M AND M GAS CO

Annual Financial Report

for the period from the 1st of January 2018

to the 31st of December 2018

We hereby certify that this Annual Financial Report was approved by the Board of Directors of "M and M Gas Co" on 27.03.2019 and will be published by means of their upload to the corporate website www.mmgas.gr.

CONTENTS

A. Board of Directors Management Report

1. **BUSINESS DEVELOPMENTS OF THE COMPANY FOR THE PERIOD FROM 1st of JANUARY 2018 TO 31st of DECEMBER 2018.**

"M and M Gas Co" was founded on August 06, 2010 by MYTILINEOS HOLDINGS S.A. and MOTOR OIL (HELLAS) CORINTH REFINERIES S.A. The founders each own 50% entitlement of the company. "M and M Gas Co" operates mainly in the Gas Industry with its principal activities being those of supply and trading of natural gas (liquefied or not).

In February 2011, the company was granted, by the Ministry of Environment, Energy and Climate Change, the license to supply natural gas. According to Law 3428/2005 provisions, the company is permitted to exercise activities related to sale of natural gas to eligible customers. The aforementioned license is valid for 20 years.

2. **PROSPECTS FOR THE FORTHCOMING YEAR**

The share of gas in the country's energy mix is expected to remain at similar levels as in the previous year. The company will continue to explore opportunities related to purchase and sale of Natural Gas to related parties and other eligible customers.

3. **FINANCIAL RISK MANAGEMENT**

Financial Risk Factors

The Company's activities give rise to financial risks, including foreign exchange and commodity price risk. The Company's risk management procedures aim at limiting the potential impact to its financial results, which may arise from the inability to predict financial markets and the volatility with respect to cost and sales variables.

The Company's financial assets mainly consist of deposits with banks and trade accounts receivable and payable. The key risk management policies are defined by the Company's Management.

Credit Risk Analysis

The Company has no significant concentrations of credit risk with any single counter party. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. In order to minimize the credit risk, the Company sets limits to the extent of its exposure to each individual financial institution and makes transactions only with recognized, systemic financial institutions.

Liquidity Risk Analysis

The relevant liquidity requirements are being managed through the meticulous monitoring of debts of long term financial liabilities, as well as of payments made on a daily basis. The Company ensures that there is sufficient available credit facilities to be able to cover its short-term business needs.

4. KEY PERFORMANCE INDICATORS

The Company's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary actions. The group evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's):

-EBITDA (Operating Earnings Before Interest, Taxes, Depreciation & Amortization): The Group defines the «Group EBITDA» as profits/losses before tax, adjusted for financial and investment results; for total depreciation (of tangible and intangible fixed assets).

- ROCE (Return on Capital Employed): This ratio is derived by dividing EBITDA by the total capital employed by the Company, this being the sum of the Net Position; Debt and long - term provisions.

- ROE (Return on Equity): This ratio is derived by dividing profit after tax by the Company's Net Position.

The above indicators for 2018 compared to 2017 are as follows:

EBITDA in thousands €

	2018	2017
EBITDA	(56)	644
ROCE	-2.35%	25.40%
ROE	-6.31%	16.24%

For the annual period 2018, the result of the Company is loss, therefore the KPI's are negative.

5. CORPORATE GOVERNANCE

The Company conforms to the principles of Corporate Governance, as required by the Greek Law, internationally recognized practices, as well as the policy of MYTILINEOS HOLDINGS S.A. Corporate Governance as a set of rules, principles and control mechanisms under which the Company is organized and managed, aims to ensure transparency for the investors, as well as to protect the interests of the shareholders and all those associated with the Company's operation.

Internal audit is an essential and necessary requirement of Corporate Governance. The Internal Audit Department of the parent company MYTILINEOS HOLDINGS S.A. is an independent organizational unit which reports to the Board of Directors of "M and M Gas Co". Its responsibilities include the evaluation and improvement of risk management and internal audit, as well as the verification of compliance with the established policies and procedures, required by the bylaws of the Company, the applicable legislation, as well as the regulations and policies of the Group MYTILINEOS HOLDINGS S.A.

6. ENVIRONMENTAL, SOCIAL AND LABOUR ISSUES

A. Environmental Issues

The Company applies the principles and policies of MYITLINEOS Group.

Management:

- The adherence to the requirements of the laws as a minimum commitment, the continuous assessment and monitoring of all environmental parameters are key elements of the Company's management of environmental issues.

- The Company applies ISO 14001/2015 certified Environmental Management System, supported by specific environmental policies, such as the Electric Power Business Unit Environmental Policy.

- The Company, as part of its environmental practices, ensures that the total amount of its waste is being recycled.

B. Social and Labour Issues

The Company applies the principles and policies of MYITLINEOS Group.

Management:

- The Company applies an OHSAS 18001 certified Occupational Health & Safety Management System in all work areas. This system is designed to minimise risk, by allowing the continuous adoption of measures to prevent and minimise accidents and occupational diseases.

