		73.450	**85.636**
Net profit for the period		**73.450**	**85.636**
Other comprehensive income		(42)	**-**
Actuarial profit/(loss)		**69**	**54**
Deferred Tax		**88**	**(16)**
Other comprehensive income of the period after taxes		**115**	**38**
Total comprehensive income of the period after taxes		**73.564**	**85.674**
Earnings per share (€ per share)			
Basic	11	**10,1190**	**11,7977**

Chairman of the BoD

Theodoros E. Zitounis

The Member of BoD

Panagiotis D. Tampourlos

Chief Executive Officer

Nicola F. Battilana

Chief Financial Officer

Dimitrios A. Kardomateas

Accounting Department Manager

Christiana D. Mougiou

These accompanying notes are an integral part of these financial statements.

Amount in thousand €

STATEMENT OF FINANCIAL POSITION			
ASSETS	**NOTE**	**31/12/2018**	**31/12/2017**
Fixed assets			
Tangible assets	12	1.217.096	1.227.630
Intangible assets	13	13.776	13.917
Investments in associates	14	355	355
Investments in other companies	14	350	0
Long-term receivables	15	261	261
Total Fixed Assets		***1.231.838***	***1.242.163***
Current assets			
Inventories	16	22.305	19.765
Trade and other receivables	17	88.998	80.118
Cash and cash equivalents	18	217.864	227.776
Total current assets		***329.167***	***327.658***
TOTAL ASSETS		**1.561.005**	**1.569.821**
LIABILITIES			
EQUITY			
Share capital	19	639.051	639.051
Reserves	20	25.293	25.293
Profit (Loss) carried forward		285.493	257.429
Total Equity		***949.837***	***921.773***
OBLIGATIONS			
Long-term liabilities			
Borrowings	21	174.583	197.021
Employee rights	22	3.995	3.972
State grants	23	256.564	256.881
Other provisions	29,17	61.269	57.990
Other long-term liabilities	30	145	145
Deferred tax liabilities	10	19.420	18.125
Total long-term liabilities		***515.976***	***534.134***
Short-term liabilities			
Suppliers and other liabilities	24	46.513	47.600
Borrowings	21	22.438	25.801
Short-term tax liabilities	25	26.241	40.513
Total short-term liabilities		***95.192***	***113.914***
Total liabilities		**611.168**	**648.048**
TOTAL EQUITY & LIABILITIES		**1.561.005**	**1.569.821**

These accompanying notes are an integral part of these financial statements.

(Amounts in Euro thousand)

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory reserves	Other reserves	Balance carried forward	Total
Balance as of 1 January 2017	**639.051**	**20.373**	**449**	**192.558**	**852.431**
Effect of application of IAS 19 up to 2017				38	38
Reserve formed		4.471		(4.471)	**-**
Dividends payable				(16.332)	**(16.332)**
Profit for the year 1/1-31/12/2017 after taxes				85.636	**85.636**
Balance as of 31 December 2017	**639.051**	**24.844**	**449**	**257.429**	**921.773**
Balance as of 1 January 2018	**639.051**	**24.844**	**449**	**257.429**	**921.773**
Effect of application of IAS 19 up to 2018				52	**52**
Other adjustments				63	**63**
Dividends payable				(45.500)	**(45.500)**
Profit for the year 1/1-31/12/2018 after taxes				73.450	73.450
Balance as of 31 December 2018	**639.051**	**24.844**	**449**	**285.493**	**949.837**

These accompanying notes are an integral part of these financial statements.

Amount in thousand €

STATEMENT OF CASH FLOWS

	01.01.2018 - 31.12.2018	01.01.2017 - 31.12.2017
Cash flows from operating activities:		
Profits before taxes	99.608	125.993
Plus (less) adjustments for:		
Depreciation	55.340	55.293
Provisions	3.328	11.468
Amortization of grants for investments in fixed assets	(11.283)	(11.355)
Loss from assets' measurement	0	2
Loss from assets' sales	0	2
Disposals of assets	197	170
Investment income	(2.705)	(2.070)
Interest and related expenses	8.245	9.590
	152.732	189.094
Plus/ less adjustments for changes in working capital account or relating to operating activities:		
Decrease/(increase) in inventories	(2.540)	(1.913)
Decrease / (increase) in receivables	26.173	(7.238)
(Decrease)/Increase of liabilities (except banks)	(13.625)	(15.817)
(Less):		
Interest and related expenses paid	(8.697)	(9.590)
Income Tax paid	(61.110)	(14.996)
Total inflows/ (outflows) from operating activities (a)	**92.932**	**139.540**
Cash flows from investment activities:		
Purchase for investments in other companies	(350)	0
Purchase of PPE and intangible assets	(44.976)	(23.988)
Proceeds from grants for investments in fixed assets	11.079	7.330
Interest received and proceeds from securities	2.705	2.070
Total cash inflow / (outflow) from investing activities (b)	**(31.542)**	**(14.588)**
Cash flows from financing activities:		
Proceeds/repayments of loans issued/taken out	(25.801)	(26.739)
Dividends paid	(45.500)	**(16.332)**
Total inflows / (outflows) from financing activities (c)	**(71.301)**	**(43.071)**
Net increase (decrease) in cash & cash equivalents for the period (a) + (b) + (c)	**(9.912)**	**81.881**
Cash & cash equivalents at period start	**227.776**	**145.894**
Cash & cash equivalents at period end	**217.864**	**227.776**

These accompanying notes are an integral part of these financial statements.

Explanatory Notes on the Financial Statements

1. Establishment and activities

1.1. General information

The company's financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the International Accounting Standards Board. They are included in the consolidated financial statements of parent company ***"SENFLUGA ENERGY INFRASTRUCTURE HOLDINGS S.A."***.

The Company was established in Athens in 2007 and has its registered office at 357-359 Mesogeion Avenue, in the Municipality of Chalandri, Prefecture of Attica, Greece. It was the result of the spin-off of the gas branch of company "DEPA S.A." on 30/6/2006, when the company drafted its Pre-spin off Balance Sheet, in accordance with the provisions of Laws 2166/1993 and 3428/2005. The term of the company was set at ninety -nine (99) years from the date of registration thereof in the Registry of Sociétés Anonymes and may be extended by virtue of a resolution of the General Meeting of Shareholders.

1.2. Change of ownership

By decision of the Extraordinary General Meeting dated 20.12.2018, the new shareholders' status was verified. The new shareholders of DESFA S.A. are: "SENFLOUGA ENERGY INFRASTRUCTURE SOCIETE ANONYME" with a participation percentage of 66% as a joint venture of the following companies: a) SNAM S.P.A., b) ENAGAS INTERNACIONAL S.L.U. and c) FLUXYS S.A. and the "Ministry of Environment and Energy" with a participation percentage of 34%. The Extraordinary General Meeting appointed new members of the Board of Directors as well as the duration of their term of office.

1.3. Scope of activity

The company engages in the operation, maintenance, management, exploitation and development of the National Gas System (ESFA), as defined by Article 6 of Law 3428/2005, including its connections, so that the ESFA is cost-effective, technically perfect and complete, as well as capable of meeting the needs of users, as defined in Article 2(31) of Law 3428/2005, for gas in a safe, adequate and cost-effective way.

2. Framework for the drafting of financial statements

2.1. General

The attached financial statements for the 1/1-31/12/2018 period have been drafted in accordance with the principles of historical cost and going concern and are in compliance with the International Financial Reporting Standards (IFRS), as issued by International Accounting Standards Board (IASB) and adopted by the European Union, and their interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB.

2.2. First-time adoption of IFRSs

Pursuant to a resolution passed by the Ordinary General Meeting of Shareholders of the parent company DEPA S.A. on 29/6/2007, DEPA S.A. should draft its financial statements in accordance with the IFRSs adopted by the EU for fiscal years beginning on or after 1 January 2007. In accordance with the provisions of Article 134 of Codified Law 2190/1920, the relevant obligation applies to all existing subsidiaries of DEPA S.A. Consequently, the company has applied the provisions of IFRS 1 "First-time adoption of International Financial Reporting Standards", the transition date being 30 June 2006, when the Pre-spin off Financial Position was drafted, which was used as a basis for the spinoff of the gas transmission branch of DEPA S.A. The first company financial statements drafted in accordance with the IAS and IFRS principles and rules are the ones for the fiscal year that ended on 31 December 2007.

2.3. Statutory financial statements

Under applicable law, the company is required to draft its statutory Financial Statements in accordance with the IFRSs, as adopted by the European Union.

2.4. Presentation of financial statements

The financial statements are expressed in Euro, which is the company's functional currency.

All amounts are presented in Euro thousand, unless stated otherwise.

2.5. Using important accounting judgments, estimates and assumptions

The preparation of the financial statements in accordance with the International Financial Reporting Standards requires that the Management takes decisions and makes estimates and assumptions affecting the application of accounting policies, as well as the amounts included in the Assets and Liabilities, and Income and Expenditure accounts. They also have an effect on the disclosures of possible receivables and payables at the financial statement preparation date. The actual results may be different from such estimates.

Estimates and relevant assumptions are on the basis of past experience and other factors, and are subject to continuous updating. Such updates are recognised in the period when they were made and in subsequent periods.

The key judgments, estimates and assumptions used by the company's Management pertain to the following:

- ✓ Determining the useful life and residual value of fixed assets.
- ✓ Classifying financial assets under different categories.
- ✓ Assessing the liquidation of receivables and determining the provision for doubtful receivables.
- ✓ Assessing the devaluation of inventories and determining the provision for devaluation.
- ✓ Classifying lease agreements with third parties as finance and operating lease agreements.
- ✓ Determining staff retirement benefits.
- ✓ Determining the fair value of derivatives and other financial instruments.
- ✓ Determining the impact of contingencies.

The areas where judgments and accounting estimates were used, having an effect on the amounts included in the financial statements and disclosures, as referred to in the respective notes, are: inventories, employee rights, as well as commitments and contingent liabilities.

2.6. New standards, interpretations of and amendments to existing standards

New standards, amendments of standards and interpretations have been issued, which are mandatory for periods beginning during the current financial year and subsequent years. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is presented below.

Standards and Interpretations effective for the current financial year

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

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

Impact of adoption

(a) Classification and measurement of financial assets and liabilities

IFRS 9 keeps to a large extent the existing requirements of IAS 39 for the Classification and Measurement of Financial Liabilities. However, it eliminates the previous categories of IAS 39 for financial assets: held to maturity, loans and receivables and available-for-sale.

The adoption of IFRS 9 had no impact on the Company's accounting policies that relate to financial liabilities as they continue to be recognized at amortized cost.

In addition to the receivables from customers originally valued at transaction value, the company initially assesses a financial asset at its fair value plus transaction costs in the case of a financial asset that is not measured at fair value through profit or loss. In accordance with IFRS 9, financial instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. Ranking is based on two criteria:

- the business model in which the financial asset is held, ie whether the objective is to hold for the purpose of collecting contractual cash flows or the collection of contractual cash flows and the sale of financial assets, and
- whether the contractual cash flows of the financial asset consist exclusively of capital repayment and interest on the outstanding balance ("SPPI" criterion).