- The Company's Code of Conduct ensures its commitment to the respect and protection of Human Rights with emphasis on Labour Rights.

- The Company constantly seeks to develop and improve the competitiveness of its employees through appropriate professional and technical training, in order for them to be at the forefront of the collective effort for a Green Energy present and future.

- Finally, in accordance to its Parent Company's social policy, the Company aims to strengthen and maintain social cohesion, and focuses on strengthening local employment as well as on addressing immediate local needs.

7. INFORMATION ABOUT THE COMPANY

The share capital of the Company from the date of incorporation until today is as follows:

The Company’s share capital amounts to €2,000,000.00 divided into 200,000 nominal shares of a face value of €10 each. The share capital is fully subscribed by the company’s shareholders.

8. POST BALANCE SHEET EVENTS

On 16.01.2019, MYTILINEOS SA announced that the acquisition of all the shares (50%) that MOTOR OIL (HELLAS) CORINTH REFINERIES SA held in the company M AND M NATURAL GAS SA had been completed. Henceforth, MYTILINEOS SA is the sole shareholder (100%) of M AND M NATURAL GAS SOCIETE ANONYME. On 08.03.2019 Greek Authorities approved the amendments of articles 1 & 10 of the Articles of Association of M AND M NATURAL GAS SA. The new company’s name is “MYTILINEOS GAS SUPPLY AND TRADE OF NATURAL GAS S.A.” with the distinctive title “M-NG TRADING”.

Ioannis Desypris

Chairman of the Board of Directors
M AND M GAS CO

B. Independent Auditor's Report

To the Shareholders of M AND M GAS CO

Report on the Financial Statements

We have audited the accompanying financial statements of M AND M GAS CO (the Company), which comprise the statement of financial position as at December 31, 2018, statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company M AND M GAS CO as at 31 December 2018, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the 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. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 comprises the Report of the Board of Directors referred to in the relative paragraph "Report on Other Legal and Regulatory Requirements" of the current Report, 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 when it becomes available 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. Based on the procedures we have performed, if we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance. Nothing has come to our attention in respect of this matter.

Management's Responsibility for the Financial Statements

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

In preparing the 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 the management's intention is to proceed with liquidating the Company or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as an aggregate, 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, incorporated into the 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 affect the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, incorporated into the 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 that 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 the 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.

We disclose to the management, 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

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management has the responsibility for the preparation of the Board of Directors' Report, the following is to be noted:

a. In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 43a, CL 2190/1920, and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2018.

b. Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company M AND M GAS CO and its environment.

Athens, 27 March 2019

The Certified Public Accountant

Dimitris Panterlis

I.C.P.A. Reg. No. 38651

Grant Thornton

An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

C. Income statement

	M & M GAS Co S.A.	
(Amounts in thousands EUR)	1/1-31/12/2018	1/1-31/12/2017
Sales	28,151	29,208
Cost of sales	(27,693)	(27,942)
Gross profit	**458**	**1,266**
Other operating income	4	2
Administrative expenses	(475)	(550)
Other operating expenses	(45)	(75)
Earnings before interest and income tax	**(57)**	**643**
Financial income	1	2
Financial expenses	(62)	(36)
Profit before income tax	**(118)**	**609**
Income tax expense	(30)	(203)
Profit for the period	**(148)**	**405**
Result from discontinuing operations	-	-
Profit for the period	**(148)**	**405**
	Summury of Results from continuing operations	
Definition of line item: OperEarnings before income tax,financ.res,depr&amort		
Profit before income tax	(118)	609
Financial results	61	35
Depreciation	1	1
Subtotal	**(56)**	**644**
Oper.Earnings before income tax,financial results,depreciation and amortization	**(56)**	**644**

The notes on pages 16 to 41 are an integral part of these financial statements.

D. Statement of Comprehensive Income

	M & M GAS Co S.A.	
(Amounts in thousands EUR)	**31/12/2018**	**31/12/2017**
Other Comprehensive Income:		
Net Profit/(Loss) For The Period	(148)	405
Items that will not be reclassified to profit or loss		
Actuarial Gain / (Losses)	-	(5)
Deferred Tax From Actuarial Gain / (Losses)	-	1
Other Comprehensive Income For The Period	**-**	**(3)**
Total comprehensive income for the period	**(148)**	**402**

The notes on pages 16 to 41 are an integral part of these financial statements.

E. Statement of Financial Position

	M & M GAS Co S.A.	
(Amounts in thousands EUR)	**31/12/2018**	**31/12/2017**
Assets		
Non current assets		
Tangible Assets	3	4
Deferred Tax Receivables	17	12
Other Long-term Receivables	198	198
	218	**213**
Current assets		
Trade and other receivables	971	5,426
Other receivables	3,015	4,962
Cash and cash equivalents	1,273	3,549
	5,260	**13,937**
Assets	**5,477**	**14,151**
Liabilities & Equity		
EQUITY		
Share capital	2,000	2,000
Other reserves	(8)	(8)
Retained earnings	353	501
Equity attributable to parent's shareholders	**2,346**	**2,494**
EQUITY	**2,346**	**2,494**
Non-Current Liabilities		
Liabilities for pension plans	42	41
Non-Current Liabilities	**42**	**41**
Current Liabilities		
Trade and other payables	423	6,432
Tax payable	150	361
Other payables	2,517	4,823
Current Liabilities	**3,090**	**11,616**
LIABILITIES	**3,132**	**11,657**
Liabilities & Equity	**5,477**	**14,151**

The notes on pages 16 to 41 are an integral part of these financial statements.