The adoption of these options and criteria does not have a material effect on the financial statements from the recognition of financial assets.

(b) Impairment of financial assets

The Company has a type of financial assets that are subject to the new expected credit loss model of IFRS 9, trade and other receivables from the sale of inventories and services. The Company is required to revise its financial asset impairment methodology in accordance with IFRS 9 and applies the simplified approach of IFRS 9 to the measurement of expected credit loss calculated on the basis of the overall probability of default of debtors. It monitors and is in continuous assessment of the credit risk (current and future) as well as the probability of default of each individual delayed claim on the credit risk and default time reference dates. The implementation of the above does not result, with the up-to-date risk assessments, of significant effects that alter the amount of the existing provisions for such losses.

The application of the Standard does not have a material effect on the financial statements in the measurement of participations in subsidiaries and other companies.

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

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

Impact of adoption

The Company is guided by the achievement of the objective of IFRS 15 with the underlying principle that it recognizes revenue relating to the transfer of goods or services to customers at a price that reflects the consideration the entity expects to be entitled to exchange goods or services. It examines in detail the terms of the contract with the client as well as all the relevant facts and circumstances. In this context, it has adopted the new revenue recognition model based on the five key steps (The five-step model framework):

Step 1: Define the contract for the sale of goods or the provision of services.

Step 2: Identify the separate obligations arising from the contract with the customer.

Step 3: Determine the transaction price.

Step 4: Allocation of the transaction price to the obligations arising from the contract.

Step 5: Recognize revenue as the entity meets its obligations under the contract with the customer.

From the above analysis, there are no differences in the values and the way of recognizing its revenues based on the above new model as all invoices - (revenue recognition time) are made immediately and at a specific time under IFRS 9 where the control of the goods or customer service (satisfaction of contract obligations) as well as the unilateral nature of these services without the existence of complex obligations in the contracts it performs.

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 about the measurement basis for share-based payment and cash-settled transactions and the accounting treatment of changes in terms that alter a cash-settled benefit to a transaction that is settled in equity instruments. In addition, they introduce an exception to the principles of IFRS 2 under which a benefit should be treated as if it were to be settled entirely in equity instruments where the employer is required to withhold an amount to cover the tax liabilities of employees Result from share-based benefits and attribute it to the tax authorities. The amendments have not yet been adopted by the European Union.

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 policies 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.

IAS 40 (Amendments) "Transfer of Investment Property" (effective for annual periods beginning on or after 1 January 2018)
The amendments clarify that in order for a transfer to or from the investment property to be possible, a change in use should be made. In order to consider that there has been a change in the use of a property, it should be assessed whether the property meets the definition and the change in use can be documented. The amendments have not yet been adopted by the European Union.

IFRIC 22 "Foreign currency transactions and prepayments" (effective for annual periods beginning on or after 1 January 2018)
The Interpretation provides guidance on how the date of the transaction is determined when the foreign currency translation standard, IAS 21, applies. The Interpretation applies when an entity either pays or receives an advance payment for contracts denominated in a foreign currency. The Interpretation has not yet been adopted by the European Union.

Annual Improvements to IFRS (Cycle 2014-2016)

The amendments set out below describe the key changes to one IFRS.

IAS 28 "Investments in associates and joint ventures"
The amendments clarify that when investment fund managers, mutual funds and entities with similar activities apply the option to measure participations in associates or joint ventures at fair value through profit or loss, this option should be made separately for any relative or consortium at initial recognition.

Standards and Interpretations effective for subsequent financial years

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

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

According to the new standard, an asset ("qualifying asset") and a financial liability to pay rent ("lease obligation") will be recognized for each lease. The only recognition exceptions are short-term leases and leases in which the underlying asset is of low value. The Company will apply IFRS 16 from its mandatory date of application on 1 January 2019.

The Company has decided to measure in the transition the assets with right to use an amount equal to the lease obligation, adjusted by the amount of any prepaid or accrued rents related to the lease in question. Furthermore, the Company has chosen to apply the IFRS 16 practical facility para. C 8 during the transition.

Based on IFRS 16, the lessee is required to classify the lease as a finance or operating lease based on the use of the asset resulting from the main lease. Due to this change, the Company will reclassify certain operating leases in finance leases and therefore the related assets with a right to use will be derecognised and financial lease liabilities. According to the analysis of the lease of the company as at 31 December 2018 based on the facts and circumstances prevailing at that date, the management estimates that the effect of that change will not be material to the Company's financial statements. The Company has not yet completed its assessment of the effect of IFRS. 16 as it is in the process of implementing new system software and finalizing IFRS accounting policies, procedures and procedures. 16. The Company estimates that it will recognize property rights and leases of approximately 8,102 thousand.

IFRIC 23 "Unfair Income Tax Treatment" (effective for annual periods beginning on or after 1 January 2019)

The interpretation intends to determine taxable profit (taxable profit), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty about the accounting treatment of income tax under IAS 12 (Income Tax).

The Interpretation provides for an entity to (a) determine whether any uncertain tax treatment is evaluated collectively or individually; and (b) assess whether it is probable that the competent tax authority will accept the tax treatment adopted or proposed by the entity in the tax return Income: If so, the entity should determine its tax position in relation to that accounting treatment - if not, the entity should present the impact of the uncertainty in the accounting handling of its tax position. The interpretation has not yet been endorsed by the European Union and will be assessed by the company for any effect on the financial statements.

IAS 28 (Amendment) "Long-term Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendment clarifies that an entity applies IFRS 9 "Financial instruments" for long-term investments in associates or joint ventures that are part of the net investment in the associate or joint venture but to which the equity method does not apply. Changes to the text of the Standard are described in detail. The amendment has not yet been adopted by the European Union and will be assessed by the company for its possible impact on the company's financial statements.

IFRS 9 (Amendment) "Prepayments with negative remuneration" (effective for annual periods beginning on or after 1 January 2019)

The amendment aims to address concerns about how IFRS 9 "Financial Instruments" categorizes specific prepaid assets. It amends the provisions of IFRS 9 so far provided for expiry rights so as to allow the carrying amount to be measured at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation. Additionally, the International Accounting Standards Board (IASB) clarifies the accounting management of financial liabilities after a conversion. It specifies that an entity recognizes any adjustments to the unamortized cost of the financial liability arising from the change or exchange of liabilities on the result, on the date of the change or exchange. The amendment to the Standard will be applied retrospectively for annual periods beginning after 1 January 2019 and will be assessed by the Company for any effect on the company's financial statements.

IAS 19 (Amendment) "Modification, curtailment or settlement of a defined program" (effective for annual periods beginning on or after 1 January 2019)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and 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.

Annual Improvements to IFRS 2015 (Cycle 2015-2017) (effective for annual periods beginning on or after 1 January 2019

The amendments listed below describe the basic changes to specific IFRSs. The amendments have not yet been adopted by the European Union.

IFRS 3 "Business Combinations" and IFRS 11 "Shared Controls"

The amendments to IFRS 3 clarify that when an entity acquires control of an entity that is a joint venture, it reassesses its prior shareholding in that enterprise. The amendments to IFRS 11 clarify that when an entity acquires joint control of an entity that is a joint venture, it does not reconsider its shareholding in that enterprise.

IAS 12 "Income Taxes"

The amendments clarify that all tax impacts of dividends should be recognized in profit or loss regardless of how the tax is derived.

IAS 23 "Borrowing Costs"

The amendments clarify that if part of a loan remains pending since the asset that is linked to it is ready for the use or sale for which it is intended, the amount of that loan is included in the total borrowing of the entity in the calculation of the of the borrowing ratio.

New standards applicable for annual accounting periods beginning after 1 January 2021

IFRS 17 "Annual contracts"

IFRS 17 provides for insurance liabilities to be measured at the current value of the policy and provides a more uniform approach to the measurement and presentation of all policies. These estimates are designed to achieve a credible, policy-based accounting treatment of insurance policies. IFRS 17 replaces IFRS 4 from January 2021 The standard has not yet been adopted by the European Union and is expected to have no impact on the Company's financial statements.

3. Accounting Principles Used

The accounting principles and estimates used as a basis for the preparation of the financial statements as at 31 December 2018 are the same as those used for the preparation of the financial statements of fiscal year 2017. The key accounting principles adopted in preparing the attached financial statements are as follows:

3.1. Functional and Presentation Currency, and Foreign Exchange Conversion

The company keeps its accounting books in Euro. Transactions that are carried out in a foreign currency are converted to Euro using the official exchange rate that applies on the day each transaction is carried out. On the financial statement preparation date, the assets and liabilities amounts expressed in other currencies are converted to Euro so as to reflect current exchange rates. The profit and loss arising from foreign currency transactions and the end-of-period measurement of foreign currency amounts are recorded in the statement of comprehensive income.

3.2. Tangible fixed assets

Tangible assets are presented in the financial statements at acquisition value. These values are reduced by: (a) accumulated depreciation, and (b) any impairment loss.

The initial fixed asset acquisition cost includes the purchase price, including import duties and non-refundable purchase taxes and compensation for land expropriation, as well as all necessary expenses to prepare the fixed assets for their intended use.

Subsequent expenditures incurred in connection with tangible assets are capitalised when the future economic benefits expected to flow from the use of the affected assets increase. All other expenditures relating to the repair, maintenance, etc. of fixed assets are recorded in the expenses of the fiscal year when they were incurred.

Upon withdrawal or sale of fixed assets, the relevant cost and accumulated depreciation is deleted from the corresponding accounts in the withdrawal or sale period, and the relevant profits or losses are recognised in profit or loss.

Depreciation is charged to the Statement of comprehensive income using the straight line method over the useful lives of fixed assets. Land is not depreciated. The estimated useful life per category of fixed asset is:

Buildings and installations	1-20	years
Plant, machinery and equipment	7-40	years
Transportation equipment	5 -7	years
Furniture and fixtures	3 -7	years

The residual values and useful lives of tangible fixed assets are revised and adjusted at any Financial Positiondate. When the book value of a tangible fixed asset exceeds its recoverable value, the difference (impairment loss) is recorded as an expenditure in profit or loss.

3.3. Intangible fixed assets

3.3.1. Easements

Easements are recognised in intangible assets by the amounts paid by the company to beneficiaries as right of way for the installation of the gas system. Amortisation is charged to profit or loss using the straight line method over the useful lives of the assets. Their estimated useful life is 40 years as the relevant expenditure is considered to be consequential to the gas pipeline installation investment, which has the same useful life.

3.3.2. Software

Software is recognised as intangible assets at acquisition cost. The expenses incurred to increase or expand the performance of software beyond its initial specifications are recognised as capital expenses added to the initial software cost. Amortization of software is charged to profit or loss using the straight line method over the useful life of such software. Its estimated useful life is 1-3 years.

3.3.3. Rights of use

The company has the right to use the island of Revythousa, where the Liquefied Natural Gas (LNG) installations are located, until expiry of its term according to its Articles and any extensions thereto. The right was granted by the Greek State free of charge only for the construction and use of the LNG installations. By document Ref.No. 417/24-05-2013, "Public Properties Company SA" amended the terms of concession of use of Revythousa island dated 05/01/1990 against payment which stands at €200 thousand per year, subject to annual adjustment by 100% of the Consumer Price Index on the annual payment over the previous year.

3.4. Impairment of assets

Tangible and intangible assets and other non-current assets are tested for impairment loss when there is an indication that their book value is unrecoverable, i.e. when their book value exceeds the amount to be recovered if they are used or sold. When the book value of an asset exceeds its recoverable amount, the corresponding impairment loss is recorded in profit and loss. The realisable value of an asset is the higher amount of the net estimated selling price and the value due to use thereof. The net selling price is the amount that can be received from the sale of an asset as part of a bilateral transaction where the parties are fully aware of the transaction and have subscribed to it willfully, after deducting any additional direct distribution cost of the asset. Value due to use is the current value of the estimated future cash flows expected to arise from the ongoing use of an asset and from the proceeds expected from its disposal when its estimated useful life is over. If it is impossible to estimate the recoverable amount of an asset for which there is an indication of impairment, the recoverable amount of the cash generating unit to which the asset belongs shall be determined.

An impairment loss for assets recognised in prior fiscal years shall be reversed if, and only if, there is sufficient indication that the impairment no longer exists or has been decreased. In such cases reversal of the impairment is recognized as income.

The Company performed an asset impairment test based on the value in use. It has been determined that there is no impairment issue.

3.5 Investments in associates & other entities

The Company has taken into account the provisions of IFRS 9 where it is anticipated that investments in equity securities and contracts for these securities should be measured at fair value. However, in limited circumstances, the cost can be calculated as an appropriate fair value estimate. This may be the case if sufficient more recent fair value measurement information is not available or if there is a wide range of possible fair value measurements and the cost is the best estimate of the fair value within that range.

3.6 Inventories

Inventories are stated at the lower between acquisition cost and net realisable value. The cost of inventories is determined using the moving average cost method and includes all the necessary expenses incurred for inventories to be taken to their placement location. The net realisable value of inventories is their estimated selling price during the normal operation of the company minus the estimated necessary costs for sale thereof. The net realisable value of the materials used for the construction and maintenance of the pipeline is their estimated cost of replacement during the normal operation of the company.

On each reporting date, inventories that are obsolete, useless and with very low inventory turnover are tested for impairment. Provisions are formed for the reduction of the acquisition value of inventories in net realisable value, which are registered in profit or loss during the period where such arise. The provisions are reviewed at each subsequent period.

3.7 Trade receivables

Trade receivables are recognized at the transaction price based on the provisions of IFRS 15 minus the provisions for impairment based on credit risk estimates in accordance with IFRS 9. The Company adopts the model for the recognition and measurement of impairment in trade receivables based on the principle of "Expected Credit Losses "or" ECL". These expected credit losses are the probability-weighted estimate of the credit losses that the company will have (i.e, the present value of all cash flow deficiencies - receivables in relation to the amounts due based on the "transaction price") over the life expectancy of the claim. Therefore, for trade receivables arising from transactions that are within the scope of IFRS 15 "Revenue from contracts with customers" and do not contain a significant portion of finance, the Company measures the provision for impairment loss, equal to the expected credit loss 'Lifetime ECLs' using the simplified model proposed. ('Simplified approach').

3.8 Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits, short-term high liquidity investments of up to three months. Cash and cash equivalents present insignificant risk of changes in value.

3.9 Share Capital

Ordinary shares are classified in equity. The cost directly attributable to issuing new shares is recognized directly in equity as a reduction of the amount receivable.

3.10 Loans

All loans and borrowings are initially classified at cost being the fair value of the proceeds received net of issue costs associated with the borrowing. After initial recognition, borrowings are measured at amortised cost using the discount interest method. Any difference between the amount received (net of acquisition cost) and the amount to be repaid is recognized in profit and loss over the loan period.

3.11 Operating Leases

Any leases where ownership risks and benefits are maintained by the lessor are classified as are classified as operating leases. Payment of operating lease fees are recognized as an expense in the statement of comprehensive income on a constant basis during the lease.

3.12 Income tax (current and deferred)

The income tax for the fiscal year includes current and deferred taxes. Current and deferred income taxes are calculated based on the relevant amounts reflected in the financial statements, in accordance with the tax laws applicable in Greece. Current income tax refers to tax on the taxable profits of the company, as restated in conformance with the fiscal law, and is calculated using the applicable income tax rate.

Deferred tax is determined using the liability method for all the temporary tax differences, as at the reporting date, between the tax basis and book value of the assets and liabilities. The expected tax effects of the temporary tax differences are determined and presented either as future (deferred) tax liabilities or as future (deferred) tax assets.

Deferred tax assets are recognised for all tax deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profit will be available against which the tax-deductible temporary difference can be used.

The book value of the deferred tax assets is reviewed at each Financial Positiondate and is reduced to the extent that taxable profits will not be available against which a part or the total of the deferred tax assets can be used.

Current Income tax assets and liabilities for the current and previous fiscal years are measured at the amount expected to be paid to the tax authorities (or recovered from them), using tax rates (and tax laws) that have been enacted by the reporting date.

3.13 Dividends

The dividends payable are presented as a liability at the time or approval by the General Meeting of Shareholders.

3.14 Employee benefits

3.14.1 Short term benefits

Short-term employee benefits in cash or in kind are recorded as an expense when they are accrued.

3.14.2 Defined contribution plan

Company personnel are covered mainly by the main State Insurance Body for the private sector (Social Security Organisation (EFKA), which provides retirement and medical benefits. Each employee is required to contribute part of his/her monthly salary to the organisation, and the rest of the contribution is covered by the company. Upon retirement, the pension fund is responsible for paying retirement benefits to employees. The liabilities relating to contributions in defined contribution plans are registered as an expense in profit or loss at the time they are due. Thus the company does not have any legal or implicit obligation to pay future benefits on the basis of that plan.

3.14.3 Defined Benefit Plans

Employee benefits plans relating to retirement indemnities are part of defined contributions plans according to IAS 19 - "Employee Benefits".

The Company's liability to employees under the defined benefit plan for the future payment of benefits depending on the employment time of each one of them is measured and presented on the basis of the expected payment of each employee's accrued right at the Financial Positiondate, discounted at its present value, as compared to the estimated time of payment thereof. The discount interest rate used is equal to the performance, at the reporting date, of the mid-term Greek government bonds.

The relevant liability is estimated on the basis of the financial and actuarial assumptions detailed in Note 21 and are determined using the Projected Unit Method. The net retirement costs for the reporting period are included in the payroll cost and comprise the current value of the benefits that became accrued during the reporting period, the interest on the benefit obligation, the cost of previous employment, the actuarial profits or losses recognised in the fiscal year, as well as any additional retirement costs. Previous employment costs are recognised on a fixed basis upon the mean period until the benefits of the plan are established. The unrecognised actuarial profits and losses, which exceed 10% of the future estimated liability for benefits at the beginning of the period, are recognised upon the mean remaining period of employment of active employees and are included in the net retirement cost for each fiscal year. Liabilities for retirement benefits are not financed. Based on the new IAS 19 which was implemented on 01.01.2013, the total actuarial loss/profit (UAI/G) that arises, must be directly recognised in a separate account in the statement of comprehensive income with direct impact on equity.

3.15 State grants

State grants are initially recognised at fair value when it is reasonably certain that the grant will be received and that the company will comply with all stipulated terms. State grants for current expenditure are recognised in profit or loss in the period in which they are required for matching the costs for which they are intended. State grants for the purchase of tangible assets are shown as non-current liabilities (deferred income), are recognized as income and are transferred to profit or loss in the financial statement reporting period, over the useful life of the asset being subsidized.

3.16 Financial instruments

The main financial instruments used by the company are cash, bank deposits, short-term receivables and payables and bank loans. Given the short-term nature of these instruments, the company's Management believes that their fair value is actually equal to their book value.

3.17 Recognition of income

The company recognizes revenue related to the provision of services at a price that reflects the consideration it expects to be entitled to exchange goods or services in accordance with IFRS 15. It examines in detail the terms of the contract with the client as well as all relevant facts and circumstances related to the transfer of goods or services under the five five-step model framework provided. Revenue recognition time occurs when the control of goods or services to customers (satisfaction of contract obligations) is transferred at a specific time.

Interest income is recognized on a pro rata basis, taking into account the balance of the original amount and the applicable rate for the period to maturity when it is determined that such income will be payable to the company.

3.18 Expenses

3.18.1 Operating leases

Payments made under operating leases are recognized as expenses in the profit and loss account in the reporting period at the time of use of the leased asset.

3.18.2 Financing cost

The net financing cost includes the interest accrued on the loans taken, which is calculated based on the effective interest rate method.

3.19 Earnings per share

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

3.20 Analysis of company activities per branch

A "segment" or "part" of the company's activities is any distinct business activity which has peculiar characteristics as to the nature of its activity and the business risks it involves (business segment). A similar distinction is also made based on the business environment in which the activity is taking place (geographical segment).In the period from 1 January to 31 December 2018, the company operated, maintained, managed and exploited the National Gas System, while at the same time going on expanding it in Greece.

According to the Decision No 332/2016 / FEK 3763 / 22.11.2016 the company has the obligation to present unbundled financial statements per activity (Unbundling Accounting of a) the Statement of Financial Position and b) the Statement of Comprehensive Income for the year ended). This unbundling is presented for a first time in the Appendix of financial statements 2018.