F. Statement of Changes in Equity

M & M GAS Co S.A.				
(Amounts in thousands EUR)	Share capital	Other reserves	Retained earnings	Total
Opening Balance 1st January 2017 ,according to IFRS -as published-	2,000	(11)	103	2,091
Change In Equity				
Transfer To Reserves	-	7	(7)	-
Transactions With Owners	-	7	(7)	-
Net Profit/(Loss) For The Period	-	-	405	405
Other Comprehensive Income:				
Deferred Tax From Actuarial Gain / (Losses)	-	1	-	1
Actuarial Gain / (Losses)	-	(5)	-	(5)
Total Comprehensive Income For The Period	-	(3)	405	402
Closing Balance 31/12/2017	2,000	(8)	501	2,494
Opening Balance 1st January 2018 ,according to IFRS -as published-	2,000	(8)	501	2,494
Change In Equity				
Transactions With Owners	-	-	-	-
Net Profit/(Loss) For The Period	-	-	(148)	(148)
Other Comprehensive Income:				
Total Comprehensive Income For The Period	-	0	(148)	(148)
Closing Balance 31/12/2018	2,000	(8)	353	2,346

The notes on pages 16 to 41 are an integral part of these financial statements.

G. Statement of Cash Flow

	M & M GAS Co S.A.	
(Amounts in thousands EUR)	**1/1-31/12/2018**	**1/1-31/12/2017**
Cash flows from operating activities		
Cash flows from operating activities	(1,846)	2,523
Interest paid	(62)	(36)
Taxes paid	(369)	(78)
Net Cash flows continuing operating activities	**(2,277)**	**2,409**
Net Cash flows discontinuing operating activities	**-**	**-**
Net Cash flows from continuing and discontinuing operating activities	**(2,277)**	**2,409**
Net Cash flow from continuing and discontinuing investing activities		
Purchases of tangible assets	-	(1)
Interest received	1	2
Net Cash flow from continuing investing activities	**1**	**1**
Net Cash flow from discontinuing investing activities	**-**	**-**
Net Cash flow from continuing and discontinuing investing activities	**1**	**1**
Net Cash flow continuing and discontinuing financing activities		
Net Cash flow continuing financing activities	**-**	**-**
Net Cash flow from discontinuing financing activities	**-**	**-**
Net Cash flow continuing and discontinuing financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents	**(2,276)**	**2,409**
Cash and cash equivalents at beginning of period	3,549	1,140
Net cash at the end of the period	**1,273**	**3,549**
Cash and cash equivalent	**1,273**	**3,549**
Net cash at the end of the period	**1,273**	**3,549**

The notes on pages 16 to 41 are an integral part of these financial statements.

1. Information about the Company

1.1 General Information

The Company was incorporated in 2010 and its headquarters is located in Athens – Marousi (5-7 Patroklou Str., P.C. 151 25), Reg. number 69998/01AT/B/10/218.

The Financial Statements for the financial year that ended on December 31, 2018 have been approved by the Board of Directors on the 27.03.2019.

The reporting currency is Euro.

1.2 Nature of activities

According to article 3 of the Articles of Association

A. The purpose of the Company is:

a) the acquisition, storage, gasification, transportation, distribution and trading (supply in Greece and abroad, to eligible, not eligible, large and residential customers, as defined in the legislation in force) of natural gas (liquefied or not), from domestic deposits or imported from abroad,

b) the construction, operation, maintenance and exploitation of storage facilities, LNG facilities, pipelines, networks of natural gas transmission and distribution and other facilities necessary for the pursuit of Company's purpose, including but not limited independent gas systems and direct lines, as defined in the Law 3428/2005 as it is in force,

c) the mediation, negotiation and/or sale or purchase and general trading of products or services (supply domestically and abroad, to eligible, non-eligible, large and residential customers, as defined in the applicable legislation) natural gas (LNG or not) on behalf of another person,

d) the counseling and management of projects regarding matters falling within the scope of the above,

e) the conduct of any other activity or act beyond those specified above, if those are compatible with the purpose of the Company, indicatively:

(i) the management, development and exploitation of ancillary services for liquefied natural gas, such as the provision of technical service ship liquefied natural gas, unloading, storage and shipment of cargos of liquefied natural gas etc.