Notes on the Financial Statements

4 Sales

Sales are broken down as follows:

Amount in thousand €

	01.01.18 31.12.18	01.01.17 31.12.17
Regulated Revenues		
Transmission	173.361	191.208
Use of LNG services	10.848	24.762
Electricity	1.557	1.894
Additional services	3.296	7.166
Non Regulated Sales	3.241	2.884
Sales of balancing & operating gas	7.181	38.556
Security of supply fees	2	2.226
Balance	**199.485**	**268.697**

5 Other operating income

Other operating income is broken down as follows:

Amount in thousand €

	01.01.18 31.12.18	01.01.17 31.12.17
Grants for training	13	0
Miscellaneous income	1.499	5.819
Income from rents of buildings-technical projects	374	391
Other extraordinary & non-operating income	1	1
Income from penalties	0	16
Income from previous years	759	4
Income from staff retirement indemnity provisions	18	2.010
Income from other operating provisions	1.728	648
Income from provisions for contingencies	0	5.686
Balance	**4.393**	**14.575**

6 Administrative expenses

Administrative expenses are broken down as follows:

Amount in thousand €

	01.01.18 31.12.18	01.01.17 31.12.17
Personnel fees and expenses	4.773	4.689
Third party fees and expenses	5.198	5.355
Third party benefits	1.574	1.843
Taxes and duties expenses	60	185
Miscellaneous expenses	1.833	2.005
Staff indemnity provision	57	69
Balance	**13.495**	**14.146**

7 Distribution expenses

Distribution expenses are broken down as follows:

Amount in thousand €

	01.01.18 31.12.18	01.01.17 31.12.17
Personnel fees and expenses	84	73
Third party fees and expenses	279	94
Third party benefits	16	16
Taxes and duties expenses	18	10
Miscellaneous expenses	147	119
Balance	**543**	**312**

8 Other operating expenses

Other operating expenses are broken down as follows:

Amount in thousand €	01.01.18 31.12.18	01.01.17 31.12.17
Extraordinary and non-operating expenses	78	5.518
Extraordinary losses	670	65
Expenses from previous years	1.160	1.625
Staff retirement indemnities	59	319
Provisions for contingencies	205	11.938
Balance	**2.173**	**19.465**

9 Financing cost - Foreign exchange differences

Financial costs (income) are broken down as follows:

Amount in thousand €

	01.01.18 31.12.18	01.01.17 31.12.17

(Amounts in Euro thousand)

Interest expenses and banking liabilities	8.245	9.590
Total financial expenses	**8.245**	**9.590**
Less:		
Interest and related income	(2.705)	(2.070)
Financing cost	**5.541**	**7.520**
Less: Exchange differences		
Foreign exchange difference expenses	55	89
Foreign exchange difference income	(63)	(66)
Total foreign exchange differences	**(8)**	**23**
Net financial expenses (income)	**5.533**	**7.543**

10 Income tax

The tax charged on results was determined as follows:

Income tax

	01.01 - 31.12.2018	01.01 - 31.12.2017
Income tax	25.369	35.362
Deferred tax	1.383	4.942
Tax from previous years	(594)	0
Income tax through P&L	**26.158**	**40.304**

		01.01 - 31.12.2018		01.01 - 31.12.2017
Profits before taxes		99.608		125.940
Tax calculated on the basis of the Company's tax rate (2018: 29 %, 2017: 29 %)		28.886		36.523
Permanent accounting differences	3.047		13.948	
Less: Adjustments	(15.175)		(18.003)	
	(12.128)	(3.517)	(4.055)	(1.176)
		25.369		35.347
Adjustment tax		3.783		4.957
Adjustment due to tax rate change		(2.400)		0
Tax from previous years		(594)		0
Income tax through P&L		**26.158**		**40.304**

These accompanying notes are an integral part of these financial statements.

(Amounts in Euro thousand)

The fact that in some cases income or expenses are accounted for at a time other than the time when such income is taxed or such expenses are deducted, for taxable income determination purposes, makes it necessary to account for deferred tax assets or deferred tax liabilities. The deferred tax asset recognised by the company is as follows:

	31/12/2018	31/12/2017
Deferred tax assets	(20.970)	(18.626)
Deferred tax liabilities	1.551	501
Total deferred tax in the Balance Sheet	**(19.420)**	**(18.125)**

Opening balance	(18.125)	(13.167)
Adjustment tax	(3.783)	(4.957)
Other comprehensive income tax	99	0
Adjustment due to Tax rate change	2.389	0
Closing balance	**(19.420)**	**(18.125)**

	31/12/2017	Debit (Credit) in Profit or Loss from tax rate differences	Debit (Credit) through P&L	Debit (Credit) in other comprehensive income from tax rate differences	Debit (Credit) in other comprehensive income and other adjustment	31/12/2018
Deferred tax liabilities						
Effects of measurement exchange differences	(12)	2	0	0	0	(10)
Effects of borrowing expenses	(1)	0	2	0	0	1
Capitalisation of borrowing cost	(4.898)	676	0	0	0	(4.222)
Grants for fixed asset investments	6.013	(829)	1.356	0	0	6.540
Revaluation of Property 2012 under Law 2065	(367)	(238)	0	0	0	(605)
Provisions for termination benefits	(235)	0	0	99	(17)	(153)
	501	**(390)**	**1.358**	**99**	**(17)**	**1.551**
Deferred tax assets						
Deletion of formation expenses	(196)	27	(5)	0	0	(174)
Tangible assets	(29.416)	4.346	(5.287)	0	0	(30.358)
Provision for devaluation of inventories	2.357	(325)	0	0	0	2.032
Provision for bad debts	0	0	124	0	0	124

Other provisions	5.789	(798)	0	0	6	4.996
Provision for staff retirement indemnity	2.841	(459)	27	0	0	2.409
	(18.625)	2.790	(5.141)	0	6	**(20.970)**
Net deferred tax assets in Balance Sheet	**(18.125)**	**2.400**	**(3.783)**	**99**	**(12)**	**(19.420)**

11 Earnings per share

The calculation of basic earnings per share is as follows:

EARNINGS PER SHARE	**1/1-31/12/2018**	**1/1-31/12/2017**
Net profits payable to the Company's ordinary shareholders (in € thousand)	73.450	85.636
Weighted average number of shares in circulation	7.258.644	7.258.644
Basic earnings (losses) per share (in €)	**10,1190**	**11,7977**

12 Tangible assets

The company's tangible assets are broken down as follows:

Amount in thousand €	Land & plots	Buildings and building facilities	Machinery & mechanical installations	Transportation equipment	Furniture & fixtures	Fixed assets under construction or installation	Total
Acquisition or measurement value							
As of 1 January 2017	7.885	94.903	1.739.231	1.684	39.555	109.719	1.992.978
Purchases for the year 1/1-31/12/2017	0	0	103	0	170	23.681	23.954
Estimated cost of construction period	0	0	0	0	0	1.221	1.221
Transfers for the year 1/1-31/12/2017	92	1.603	22.188	0	5	(23.887)	0
Sales/Disposals for the year 1/1-31/12/2017	0	0	0	(109)	(61)	0	(170)
Advances to asset suppliers	0	0	0	0	0	4.360	4.360
Total as of 31/12/2017	**7.976**	**96.507**	**1.761.522**	**1.576**	**39.669**	**115.094**	**2.022.342**
Accumulated depreciation							
As of 1 January 2017	0	68.395	632.559	1.660	37.620	0	740.234
Depreciation for the year 1/1-31/12/2017	0	3.700	50.009	9	929	0	54.646
Sales/Disposals for the year 1/1-31/12/2017	0	0	0	(109)	(59)	0	(168)
Total as of 31/12/2017	**0**	**72.094**	**682.568**	**1.560**	**38.490**	**0**	**794.713**
Net book value							
As of 31/12/2016	**7.885**	**26.509**	**1.106.672**	**24**	**1.934**	**109.719**	**1.252.743**
As of 31/12/2017	**7.976**	**24.412**	**1.078.954**	**15**	**1.179**	**115.094**	**1.227.630**

(Amounts in Euro thousand)

	Land & plots	Buildings and building facilities	Machinery & mechanical installations	Transportation equipment	Furniture & fixtures	Fixed assets under construction or installation	Total
Acquisition or measurement value							
As of 1 January 2018	7.976	96.507	1.761.522	1.576	39.669	115.094	2.022.342
Purchases for the year 1/1-31/12/2018	(1)	38	91	0	318	46.018	46.463
Estimated cost of construction period	0	0	0	0	0	1.193	1.193
Transfers for the year 1/1-31/12/2018	9	11.159	91.027	0	0	(102.195)	0
Sales/Disposals for the year 1/1-31/12/2018	0	0	(586)	(242)	(195)	(16)	(1.040)
Advances to suppliers of fixed assets	0	0	0	0	0	(3.229)	(3.229)
Total as of 31/12/2018	**7.984**	**107.703**	**1.852.054**	**1.333**	**39.791**	**56.865**	**2.065.730**
Accumulated depreciation							
As of 1 January 2018	0	72.094	682.568	1.560	38.490	0	794.713
Depreciation for the year 1/1-31/12/2018	0	3.751	50.231	9	660	0	54.651
Sales/Disposals for the year 1/1-31/12/2018	0	0	(293)	(242)	(194)	0	(729)
Total as of 31/12/2018	**0**	**75.845**	**732.505**	**1.327**	**38.956**	**0**	**848.634**
Net book value							
As of 31/12/2017	**7.976**	**24.412**	**1.078.954**	**15**	**1.179**	**115.094**	**1.227.630**
As of 31/12/2018	**7.984**	**31.858**	**1.119.549**	**6**	**835**	**56.865**	**1.217.096**

The fixed assets under construction or installation include part of the total borrowing cost for the period 1/1-31/12/2018. The borrowing cost capitalised in the current period amounts to € 1.193 thousand.

13 Intangible assets

The company's intangible assets are detailed as follows:

Amount in thousand €

	Software	Fees	Total
Acquisition or measurement value			
As of 1 January 2017	3.131	26.010	29.141
Purchases for the year 1/1-31/12/17	32	2	34
Total as of 31/12/2017	3.163	26.012	29.175
Accumulated depreciation			
As of 1 January 2017	2.190	12.420	14.610
Depreciation for the year 1/1-31/12/2017	125	522	647
Sales/Disposals for the year 1/1-31/12/17	**2.316**	**12.942**	**15.258**
Total as of 31/12/2016	**941**	**13.590**	**14.531**
Net Book Value as of 31/12/2017	**848**	**13.070**	**13.917**
Acquisition or measurement value			
As of 1 January 2018	3.163	26.012	29.175
Purchases for the year 1/1-31/12/18	561	4	565
Total as of 31/12/2018	**3.724**	**26.016**	**29.740**
Accumulated depreciation			
As of 1 January 2018	2.316	12.942	15.258
Depreciation for the year 1/1-31/12/2018	184	522	706
Total as of 31/12/2018	**2.500**	**13.464**	**15.964**
Net Book Value as of 31/12/2017	**848**	**13.070**	**13.917**
Net Book Value as of 31/12/2018	**1.225**	**12.552**	**13.776**

Depreciation and amortisation of tangible and intangible assets was recorded in the cost of sales, to the amount of € 55.340 thousand and to the amount of €17 thousand was transferred to construction of fixed assets.

14 Investments in associates

The company "SOUTH STREAM GAS PIPELINE SOCIÉTÉ ANONYME" was established and registered in the Registry of Sociétés Anonyme of the Prefecture of Athens under S.A. Reg. No. 69873/01/01AT/B/10/198, on 13/7/2010. The company's objective is to: (a) develop, finance, construct, manage, operate and maintain the part of the South Stream gas pipeline that is in Greece, which is owned by the company, and (b) provide support services relating to the activities referred to under (a) above, as well as to prepare studies of all types concerning the above activities.

The Hellenic Gas Transmission System Operator (DESFA) S.A. and OAO GAZPROM each have a 50% holding in the company. The company is in a state of inactivity and makes it impossible to estimate the value of that investment. Therefore, the "cost" method is the best estimate of the fair value of that investment.

Following are the financial date of SOUTH STREAM:

NAME	COUNTRY OF ESTABLISHMENT	TOTAL ASSETS	LIABILITIES	GAINS	LOSSES	PERCENTAGE OF PARTICIPATION
SOUTH STREAM S.A.	GREECE	559	2	0	15	50%

Investments in other investments

On 26.06.2018 the company paid the amount of 350.000,00 € as a participation in the share capital of the newly established company "HELLENIC EXCHANGE EQUITY SA" and represents 7% of its total capital. Due to the fact that it concerns a newly established company, the fair value estimate based on the provisions of IFRS 9 will be realized and recognized at the period of 2019.

15 Long-term Receivables

The company's long-term receivables represent guarantees provided (rental fees, PPC, water supply) amounting to €261 thousand.

16 Inventories

The company's inventories are detailed as follows:

Amount in thousand €

	31/12/2018	31/12/2017
Natural gas	12.398	10.030
Materials for the construction and maintenance of the Gas Pipeline	18.035	17.863
	30.433	**27.892**
Less: Provision for devaluation	(8.127)	(8.127)
Balance	**22.305**	**19.765**

Analysis of provisions for devaluation of inventories

Amount in thousand €

	31/12/2018	31/12/2017
Balance	8.127	8.127
	8.127	**8.127**

There are no encumbrances on inventories.

17 Trade and other receivables

The company's total receivables are broken down as follows:

Amount in thousand €

	31/12/2018	31/12/2017
Trade debtors	22.102	39.364
Sundry debtors	48.375	22.427
Short-term receivables from affiliated companies	0	118
Advances and credit suspense accounts	41	37
Accrued expenses	518	500
Deferred income	17.962	17.672
Other accrual accounts of assets	1	0
Balance	**88.998**	**80.118**

All receivables are short-term and no discounting is necessary at the financial statement reporting date. The company has formed a provision for bad debts totaling to €11.537 thousand, which is deemed sufficient and covers the credit risk assessment for expected credit losses in accordance with IFRS 9.

18 Cash and cash equivalents

Cash and cash equivalents include the company's cash and demand deposits. In particular:

Amount in thousand €

	31/12/2018	31/12/2017
Cash on hand	14	7
Sight and time deposits	217.850	227.769
Balance	**217.864**	**227.776**

19 Share capital and Share premium account

The Company's share capital comprises 7.258.644 ordinary registered shares of a nominal value of € 88,04 each. The company' share capital as of 31 December 2018 is detailed in the following table:

SHARE CAPITAL

SHAREHOLDER	NUMBER OF SHARES HELD	SHARE CAPITAL (in € thousand)	HOLDING AS OF 31/12/2018
SENFLUGA ENERGY INFRASTRUCTURE HOLDINGS S.A	4.790.705	421.774	66%
HELLENIC REBUBLIC –Represented by the Ministry of Energy	2.467.939	217.277	34%
TOTAL	**7.258.644**	**639.051**	**100%**

According to the company's Register of Shareholders, as of 31 December 2018, 66% of company's shares were held by the parent company.

20 Reserves

The company's reserves are broken down as follows:

Amount in thousand €

	31/12/2018	31/12/2017
Statutory reserves	24.844	24.844
Value of real estate and other fixed assets acquired free of charge	449	449
Balance	**25.293**	**25.293**

Statutory reserve: Under the provisions of Greek corporate Law, companies are obliged to transfer at least 5% of their annual net profit, as defined, to a statutory reserve, until the reserve equals the 1/3 of the issued share capital. The reserve is not available for distribution throughout the Company activity. The amount of the statutory reserve for the closing year will be formed with the approval of the General Meeting of Shareholders in 2019.

21 Borrowings

The company's borrowings are expressed in Euro and have been granted mainly by the European Investment Bank; one has been granted by the National Bank of Greece. The amounts payable within one year from the financial statement reporting date are designated as short-term, and those payable at a later time are designated as long-term. The company's loans are broken down, per main financing organisation, as follows:

Amount in thousand €	31/12/2018		31/12/2017			
	Short-term Liabilities	Long-term Liabilities	Short-term Liabilities	Long-term Liabilities	Long-term liability repayment times	Borrowing interest rate
EUROPEAN INVESTMENT BANK (5)	0	0	7.000	0	15/5/2018	5,550%
EUROPEAN INVESTMENT BANK (6)	545	6.545	545	7.091	17/7/2031	4,479%
EUROPEAN INVESTMENT BANK (7)	1.083	2.167	1.083	3.250	17/7/2021	4,328%
EUROPEAN INVESTMENT BANK (8)	833	2.500	833	3.333	10/7/2022	4,887%

(Amounts in Euro thousand)

EUROPEAN INVESTMENT BANK (9)	455	5.909	455	6.364	10/7/2032	4,979%
EUROPEAN INVESTMENT BANK (10)	1.304	17.609	1.304	18.913	31/1/2033	4,619%
NATIONAL BANK	7.076	3.540	7.076	10.616	19/3/2020	4,980%
EUROPEAN INVESTMENT BANK (11)	1.400	21.700	1.400	23.100	31/5/2035	3,875%
EUROPEAN INVESTMENT BANK (12)	1.875	24.375	1.875	26.250	20/12/2032	3,263%
EUROPEAN INVESTMENT BANK (13)	1.563	21.875	1.563	23.438	21/10/2033	3,659%
EUROPEAN INVESTMENT BANK (14)	3.636	36.364	0	40.000	16/12/2029	1,915%
EUROPEAN INVESTMENT BANK (15)	2.667	32.000	2.667	34.667	3/11/2031	1,180%
Total loan liabilities	**22.438**	**174.583**	**25.801**	**197.021**		

Please note the following about the above loans:

- Loan (5) granted by the European Investment Bank amounting to € 70.000 thousand was issued on 15/06/1998, its maturity date is 15/05/2018. According to plan, the principal shall be repaid on an annual basis from 15/05/2009 to 15/05/2018. The annual repayment installment amounts to €7.000 thousand.
- Loan (6) granted by the European Investment Bank amounting to € 12.000 thousand was issued on 17/07/2006, its maturity date is 17/07/2031. According to plan, the principal shall be repaid on an annual basis from 17/07/2010 to 17/07/2031. The annual repayment installment amounts to €545 thousand.
- Loan (7) granted by the European Investment Bank amounting to € 13.000 thousand was issued on 17/07/2006, its maturity date is 17/07/2021. According to plan, the principal shall be repaid on an annual basis from 17/07/2010 to 17/07/2021. The annual repayment installment amounts to €1.083 thousand.
- Loan (8) granted by the European Investment Bank amounting to €10.000 thousand, which is an extension of the above loan (7), was issued on 10/07/2007, its maturity date is 10/07/2022. According to plan, the principal shall be repaid on an annual basis from 10/07/2011 to 10/07/2022. The annual repayment installment amounts to €833 thousand.
- Loan (9) granted by the European Investment Bank, amounting to €10.000 thousand, which is an extension of the above loan (6), was issued on 10/07/2007, its maturity date is 10/07/2032. According to plan, the principal shall be repaid on an annual basis from 10/07/2011 to 10/07/2032. The annual repayment installment amounts to €455 thousand.
- Loan (10) granted by the European Investment Bank amounting to € 30.000 thousand was issued on 31/1/2008, its maturity date is 31/01/2033. According to plan, the principal shall be repaid on an semiannual basis from 31/07/2010 to 31/01/2033. The annual repayment installment amounts to €1.304 thousand.
- The loan granted by the National Bank of Greece amounting to €85.000 thousand was issued on18/3/2008, its maturity date is 19/03/2020. According to plan, the principal shall be repaid on an semiannual basis from 19/09/2008 to 19/03/2020. The annual repayment installment amounts to €7.076 thousand.
- Loan (11) granted by the European Investment Bank amounting to € 35.000 thousand was issued on 31/5/2010, its maturity date is 31/05/2035. According to plan, the principal shall be repaid on an semiannual basis from 30/11/2010 to 31/05/2035. The annual repayment installment amounts to €1.400 thousand.
- Loan (12) granted by the European Investment Bank amounting to € 30.000 thousand was issued on 19/12/2012, its maturity date is 20/12/2032. According to plan, the principal shall be repaid on an semiannual basis from 19/06/2017

(Amounts in Euro thousand)

to 20/12/2032. The annual repayment installment amounts to €1.875 thousand.

- Loan (13) granted by the European Investment Bank amounting to €25.000 thousand was issued on 21/10/2013, its maturity date is 21/10/2033. According to plan, the principal shall be repaid on an semiannual basis from 21/04/2018 to 21/10/2033. The annual repayment instalment amounts to €1.562 thousand.
- Loan (14) granted by the European Investment Bank amounting to € 40.000 thousand was issued on 16/12/2014, its maturity date is 17/12/2029. According to plan, the principal shall be repaid on an semiannual basis from 17/06/2019 to 17/12/2029. The annual repayment installment amounts to €3.636 thousand.
- Loan (15) granted by the European Investment Bank amounting to € 40.000 thousand was issued on 03/11/2016, its maturity date is 03/11/2031. According to plan, the principal shall be repaid on an semiannual basis from 03/05/2017 to 03/11/2031.The annual repayment installment amounts to €2.667 thousand.

It is noted that the fair value of existing loans at 31.12.2018 is analyzed as follows:

LOAN	**FAIR VALUE 31/12/2018**
LOAN € 12.000.000- EIB 6	7.514
LOAN € 13.000.000- EIB 7	3.276
LOAN € 10.000.000- EIB 8	3.438
LOAN € 10.000.000- EIB 9	7.252
LOAN € 30.000.000- EIB 10	20.590
LOAN € 85.000.000- NATIONAL BANK	10.742
LOAN € 35.000.000- EIB 11	22.564
LOAN € 30.000.000- EIB 12	23.630
LOAN € 25.000.000- EIB 13	22.226
LOAN € 40.000.000- EIB 14	31.837
LOAN € 40.000.000- EIB 15	24.196
TOTAL	**177.264**

The company fulfills the binding conditions of all loans. These conditions have been respected during for the current period.

22 Employee rights

The company's liability to employees working in Greece for the future payment of benefits depending on the employment time of each one of them is measured and presented on the basis of the expected payment of each employee's accrued right at the financial statement reporting date, discounted at its present value, taking into account the estimated time of payment thereof. The annual discount interest rate used is 1,60%. The accumulated benefits in each period are charged to profit or loss with a corresponding increase in the retirement liability. The benefits paid to retiring employees are charged against such liability.

The number of personnel employed by the company and the relevant payroll costs are as follows:

Employee rights

	31/12/2018	31/12/2017
Persons:		
Permanently employed	213	215
Total	**213**	**215**

Employee cost analysis:		
Payroll expenses	10.008	10.120
Staff indemnity expenses	59	319
Social security expenses	2.453	2.485
Provision for staff retirement indemnity	(110)	(1.569)
Total costs	**12.411**	**11.355**

Employee rights

Amount in thousand €	31/12/2018	31/12/2017
Retirement liability		
Liability at beginning of period	3.972	5.914
Recognised actuarial gains	(69)	(54)
Benefits paid	(18)	(319)
Expenses recognised in profit or loss	110	(1.569)
Balance	**3.995**	**3.972**

The Company's staff retirement indemnity liability was determined through an actuarial study carried out by an independent recognised actuarial firm. The key amounts and assumptions of the actuarial study of as of 31 December 2018, are presented below:

Basic assumptions in the actuarial study as of 31/12/2018:

Actuarial method of measurement	Projected Unit Credit Method
Average annual long-term rise of inflation	1,197% % by 2019, 1,509% by 2020 and 1,740 % by 2021 and thereafter

These accompanying notes are an integral part of these financial statements.