(ii) the cooperation with any person or entity in any way as well as the participation in any legal form of business having the same or similar purpose, and

(iii) the conduct of every operations and the conclusion of any transaction directly or indirectly necessary for the fulfillment of the above

B. To pursue its purpose the Company may:

1) To cooperate with and participate in other companies / groups of companies of any kind, domestic or foreign, with similar or additional purposes, or useful in any way for the realization, even indirectly, of the purpose of the Company,
2) To acquire all kinds of liens on movable and immovable property rights or to lease any kind of real estate or movable property in Greece or abroad
3) To provide any kind of guarantees and insurances (real and personal) to reach the above purpose.

2. Basis for preparation of the financial statements

2.1 Compliance Notice

The financial statements of M and M Gas Co for the year ended December 31st 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union ("EU") and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. The accompanying financial statements are prepared in accordance with the statutory law 2190/1920, after the application of the provisions of law 4548/2018 (effective since 01.01.2019).
The presentation currency is Euro (the currency of the country of the Company's domicile) and all amounts are reported in thousands Euro unless stated otherwise.

These financial statements have been prepared under the historical cost convention, as modified by the financial assets and financial liabilities at fair value through profit or loss and present the financial position, results of operations and cash flows of the Company on a going concern basis.

The preparation of financial statements, in accordance with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. Areas where assumptions and estimates are significant to the financial statements are disclosed in paragraph 2.3 "Critical accounting estimates and judgments".

2.2 Changes in accounting principles

The accounting principles and calculations based upon under the preparation of the annual financial statements are the same as those applied for the preparation of the annual consolidated financial statements for FY ended as at 31/12/2017 and successively applied to all the presented periods, apart from the below mentioned amendments, adopted by the Group as at 01/01/2018. The Group proceeded with the first time adoption of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments". The nature and the effect of all the amendments are analyzed in the following paragraphs.

2.2.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following new Standards, Interpretations and Amendments to IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2018.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations.

Effect of application of IFRS 15 "Revenue from Contracts with Customers"

As at January 1, 2018, the Company adopted IFRS 15, applying this Standard retrospectively, with the cumulative effect of the original application recognized on the date of initial application. However, the Company did not have any impact on profitability or financial position during the first application of IFRS 15, with the result that no adjustment was made to "Retained Earnings".

The Company's revenues come from the sale of goods and services.

The Company recognizes income when (or as) it fulfills a performance commitment by transferring a promised asset or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer acquires audit of that asset. The customer acquires audit of an asset (good or service) when it can direct its use and receive virtually all the remaining benefits from it.

The amount of revenue recognized is the amount that is allocated to the performance commitment of the contract that has been settled. The performance commitment of the contract can be fulfilled either at a specific time or over time. For over time performance commitments, the Company recognizes revenue over time by choosing the most appropriate method to measure progress in fulfilling every performance commitment. Appropriate methods of measuring progress include both output methods and input methods.

IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting.

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning as at or after 01/01/2018. The Company has applied the new standard from 01/01/2018 retrospectively without reviewing comparative information from previous years. Therefore, the adjustments resulting from the new classification and the new impairment rules do not appear in the Statement of Financial Position as at 31/12/2017 but were recognized in the Statement of Financial Position as at 01/01/2018.

Effect of application of IFRS 9 "Financial Instruments"

Classification and Measurement

IFRS 9 eliminates the previous categories of IAS 39 for financial assets: held to maturity, loans and receivables and available for sale.

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. Classification is based on two criteria:

- the business model for managing a financial asset, meaning, whether the objective is to hold for the purpose of collecting contractual cash flows or collecting contractual cash flows as well as the sale of financial assets; and
- whether the contractual cash flows of the financial asset consist exclusively of capital repayments and interest on the outstanding balance ("SPPI" criterion).

The adoption of IFRS 9 does not affect the financial statements of the Company.

Clarification to IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 01/01/2018)

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The amendments do not affect financial statements.

Amendment to IFRS 2: “Classification and Measurement of Share-based Payment Transactions” (effective for annual periods starting on or after 01/01/2018)

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments do not affect the financial statements.

Amendments to IFRS 4: “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts” (effective for annual periods starting on or after 01/01/2018)

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the “temporary exemption”) and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The amendments do not affect the financial statements.

Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle and are effective for annual periods starting on or after 01/01/2018 are the following: **IFRS 1:** Deletion of short-term exemptions for first-time adopters, **IAS 28:** Measuring an associate or joint venture at fair value. The amendments do not affect the financial statements.

Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The amendments do not affect the financial statements.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The amendments do not affect the financial statements.

2.1.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognize assets and liabilities arising from a lease. The Standard was adopted by the European Union and is effective on 01/01/2019.

The Management has examined the expected effect of IFRS 16 application on 01/01/2019 as well as its estimated effect on the financial statements.

Under the transition, liabilities arising from the effective operating leases will be discounted through applying the relevant discount rate. The arising present value will be recognized as a lease liability. The rights to use the assets will be measured in the same way as the lease obligation, adjusted by the amount of any prepaid or accrued rentals.