Average annual payroll increase	17,384,% by 2019, 1,197% by 2020, 1,509% by 2021 1,740% for 2022 and thereafter
Discount interest rate	1,60%

23 State Grants

State grants pertain to investments in fixed assets and are recognised as income along with the depreciation of assets - mainly mechanical equipment - being subsidised. In accordance with the law used as a basis for the grant, there are certain restrictions applicable to the transfer of the subsidised fixed assets and the modification of the legal status of the subsidised company. The audits performed by competent authorities from time to time have not identified any non-compliances with such restrictions.

Amount in thousand €

	31/12/2018	31/12/2017
Opening balance	256.881	260.906
Grants received	10.845	7.330
Adjustments of Amortisation of grants	121	0
Amortisation of grants	(11.283)	(11.355)
Balance	**256.564**	**256.881**

24 Suppliers and other liabilities

The company's total liabilities to suppliers and other third parties are broken down as follows:

Amount in thousand €

	31/12/2018	31/12/2017
Suppliers	9.520	10.207
Cheques payable	5	5
Social security funds	466	432
Liabilities to affiliates	10.675	9.240
Sundry creditors	6.452	4.733
Customer prepayments	13.316	17.346
Accrued expenses of the period	6.059	5.617
Other accruals and deferred income	19	19
Balance	**46.513**	**47.600**

25 Short-term tax liabilities

The company's total tax liabilities are broken down as follows:

Amount in thousand €	31/12/2018	31/12/2017
Value added tax	401	4.519
Payroll taxes and duties	302	253
Third party fees taxes and duties	11	4
Income tax	25.369	35.362
Other taxes & duties	158	375
Balance	**26.241**	**40.513**

26 Transactions with related parties

The company's transactions with affiliated entities are as follows:

a) Transactions with company DEPA S.A. and other affiliated undertakings

Amount in thousand €	31/12/2018	31/12/2017
Receivables from		
DEPA S.A.	6.097	27.888
EPA ATTICA S.A.	2.756	2.730
EDA THESSALONIKI-THESSALY SA	42	28
DEDA S.A.	1.157	901
EDA ATTIKIS	31	25
EPA THESSALONIKI-THESSALY SA	3.555	1.732
	13.639	**33.305**
Liabilities to		
DEPA S.A.	13.079	16.243
EPA ATTICA S.A.	19	19
EPA THESSALONIKI-THESSALY SA	344	344
	13.442	**16.606**
	31/12/2018	**31/12/2017**
Revenue from		
DEPA S.A.	93.282	175.016
EPA ATTICA S.A.	11.066	10.454
EDA THESSALONIKI-THESSALY SA	238	234
EPA THESSALONIKI THESSALY SA	11.744	18.163
EDA ATTIKIS S.A.	114	116
DEDA S.A.	2.667	3.102
	119.111	**207.085**
Expenses to		
DEPA S.A.	**9.888**	**40.539**

All above transactions of related parties concern the previous shareholders status (DEPA Group). At 20th of December 2018 the company's ownership status changed and new shareholders are : "SENFLOUGA ENERGY INFRASTRUCTURE SOCIETE ANONYME" with a participation percentage of 66 % as a joint venture of the following companies: a) SNAM S.P.A., b) ENAGAS INTERNACIONAL S.L.U. and c) FLUXYS S.A. and the "Ministry of Environment and Energy" with a participation percentage of 34%.

b) Fees and other benefits to BoD members

Amount in thousand €	**31/12/2018**	**31/12/2017**
Fees - Other Benefits to BoD members	67	65
Fees - Other Benefits to SC members	108	114
	175	**179**

27 <u>Financial risk management</u>

The Company is exposed to various financial risks; the most significant risks are market risk - including foreign exchange risk and interest rate risk - credit risk and liquidity risk. The Company’s risk management policies are aimed at minimising the possible negative effects of such risks on the financial position and performance of the company. As referred to in paragraph 3.16, the main financial instruments used by the company are cash, bank deposits, trade and other receivables and liabilities and bank loans. From time to time, the company Management reviews and revises the relevant policies and procedures relating to the management of financial risks, as described below:

I. Market risk

- ***Interest rate risk:*** The risk associated with interest rate changes comes mainly from long-term and short-term borrowings. As of 31/12/2018 all long-term and short-term borrowings pertained to fixed rate borrowings. Moreover, as referred to in paragraph 20, all the company's borrowings are in Euro. The Management continuously monitors interest rate fluctuations and the company's financing needs and assesses, on a case-by-case basis, the duration of borrowings and the difference between fixed and floating interest rates.
- ***Foreign exchange risk:*** The company is exposed to limited foreign exchange risk as all its assets and most of its liabilities are in Euro.

II. Credit risk

The company’s exposure to credit risk is limited to financial assets (instruments) which, as at the financial statement reporting date, are broken down as follows:

Amount in thousand €	**31/12/2018**	**31/12/2017**
Cash and cash equivalents	217.864	227.776
Customers and other receivables	88.998	80.118
Balance	**306.862**	**307.894**

(Amounts in Euro thousand)

The company monitors its receivables at all times and the most important user of the National Gas System (ESFA) is DEPA S.A.

III. Liquidity risk

The liquidity risk is maintained at low levels through the availability of adequate cash and cash equivalents and credit lines.

Following is a table presenting an analysis of financial liabilities and liabilities resulting from derivative financial instruments, according to their contractual settlement dates.

BORROWINGS REPAYMENT TABLE

As of 31/12/2018	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years
Borrowings	22.438	18.903	43.085	112.596
Suppliers	46.513			

As of 31/12/2017	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years
Borrowings	25.801	22.445	48.543	126.033
Suppliers	47.600			

28 <u>Financial instruments</u>

<u>28.1 Settlement of financial instruments per presentation category</u>

Assets as shown on the Financial Position statement of 31 December 2018	Loans and receivables
Trade and other receivables	88.998
Total	**88.998**

Assets as shown on the Financial Position statement of 31 December 2017	Loans and receivables
Trade and other receivables	80.118
Total	**80.118**

29. Commitments and Contingent Liabilities

29.1 Contingent liabilities from cases in litigation or under arbitration

a) There are third party actions against the company amounting to €29.938 as follows (aa) An amount of € 820 th. involves technical-construction works. It should be noted that, according to the company's accounting principle, the compensations paid for the above cases are included in the acquisition value of tangible assets, therefore no provision is made. (ab) An amount of € 29.118 for which the company estimates that it will not pay more than €22.082.

b) There are liabilities from Greek government securities amounting to €17.800 for which the company has created an equal provision.

c) There are actions lodged against the company involving compensation for expropriation of real estate totaling € 8.395 directly related to the construction-extension of the conduit and other tangible assets. It should be noted that, according to the company's accounting principle, the compensations paid for the above cases are included in the acquisition value of tangible assets, therefore no provision is made.

d) The company has formed a provision for the compensation of security supply duty amounting to € 9.850.

e) There are also actions lodged by the company against third parties totaling € 49.564.

The formed provisions are shown at Financial Position statement as follows:

Other provisions

Amount in thousand €

	31/12/2018	31/12/2017
Third party actions against company	22.082	22.082
Greek government securities	17.800	17.800
Compensation of security supply duty	9.850	11.576
Total provisions for contingent liabilities	**49.732**	**51.458**
Provision for bad debts	11.537	6.532
Total other provisions	**61.269**	**57.990**

29.2 Commitments from operating leases

The company has entered into agreements for the operating leasing of transportation equipment and building facilities. The lease fees associated with operating leases, as recorded in the statement of comprehensive income for the period 1/1-31/12/2018 amounted to € 1.754 thousand. The future minimum operating lease fees to be paid for transportation equipment and building facilities on the basis of irreversible operating lease agreements are as follows:

Amount in thousand €	31/12/2018	31/12/2017
Up to 1 year	1.378	1.246
From 2 to 5 years	803	755
	2.181	2.001

29.3 Commitments and other contingent liabilities

29.3.1 Other commitments

Amount in thousand €

Liabilities	31/12/2018	31/12/2017
Outstanding agreements with project suppliers	104.476	115.072
Suppliers' letters of guarantee	4.517	1.417
Total	**108.993**	**116.489**

Receivables	31/12/2018	31/12/2017
Customers' letters of guarantee	70.948	63.862
Suppliers' letters of guarantee	73.844	75.544
Total	**144.792**	**139.406**

29.3.2. Contingent Liabilities

The Company has been tax audited for fiscal year 2010 and for fiscal years 2011 until 2013 a special tax audit was performed (in accordance with Article 82(5) of Law 2238/1994) by the Company's Statutory Auditor, and the Tax Compliance Reports were issued. For the fiscal years 2014 to 2017 a special tax audit was performed (in accordance with Article 65a of Law 4174/2013) by the Company's Statutory Auditor, and the Tax Compliance Report was issued. For the fiscal year 2018, the tax audit of the Certified Auditors under the provisions of Article 65a of Law 4174/2013 is in progress. The company's Management uses consistent planning to minimise tax charges.

30 Long-term liabilities

The company's long-term liabilities represent the performance guarantee in relation to Contract 497/12 with Egnatia Odos of €145 thousand.

31 Subsequent events

There are no subsequent events which would influence materially the Company's financial position.

(Amounts in Euro thousand)

APPENDIX: UNBUNDLED FINANCIAL STATEMENTS

UNBUNDLED STATEMENTS OF COMPREHENSIVE INCOME

	Transportation of natural gas	*Use of natural gas service facilities*	*Load balancing*	*Other activities of natural gas*	*Non-Regulated activities*	*Participations*	*Loading liquefied natural gas into trucks*	*Loading of liquefied natural gas on ships*	*Supply safety*	
	s01	s02	s03	s05	s06	s07	s08	s09	s10	
	01/01/2018-31/12/2018	**01/01/2018-31/12/2018**	**01/01/2018-31/12/2018**	**01/01/2018-31/12/2018**	**01/01/2018-31/12/2018**	**01/01/2018-31/12/2018**	**01/01/2018-31/12/2018**	**01/01/2018-31/12/2018**	**01/01/2018-31/12/2018**	**Total**
STATEMENT OF COMPREHENSIVE INCOME										
Sales	140.821	44.945	9.625	852	3.241	0	0	0	2	199.485
Less: Cost of Sales	-59.663	-21.271	-9.625	-324	-1.192	-4	0	-1	-1.729	-93.809
Gross Profit	**81.158**	**23.674**	**0**	**528**	**2.049**	**-4**	**0**	**-1**	**-1.728**	**105.676**
Other operating income	1.782	49	0	1	829	3	0	0	1.728	4.393
	82.940	**23.724**	**0**	**529**	**2.877**	**0**	**0**	**-1**	**0**	**110.069**
Administrative expenses	-9.679	-3.109	0	-202	-505	0	0	0	0	-13.495
Distribution expenses	-392	-126	0	-7	-18	0	0	0	0	-543
Other operating expenses	-1.124	-199	0	-1	-732	-118	0	0	0	-2.173
Amortisation of fixed asset grants	9.648	1.635	0	0	0	0	0	0	0	11.283
Operating results	**81.394**	**21.925**	**0**	**319**	**1.622**	**-118**	**0**	**-1**	**0**	**105.140**
Financing cost	-4.222	-1.408	0	1	88	0	0	0	0	-5.541
Foreign exchange differences	8	0	0	0	0	0	0	0	0	8
Results before taxes	**77.180**	**20.517**	**0**	**320**	**1.711**	**-118**	**0**	**-1**	**0**	**99.608**
Income tax	-19.167	-5.103	0	-80	-426	0	0	0	0	-24.776
Income tax- Deferred tax	-956	-378	0	-7	-42	0	0	0	0	-1.383
Results after taxes	**57.056**	**15.036**	**0**	**233**	**1.243**	**-118**	**0**	**-1**	**0**	**73.450**
Net profit for the period	**57.056**	**15.036**	**0**	**233**	**1.243**	**-118**	**0**	**-1**	**0**	**73.450**
Other comprehensive income	-33	-9	0	0	-1	0	0	0	0	-42
Actuarial gains / (losses)	53	14	0	0	1	0	0	0	0	69
Deferred Tax	44	37	0	1	6	0	0	0	0	88
Other comprehensive income of the period after taxes	**64**	**43**	**0**	**1**	**7**	**0**	**0**	**0**	**0**	**115**
Total comprehensive income of the period after taxes	**57.121**	**15.079**	**0**	**234**	**1.250**	**-118**	**0**	**-1**	**0**	**73.564**

These accompanying notes are an integral part of these financial statements.

(Amounts in Euro thousand)

UNBUNDLED STATEMENTS OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	*Transportation of natural gas*	*Use of natural gas service facilities*	*Load balancing*	*Other activities of natural gas*	*Non-Regulated activities*	*Participations*	*Loading liquefied natural gas into trucks*	*Loading of liquefied natural gas on ships*	*Supply safety*	**Total**
	s01	s02	s03	s05	s06	s07	s08	s09	s10	
ASSETS	**31/12/2018**	**31/12/2018**	**31/12/2018**	**31/12/2018**	**31/12/2018**	**31/12/2018**	**31/12/2018**	**31/12/2018**	**31/12/2018**	
Fixed assets										
Tangible assets	854.916	361.630	0	311	2	0	0	237	0	1.217.096
Intangible assets	13.762	1	0	13	0	0	0	0	0	13.776
Investments in associates	0	0	0	0	0	355	0	0	0	355
Investments in other participations	0	0	0	0	0	350	0	0	0	350
Long-term receivables	143	117	0	0	1	0	0	0	0	261
Total Fixed Assets	**868.821**	**361.748**	**0**	**324**	**3**	**705**	**0**	**237**	**0**	**1.231.838**
Current assets										
Inventories	8.709	13.063	0	0	533	0	0	0	0	22.305
Trade and other receivables	59.399	15.671	0	397	3.105	0	0	0	10.426	88.998
Cash and cash equivalents	130.015	50.464	0	786	6.100	500	10.000	20.000	0	217.864
Total current assets	**198.122**	**79.197**	**0**	**1.183**	**9.738**	**500**	**10.000**	**20.000**	**10.426**	**329.167**
TOTAL ASSETS	**1.066.943**	**440.945**	**0**	**1.508**	**9.741**	**1.205**	**10.000**	**20.237**	**10.426**	**1.561.005**

These accompanying notes are an integral part of these financial statements.

(Amounts in Euro thousand)

LIABILITIES										
EQUITY										
Share capital	444.044	160.802	0	1.000	2.000	1.205	10.000	20.000	0	639.051
Reserves	19.363	5.420	0	23	487	0	0	0	0	25.293
Profit (Loss) carried forward	190.798	92.682	0	217	1.586	4	0	-1	208	285.493
Total Equity	**654.204**	**258.904**	**0**	**1.241**	**4.072**	**1.209**	**10.000**	**19.999**	**208**	**949.837**
OBLIGATIONS										
Long-term liabilities										
Borrowings	101.553	73.030	0	0		0	0	0	0	174.583
Employee rights	2.745	789	0	25	435	0	0	0	0	3.995
State grants	188.057	68.127	0	380		0	0	0	0	256.564
Other provisions	41.892	9.571	0	-6	-38	0	0	0	9.850	61.269
Other long-term liabilities	145	0	0	0	0	0	0	0	0	145
Inter-activity account	-2.766	-1.394	0	-511	4.361	-4	0	203	112	0
Deferred tax liabilities	15.519	3.833	0	1	67	0	0	0	0	19.420
Total long-term liabilities	**347.145**	**153.956**	**0**	**-111**	**4.825**	**-4**	**0**	**203**	**9.961**	**515.976**
Short-term liabilities										
Suppliers and other liabilities	29.642	15.936	0	205	335	0	0	35	360	46.513
Borrowings	14.218	8.220	0	0	0	0	0	0	0	22.438
Short-term tax liabilities	21.733	3.930	0	173	509	0	0	0	-104	26.241
Total short-term liabilities	**65.593**	**28.085**	**0**	**378**	**844**	**0**	**0**	**35**	**256**	**95.192**
Total liabilities	**412.739**	**182.041**	**0**	**267**	**5.669**	**-4**	**0**	**238**	**10.218**	**611.168**
TOTAL EQUITY & LIABILITIES	**1.066.943**	**440.945**	**0**	**1.508**	**9.741**	**1.205**	**10.000**	**20.237**	**10.426**	**1.561.005**

These accompanying notes are an integral part of these financial statements.

HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A.
Financial Statements
for the period from 1 January 2018 to 31 December 2018
(Amounts in Euro thousand)

UNBUNDLED STATEMENTS OF COMPREHENSIVE INCOME 31.12.2017

	Transportation of natural gas	*Use of natural gas service facilities*	*Load balancing*	*Other activities of natural gas*	*Non-Regulated activities*	*Participations*	*Loading liquefied natural gas into trucks*	*Loading of liquefied natural gas on ships*	*Supply safety*	**Total**
	s01	s02	s03	s05	s06	s07	s08	s09	s10	
	01/01/2017-31/12/2017	**01/01/2017-31/12/2017**	**01/01/2017-31/12/2017**	**01/01/2017-31/12/2017**	**01/01/2017-31/12/2017**	**01/01/2017-31/12/2017**	**01/01/2017-31/12/2017**	**01/01/2017-31/12/2017**	**01/01/2017-31/12/2017**	**Total**
STATEMENT OF COMPREHENSIVE INCOME										
Sales	117.275	104.984	40.479	852	2.881	0	0	0	2.226	268.697
Less: Cost of Sales	-58.847	-23.496	-40.479	-303	-1.214	-4	0	0	-2.878	-127.221
Gross Profit	**58.428**	**81.488**	**0**	**549**	**1.667**	**-4**	**0**	**0**	**-652**	**141.476**
Other operating income	12.545	1.217	0	49	106	3	0	0	655	14.575
	70.973	**82.705**	**0**	**598**	**1.773**	**0**	**0**	**0**	**2**	**156.050**
Administrative expenses	-9.084	-4.359	0	-198	-505	0	0	0	0	-14.146
Distribution expenses	-192	-107	0	-4	-10	0	0	0	0	-312
Other operating expenses	-17.222	-1.975	0	-18	-248	0	0	0	-2	-19.465
Amortisation of fixed asset grants	9.718	1.637	0	0	0	0	0	0	0	11.355
Operating results	**54.193**	**77.902**	**0**	**378**	**1.010**	**0**	**0**	**0**	**0**	**133.482**
Financing cost	-6.175	-1.401	0	0	57	0	0	0	0	-7.520
Foreign exchange differences	-23	0	0	0	0	0	0	0	0	-23
Results before taxes	**47.994**	**76.500**	**0**	**378**	**1.067**	**0**	**0**	**0**	**0**	**125.940**
Income tax	-13.476	-21.480	0	-106	-300	0	0	0	0	-35.362
Income tax- Deferred tax	-3.713	-1.232	0	5	-2	0	0	0	0	-4.942
Results after taxes	**30.805**	**53.788**	**0**	**277**	**766**	**0**	**0**	**0**	**0**	**85.636**
Net profit for the period	**30.805**	**53.788**	**0**	**277**	**766**	**0**	**0**	**0**	**0**	**85.636**
Other comprehensive income										
Actuarial gains / (losses)	39	13	0	0	1	0	0	0	0	54
Deferred Tax	-11	-4	0	0	-1	0	0	0	0	-16
Other comprehensive income of the period after taxes	**28**	**9**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**38**
Total comprehensive income of the period after taxes	**30.833**	**53.797**	**0**	**277**	**766**	**0**	**0**	**0**	**0**	**85.674**

These accompanying notes are an integral part of these financial statements.

(Amounts in Euro thousand)

UNBUNDLED STATEMENTS OF FINANCIAL POSITION 31.12.2017

	Transportation of natural gas	*Use of natural gas service facilities*	*Load balancing*	*Other activities of natural gas*	*Non-Regulated activities*	*Participations*	*Loading liquefied natural gas into trucks*	*Loading of liquefied natural gas on ships*	*Supply safety*	**Total**
STATEMENT OF FINANCIAL POSITION	s01	s02	s03	s05	s06	s07	s08	s09	s10	
ASSETS	**31/12/2017**	**31/12/2017**	**31/12/2017**	**31/12/2017**	**31/12/2017**	**31/12/2017**	**31/12/2017**	**31/12/2017**	**31/12/2017**	
Fixed assets										
Tangible assets	890.898	336.383	0	347	1	0	0	0	0	1.227.630
Intangible assets	13.897	1	0	18	0	0	0	0	0	13.917
Investments in associates	0	0	0	0	0	355	0	0	0	355
Long-term receivables	162	97	0	0	1	0	0	0	0	261
Total Fixed Assets	**904.958**	**336.481**	**0**	**366**	**2**	**355**	**0**	**0**	**0**	**1.242.163**
Current assets										
Inventories	8.280	10.948	0	0	536	0	0	0	0	19.765
Trade and other receivables	49.776	16.353	0	264	1.106	123	0	0	12.495	80.118
Cash and cash equivalents	118.347	75.579	0	999	2.000	850	10.000	20.000	0	227.776
Total current assets	**176.403**	**102.881**	**0**	**1.263**	**3.642**	**973**	**10.000**	**20.000**	**12.495**	**327.658**
TOTAL ASSETS	**1.081.361**	**439.362**	**0**	**1.629**	**3.644**	**1.328**	**10.000**	**20.000**	**12.495**	**1.569.821**
LIABILITIES										
EQUITY										
Share capital	444.044	160.802	0	1.000	2.000	1.205	10.000	20.000	0	639.051
Reserves	19.363	5.420	0	23	487	0	0	0	0	25.293
Profit (Loss) carried forward	179.161	77.634	0	-19	322	123	0	0	208	257.429
Total Equity	**642.568**	**243.856**	**0**	**1.005**	**2.808**	**1.328**	**10.000**	**20.000**	**208**	**921.773**
OBLIGATIONS										
Long-term liabilities										

These accompanying notes are an integral part of these financial statements.