The Group will apply the new standard using the cumulative effect method, under which comparative sizes for the previous year will not be restated. At the same time, explanations regarding the reasoning behind changes in the financial statements will be provided as a result of first time IFRS 16 application.

The final effect arising from IFRS 16 application will depend on the discount rate effective as at 01/01/2019, determination of the lease agreements, falling within the scope of the new Standard as at that date, the final evaluation of the lease term, in particular with respect to the exercise of any renewal and termination rights, and incorporation of new acquisitions into consolidation.

In general, based on the current estimates made by the Management, the effect of first time IFRS 16 application is expected to be as follows:

The Consolidated Statement of Financial Position as at 01/01/2019 is expected to record an increase in total assets due to capitalization of assets with rights to use and a corresponding increase in the lease liabilities by approximately € 53 thous.

In respect of the consolidated Income Statement for FY 2019, depreciations are expected to increase by approximately € 18.8 thous and the amounts recorded in the item "Interest and related expenses" are expected to increase by approximately € 1.5 thous. Decrease in rental expenses is expected to lead to an improvement in "Operating profits before financial and investing activities, depreciation and amortization" of approximately €19.5 thous.

Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2019.

Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: **IFRS 3 - IFRS 11:** Previously held interest in a joint operation, **IAS 12:** Income tax consequences of payments on financial instruments classified as equity, **IAS 23:** Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01/01/2019)

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The

Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

2.3 Important accounting decisions, estimations and assumptions

Preparations of financial statements under IFRS requires the Management to apply judgments, make estimates and use assumptions that affect publisized amounts of assets and liabilities as well as disclosures of contingent assets and liabilities as at the financial statements preparation date and publicized amounts of revenue and expenses for the reporting period. The actual results may differ from estimated.

Estimations are reassessed on an on-going basis and are based on both – past experience and other factors, such as expectations of future events deemed reasonable under the current conditions.

2.3.1 Accounting decisions

The applied accounting principles and judgments of the management, apart from those pertaining to estimates that have the most significant effect on the amounts, recognized in the financial statements, mainly pertain to the following:

- **recoverability of receivables**

Allowances for doubtful receivables are based on historical date on recoverability of receivables and take into account the expected credit risk. The method, applied by Company, facilitates calculating the expected credit losses over the life of its receivables. The methods is used on past experience, but is adapted in order to reflect projections for the future financial condition of customers and economic environment. Balancing historical data and future financial conditions with the expected credit losses requires applying significant estimates. The amount of the allowance is recognized as an expense in other operating expenses in the income statement.

- **classification of a lease as operating or financial**

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases.

2.3.2 Assumptions and estimations

Estimating specific amounts, included or affecting financial statements and related disclosures required making assumptions in respect of values or circumstances that cannot be known with certainty at the time of financial statements preparation. Significant accounting estimate is defined as an estimate significant to the Company’s financial position and results, which requires the most difficult, subjective or complex management judgments, often arising from the need to make estimates regarding the effect of assumptions that are uncertain. The Company assesses such assumptions on an on-going basis, taking into close consideration historical data and experience, discussions with experts, current trends and other methods considered appropriate, under the effective conditions, in line with the projections as to how the change in the future. Significant accounting estimates and judgments of the Management applied under the preparation of the current financial statements are consistent with those applied in the annual financial statements as of December 31st 2017. The following issues are to be noted regarding the financial statements as of 31/12/2018:

- **Income tax**

The Company is subject to income tax in numerous tax jurisdictions. Significant estimates are required while determining provisions for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of the extent, to which additional taxes will be imposed. When the final tax outcome of these matters is different from the initially recorded amount, such differences will affect the income tax and provisions for deferred tax in the period when the aforementioned amounts have been determined.

- **Provisions**

Contingent liabilities: In the ordinary course of its business operations, the Company gets involved in litigations and claims. The Management estimates that none of the resulting settlements would materially affect the financial position of the Company as at December 31, 2018. However, determining contingent liabilities relating to litigations and claims is a complex procedures, involving judgments as to potential outcomes and interpretation of legislations and regulations.

3. Basic Accounting Principles

The accounting principles, applied by the Company for the reporting period are consistent with the accounting principles applied for the fiscal year 2017.

3.1 Tangible Assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than Land which are not depreciated) is calculated using the straight line method over their useful life, as follows:

Buildings	25-35 years
Mechanical equipment	4-30 years
Vehicles	4-10 years
Other equipment	4-7 years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the income statement.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period they occur.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

3.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Comprehensive Income Statement.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits and overdrafts, as well as other high liquidity investments that are directly convertible to specific amounts of cash that are subject to a nonsignificant risk of change in value.

For the purpose of preparing the statements of cash flows, cash available include cash and balances with banks as well as cash as stated above.

3.4 Share capital

Expenses incurred for the issuance of shares reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

3.5 Income tax & deferred tax

The tax charge for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to Equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws prevailing during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the Equity of the Group, such as the revaluation of property value,that results in the relevant change in deferred tax assets or liabilities being charged against the relevant Equity account.

3.6 Benefits to personnel

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrued. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement**.**

Termination benefits: Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group's liabilities for retirement benefits concern both defined contribution plans and defined benefit plans. The accrued cost of defined contribution plans is recognized as an expense in the period in question. Retirement plans adopted by the Group are funded partly through payments to insurance companies or state social insurance funds.

- **Defined contribution plan**

According to the defined contribution plan, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions. The payable contribution from the company to a defined contribution scheme, is either recognized as a liability after the deduction of the paid contribution, or as an expense.

- **Defined benefits plan**

According to laws 2112/20 and 4093/2012 the Company pays to their personnel benefits for employment termination or retirement. The benefits are related to, employment years, remuneration amount and whether the employment was terminated or due to retirement. The maturity of the right to participate to these schemes, usually depends upon service years of the employee till retirement.

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit less the fair value of the scheme's assets (if there are such) and the changes that arise from any actuarial profit or loss and the service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. For discounting 2017the selected interest rate is related to the tendency of iBoxx AA Corporate Overall 10+ EUR indices, consistent to IAS19 guidelines and suitable for long term provisions that consists of bonds corresponding to the currency and the duration relative to employees' benefits.

A defined contribution scheme, defines based on several parameters such as age, service years, remuneration amount, certain obligations for defined benefits. The provisions relating to the period are included in personnel cost at the Company P&L statements and consist of current and past employment cost, the pertinent financial cost, the actuarial gain or loss as well as any additional charges. Regarding not recognized actuarial gain or loss, amended IAS19R is adopted, that includes a series of amendments regarding accounting treatment of defined benefits scheme, amongst other:

- recognition of actuarial profit/(loss) in other comprehensive income statement
- non-recognition of the expected return on plan investments in the income statement but recognition of the relevant interest on the net liability / (receivable) of the benefit calculated at the discount rate used for the measurement of the defined benefit obligation,
- recognition of past service cost in the income statement at the earliest date of change in the plan or when the relevant restructuring or termination benefit is recognized,
- other changes include new disclosures, such as quantitative sensitivity analysis.

3.7 Provisions

Provisions are recognized when the Company has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent assets are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

3.8 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. The recognition of revenue is done as follows:

- Sale of goods: Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of the Company's operations, net of discounts, VAT and other taxes related to sales. The Company recognizes in the income statement the sale of the goods at the moment when the benefits and risks associated with the ownership of those goods are transferred to the client.

- **Provision of services:** Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total services to be rendered.

- **Interest Income:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

3.9 Leases

Company as a Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Company, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases. These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of financial expenses, are reported as liabilities. The part of the financial expense that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful life and the lease term. Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognized in the income statement proportionately throughout the term of the lease.

3.10 Financial instruments

i) Initial recognition

A financial asset or financial liability is recognized in the statement of financial position of the Entity when it arises or when the Entity becomes part of the contractual terms of the financial instrument.

Financial assets are classified at initial recognition and are subsequently measured at amortized cost at fair value through other comprehensive income and fair value through profit or loss.

Initially, the Entity measures financial assets at fair value. Trade receivables (which do not contain significant financial assets) are carried at transaction price.

If a financial asset is to be classified and measured at amortized cost or at fair value through comprehensive income, it shall generate cash exclusively pertaining to capital and interest repayments of the initial capital. The business model applied by the Entity for the purposes of managing financial assets refers to the way in which it manages its financial capabilities in order to generate cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, disposal of financial assets, or both. Acquisition or disposal of financial assets that require delivery of assets within a timeframe specified by a regulation or a contract is recognized as at the transaction date, i.e. as at the date when the Entity makes a commitment to acquire or to dispose of the asset.

ii) Classification and subsequent measurement

To facilitate subsequent measurement purposes, financial assets are classified into the following categories:

a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless they are defined as effective hedging instruments. Financial assets with cash flows referring not only to capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

b) Financial assets at amortized cost

The Entity measures financial assets at amortized cost if both of the following conditions are met: (1) the financial asset is held in order maintain financial assets for the purposes of collecting contractual cash flows; and (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortized cost, subsequently apply the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

c) Financial assets at fair value through total comprehensive income

Upon initial recognition, the Entity may decide to irrevocably classify its investment participations as equity instruments designated at fair value through total comprehensive income when they meet the definition of equity and are not held for trading. Classification is determined per financial instrument. Profits and losses from these financial assets are never recycled to profits or losses. Equity instruments designated at fair value through total comprehensive income are not subject to impairment test. The Entity has decided to classify its non-listed shares into this category.

iii) Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Entity has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

iv) Impairment

The Entity recognizes provision for impairment for expected credit losses regarding all financial assets not measured at fair value through profit or loss. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Entity expects to receive.

Regarding trade receivables, the Entity applies simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk.