(Amounts in Euro thousand)

Borrowings	115.771	81.250	0	0	0	0	0	0	0	197.021
Employee rights	2.742	774	0	26	430	0	0	0	0	3.972
State grants	197.818	58.795	0	267	0	0	0	0	0	256.881
Other provisions	39.937	6.477	0	0	0	0	0	0	11.576	57.990
Other long-term liabilities	145	0	0	0	0	0	0	0	0	145
Deferred tax liabilities	13.868	4.239	0	-11	29	0	0	0	0	18.125
Total long-term liabilities	**370.283**	**151.535**	**0**	**282**	**459**	**0**	**0**	**0**	**11.576**	**534.134**
Short-term liabilities										
Suppliers and other liabilities	29.135	17.790	0	156	47	0	0	0	470	47.600
Borrowings	21.218	4.583	0	0	0	0	0	0	0	25.801
Short-term tax liabilities	18.157	21.598	0	186	330	0	0	0	241	40.513
Total short-term liabilities	**68.511**	**43.971**	**0**	**343**	**377**	**0**	**0**	**0**	**711**	**113.914**
Total liabilities	**438.793**	**195.506**	**0**	**625**	**836**	**0**	**0**	**0**	**12.287**	**648.048**
TOTAL EQUITY & LIABILITIES	**1.081.361**	**439.362**	**0**	**1.629**	**3.644**	**1.328**	**10.000**	**20.000**	**12.495**	**1.569.821**

The Comparative Unbundled Financial Statements for the 2017 have been certified and audited by the Chartered Certified Public Accountants of the company.

Notes on the Accounting of Unbundled Financial Statements of HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A. for the financial year 2018, in accordance with the Decision No 332/2016 / FEK 3763 / 22.11.2016

1. General information on segregation areas

The accounting unbundling of activities took place in accordance with the instructions of the Regulatory Authority for Energy and concerns the distribution of the company's financial statements in unbundled financial statements for each activity of the company. Unbundled financial statements reflect the asset structure, requirements and obligations of each business activity as they would be drawn if they were exercised by different legal entities.

2.a Principles and Rules for Splitting Accounting Segregation

The company, in accordance with RAE's instructions, had to draw up internally unbundled accounts for each distinct activity. The preparation of the unbundled accounts was made extrapolationary by dividing the company accounts directly or indirectly from the activities involved.

Accounts that concern only an activity are allocated directly to this activity. For accounts that cannot be directly allocated to an activity because they relate to either more than one activity or the whole of the Integrated Natural Gas Company (e.g. legal service, computerization, accounting), they have been selected and approved standard rules for the allocation of these accounts. The Integrated Natural Gas Corporation has used these approved rules to divide indirectly into its distinct activities account details that cannot be directly allocated.

2.b Dispensing Principles and Rules for the Preparation of Annual Unbundled Financial Statements

Unbundled financial statements are made ex-accounting, further allocating the financial statements prepared in accordance with International Accounting Standards.

The company in this context and on the basis of the instructions given by Decision 332/2016 of RAE has determined the following 10 activities:

1. Transfer of Natural Gas-S01
2. Use of LNG-S02 Installation
3. Balance load -S03
4. Supporting activities –S04 (intermediate account)
5. Other activities of natural gas -S05
6. Non-Regulated activities –S06
7. Participations in other companies-S07
8. Load LNG on trucks-S08
9. Load LNG on ships-S09
10. Supply Safety-S10

At the end of each accounting year unbundled Statements of Financial Position and Statements of Comprehensive Income have prepared for each of the distinct Natural Gas Activities of the Integrated Natural Gas Operators.

Unbundled financial statements are presented in accordance with International Accounting Standards and Appropriate Accounting Principles and Principles of Accounting Segregation.

3.a Direct Allocation of Accounts to the Affiliated Activities

Accounts directly related to an activity are allocated directly and entirely to this activity. The criterion for direct allocation is mainly the use or mode of creating this account. The direct way of allocating an activity to an activity relates to the allocation without using an intermediate allocation method and is made taking into account the boundaries of each activity (for example, through time or other direct allocation).

3.b Indirect Allocation of Accounts to the Affiliated Activities

Accounts that cannot be allocated entirely directly to an activity should be separated by sharing keys. Sharing should be based on allocation keys and be relevant to the nature of the account.

4. *Notes on the activities*

a) S03 (further divided into S03A-gas balancing and SO3B-operating gas) is a special non-profit activity to monitor the above special DESFA transactions. The latter are regulated by the National Natural Gas System (NNGS) Management Code and the relevant decisions of RAE. On the basis of these, the above activity does not participate in the indirect allocation nor does it receive any expenses and revenues beyond those allowed by the abovementioned decisions: costs are only the purchase price of the operating gas and balancing gas and the cost of transferring the balancing gas to the Users; Revenues are only the (equal) charges of DESFA to Users. This activity does not have fixed assets.

b) S04 (support services) is not an activity in accordance with RAE's decisions but an intermediate account, which is subsequently divided into activities in accordance with the allocation keys and what is specifically mentioned in the present. Supportive services include, but are not limited to, administration and support services, financial services, legal services, strategy and development, IT (when not regarding a specific activity), public relations and corporate social responsibility, internal control, safety, quality and hygiene (when not regarding a specific activity), risk monitoring, etc.

c) S05 (further divided into S05A-other NG and ESFA Activities and S05B - other LNG activities) is an activity to monitor other NG activities. These are activities whose assets are included in S01 and S02 respectively and which are regulated by special reference to the Pricing Regulation and the relevant RAE’s accounting separation decisions. In particular, on the basis of the draft for the 4th revision of the Pricing Regulation (article 2 par. 19 (ig) and 20(k)), other NG activities are additional services offered by DESFA using assets included in the Regulated Asset Base (i.e. S01 and S02) and the net result (i.e. revenue minus expenses - not including any financials) is added by 70% to the Real Regulated Income (i.e. from S01 and S02) (Article 18A, paragraphs 2 and 3c of the draft Regulation). Therefore, this activity does not include any fixed assets except for some studies to be carried over to S01 and S02 in the year 2019. The services included in S05 are defined in the above draft Pricing Regulation and the RAE’s decision no. O-62313 / 13.10.2015 (Annex) and are as follows: For S05A-other NG - ESMFA activities are : NG services, metrology services, PE welding certification and training of NG technicians and for the S05B - other NG services such as: LNG Ship Loading, cool-down, inerting or water supply, truck loading services at Revithoussa and the small-scale LNG vessels loading at Revithoussa (the last two projects are under implementation).

c) S10 (Security of Supply Account) is a special non-profit activity that reflects the administration of the security of supply account. The latter is governed by the relevant decisions issued by RAE and, on the basis of these, is "segregated" by the other actions of DESFA. Therefore, this activity does not participate in the indirect allocation nor receives any expenses and revenues beyond those allowed by the aforementioned decisions by RAE: income is only the security of supply fee and the interest on the account and the cost only the compensations on the security of supply and any debtor's interest. Also it has no fixed assets.

5. *Methods of Allocation*

Direct Allocation

In order to track the accounting transactions of the activities, using the above individual remarks, individual internal accounts are kept in accordance with the International Financial Reporting Standards (IFRS), where the elements of the assets and liabilities are recorded in a discreet and distinctive manner as well as the corresponding revenues and expenses.

For this purpose, each transaction and its supporting document (purchase / sales invoice, proof of receipt / payment) is identified by the relevant staff and recorded in the account of the activity concerned (DIRECT ALLOCATION). Similarly, the distribution of the working hours of the company's staff is allocated directly. For this purpose a special application (es-project) is used.

Indirect Allocation

Transactions that cannot be directly allotted to an activity because they involve more than one activity or the whole of DESFA SA., are recorded during the financial year in the Support Services - S04. At the end of the year, the balances of accounts accrued in S04 are allocated, based on the allocation keys set by RAE. In the following years, DESFA intends to make an intermediate interim breakdown every three months with a view to timely reviewing the Recoverable Difference. Note that indirect allocation is not applied to S03 and S10.

Below is an analysis and annotation of the allocation keys for indirect allocation under RAE Directive 332/2016:

A) Total of Direct Allocation of Assets' Activity

The accounts related to the creation of the Company's fixed assets are allocated according to the "Total Directly Distributed Fixed Asset Allocation Key". This allocation key reflects the amount of the total fixed assets of the business directly attributable to the total fixed assets of the company that is directly allocated and applied for the allocation of the rest of the balance sheet accounts associated with the assets pool.

As regards the indirect allocation of fixed assets:

1. Fixed assets included in the Regulated Asset Base under the Pricing Regulation (ie included in a RAE-approved Development Program or Small Projects List) are allocated to S01 and S02 in proportion to the directly allocated assets.

2. S03A, S03B, and S10, do not include fixed assets due to their specific purpose.

B) Activity turnover

The revenue-generating accounts for the company are allocated according to the "Activity Turnover" key. This allocation key reflects the turnover of the activity in relation to the total turnover of the company (excluding income from S03 and S10). It applies, in particular, to the allocation of the rest of the accounts linked to receivables (e.g customers).

Activities S03A, S03B and S10, because they are special purpose, do not receive revenue from sharing (generally do not participate in any allocation) and do not participate in the indirect allocation. Their revenue is closely related to their purpose, i.e for S03A and S03B the proceeds from the disposal of balancing gas and operating gas including the transfer of balancing gas and for S10 the security of supply fees and the interest on the security of the supply security account. For the purposes of calculating this key, account shall not be taken of the amounts accumulated in the revenue accounts of these activities.

C) Personnel Fees and Expenses

The accounts related to the remuneration and expenses of the company's personnel are allocated according to the "Personnel Fees and Expenses" allocation key. This allocation key relates to the level of payroll of the activity in relation to the company's total payroll. It is applied for the allocation of the balance of accounts linked to the employment of staff. This key must be determined on the basis of the salaries of the officials actually engaged in the activity and not on the basis of the salaries of the registered officials.

Activities S03A, S03B and S10, because they are special purpose, receive only the allowable costs and do not participate in the indirect allocations.

D) Net Activity Results

Accounts that are more related to the Company's net result than its Turnover can be allocated according to the “Net Activity Results’” key. A typical example of the application of this key is income tax on profits at year ended. In particular, in case of loss-making activity period, the profitable ones will be burdened proportionately with the rest of the tax.
Activities S03A, S03B and S10, because they are non-profit-making, have no effect and are not involved in the indirect allocation.