4. Financial Risk Management

4.1 Financial Risk Factors

The Company is exposed to financial risks such as liquidity risk. The Company's overall risk management program focuses on minimizing a potential negative impact on the financial results that may occur due to the unpredictability of the financial markets and the fluctuation of the cost and sales variables. The basic policies of risk management are defined by the Company's Management. The procedure followed is presented below:

- Evaluation of the risks that are related to activities and operations of the Company;
- Methodology planning and selection of the appropriate financial products to reduce risk, and
- Implementation/application according to the risk management procedure as approved by the management.

a) Market Risk Analysis

(i) Foreign Exchange Risk

The exposure of the company to foreign exchange risks arises from commercial transactions and recognized assets and liabilities denominated in a currency other than the functional currency of the company. The Company's functional currency as explained in note 3.2 "Foreign Currency Transaction" is the euro. The company is exposed to foreign exchange risk through its transactions in USD, mainly through the supply of spare parts. For the management of foreign exchange risk, the Company takes all measures to offset the risk of change from the exchange rate.

(ii) Cash flow and fair value interest rate risk

Company's interest bearing assets comprises only of cash and cash equivalents. The policy of the Company is to minimize interest rate cash flow risk exposures on long-term financing.

b) Credit Risk Analysis

The Company has no significant concentrations of credit risk with any single counter party. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers.

c) Liquidity Risk Analysis

The liquidity risk is linked to the need for sufficient financing of the activity and development of the Company. The relevant liquidity needs become the subject matter of management via the meticulous monitoring of payments which are carried out on a daily basis. As at December 31, 2018 and December 31, 2017 all assets and liabilities of the company are presented below:

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Liquidity Risk Analysis - Liabilities (Amounts in thousands EUR) 2018	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Trade and other payables	423	-	-	-	423
Other payables	2,517	-	-	-	2,517
Total	2,940	-	-	-	2,940

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Liquidity Risk Analysis - Liabilities (Amounts in thousands EUR) 2017	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Trade and other payables	1,700	4,732	-	-	6,432
Other payables	400	4,423	-	-	4,823
Total	2,100	9,155	-	-	11,255

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		Past due but not impaired			Non past due but not impaired	Total
	0-3 months	3-6 months	6-12 months	> 1 year		
Liquidity Risk Analysis - Trade Receivables (Amounts in thousands EUR)						
2018	-	971	-	-	-	971
2017	-	437	-	-	4,988	5,426

4.2 Capital Risk management

The Company's primary objective is to ensure the unobstructed course of operations and meeting the Company's growth strategy in accordance with its credit ratings. During the fiscal year, there was no change in the structure, policies and asset management procedures and to the assets under Company's control as at 31.12.2018. The company's reserves as at 31.12.2018 stood at € 2.346 million.

5. Notes on the Financial Statements

5.1 Tangible assets

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(Amounts in thousands EUR)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book Value	-	-	6	-	6
Accumulated depreciation and/or impairment	-	-	(2)	-	(2)
Net Book value as at 01/01/2017	-	-	4	-	4
Gross Book Value	-	-	8	-	8
Accumulated depreciation and/or impairment	-	-	(4)	-	(4)
Net Book value as at 31/12/2017	-	-	4	-	4
Gross Book Value	-	-	8	-	8
Accumulated depreciation and/or impairment	-	-	(5)	-	(5)
Net Book value as at 31/12/2018	-	-	3	-	3

(Amounts in thousands EUR)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Net Book value as at 01/01/2017	-	-	4	-	4
Additions	-	-	1	-	1
Depreciation	-	-	(1)	-	(1)
Net Book value as at 31/12/2017	-	-	4	-	4
Depreciation	-	-	(1)	-	(1)
Net Book value as at 31/12/2018	-	-	3	-	3

5.2 Deferred tax

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(Amounts in thousands EUR)	31/12/2018 At 1st January	31/12/2018 Recognised In Profit Or Loss	31/12/2018 Recognised In Other Comprehensive Income	31/12/2018 Deferred Tax Impact From Merge/ Disposal Of Subsidiary	31/12/2018 As At 31 December	31/12/2018 Deferred Tax Asset	31/12/2018 Deferred Tax Laibility
Non - Current Assets							
Intangible Assets	0	0	-	-	0	0	-
Reserves							
Actuarial Gain/Losses Reserve	7	0	-	-	7	7	-
Short-Term Liabilities							
Employee Benefits	5	5	0	-	10	10	-
Total	**12**	**5**	**0**	**-**	**17**	**17**	**-**
Offsetting	-	-	-	-	-	-	-
Deferreed tax from tax losses	-	-	-	-	-	-	-
Deferred Tax (Liability)/Receivables	**12**	**5**	**0**	**-**	**17**	**17**	**-**

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(Amounts in thousands EUR)	31/12/2017 At 1st January	31/12/2017 Recognised In Profit Or Loss	31/12/2017 Recognised In Other Comprehensive Income	31/12/2017 Deferred Tax Impact From Merge/ Disposal Of Subsidiary	31/12/2017 As At 31 December	31/12/2017 Deferred Tax Asset	31/12/2017 Deferred Tax Laibility
Non - Current Assets							
Intangible Assets	1	(1)	-	-	0	0	-
Reserves							
Actuarial Gain/Losses Reserve	5	-	1	-	7	7	-
Short-Term Liabilities							
Employee Benefits	5	0	-	-	5	5	-
Total	**11**	**(1)**	**1**	**-**	**12**	**12**	**-**
Offsetting	-	-	-	-	-	-	-
Deferreed tax from tax losses	-	-	-	-	-	-	-
Deferred Tax (Liability)/Receivables	**11**	**(1)**	**1**	**-**	**12**	**12**	**-**

5.3 Other long-term receivables

M & M GAS Co S.A.

(Amounts in thousands EUR)	31/12/2018	31/12/2017
Given Guarantees	198	198
Other Long-term Receivables	**198**	**198**

5.4 Customers and other receivables

M & M GAS Co S.A.

(Amounts in thousands EUR)	31/12/2018	31/12/2017
Customers	971	5,426
Net trade Receivables	**971**	**5,426**

As at 31.12.2017, “Customers” included receivables from MYTILINEOS S.A. amounting to € 4,988 thous, due to the sale of NGA. During 2018 this amount has been received and the amount receivable from the parent company as at 31.12.2018 is € 505.9 thous.

5.5 Other receivables

M & M GAS Co S.A.		
(Amounts in thousands EUR)	31/12/2018	31/12/2017
Other Debtors	0	-
Receivables from the State	521	113
Accrued income - Prepaid expenses	2,494	4,849
Total	**3,015**	**4,962**

5.6 Cash and cash equivalents

M & M GAS Co S.A.		
(Amounts in thousands EUR)	31/12/2018	31/12/2017
Cash	1	0
Bank deposits	1,272	2,149
Time deposits & Repos	-	1,400
Total	**1,273**	**3,549**

5.7 Total Equity

Share capital

The Company’s share capital amounts to €2,000,000.00 divided into 200,000 nominal shares of a face value of €10 each.

5.8 Other Reserves

M & M GAS Co S.A.			
(Amounts in thousands EUR)	Regular Reserve	Actuarial Gain/Losses Reserve	Other reserves
Opening Balance 1st January 2017,according to IFRS -as published-	**1**	**(12)**	**(11)**
Transfer To Reserves	7	-	7
Deferred Tax From Actuarial Gain / (Losses)	-	1	1
Actuarial Gain / (Losses)	-	(5)	(5)
Closing Balance 31/12/2017	**8**	**(16)**	**(8)**
Opening Balance 1st January 2018,according to IFRS -as published-	**8**	**(16)**	**(8)**
Deferred Tax From Actuarial Gain / (Losses)	-	0	0
Actuarial Gain / (Losses)	-	0	0
Closing Balance 31/12/2018	**8**	**(16)**	**(8)**

5.9 Employee Benefit Liabilities

	M & M GAS Co S.A.	
(Amounts in thousands EUR)	31/12/2018 Defined Contributions Plans	31/12/2017 Defined Contributions Plans
Current employment cost	3	2
Financial Cost	1	1
Settlement Cost	2	-
Amount charged to profit or loss	**6**	**3**
Actuarial (Gain)/Losses immediate recognise in profit and loss statement	0	5
Amount charged to other comprehensive income	**0**	**5**

	M & M GAS Co S.A.	
Liabilities for pension plans EUR)	31/12/2018 Defined Contributions Plans	31/12/2017 Defined Contributions Plans
Total Opening	**41**	**35**
Actuarial (Gain) / Losses	0	5
Benefits paid	(4)	(2)
Current Employment Cost	3	2
Financial Cost	1	1
Settlment Cost	2	-
Closing Balance	**42**	**41**

The assumptions used, are presented in the following table:

	31/12/2018	31/12/2017
Discount rate	1.6%	1.7%
Future salary increases	2.0%	2.0%
Inflation	2.0%	2.0%

5.10 Trade and other payables

	M & M GAS Co S.A.	
(Amounts in thousands EUR)	31/12/2018	31/12/2017
Suppliers	423	6,432
Total	**423**	**6,432**

The amount of suppliers as at 31.12.2017, was mainly due to DEPA.

5.11 Tax payable

(Amounts in thousands EUR)	M & M GAS Co S.A. 31/12/2018	31/12/2017
Tax liabilities	150	361
Total	**150**	**361**

5.12 Other Payables

(Amounts in thousands EUR)	M & M GAS Co S.A. 31/12/2018	31/12/2017
Accrued expense	2,500	4,806
Social security insurance	15	15
Others Liabilities	2	2
Total	**2,517**	**4,823**

5.13 Sales

(Amounts in thousands EUR)	M & M GAS Co S.A. 1/1-31/12/2018	1/1-31/12/2017
Sale of commodities	25,741	26,380
Services	2,410	2,828
Sales	**28,151**	**29,208**

5.14 Cost of materials & inventories

(Amounts in thousands EUR)	M & M GAS Co S.A. 31/12/2018	31/12/2017
Cost of materials & inventories	27,108	26,784
Third party expenses	585	1,158
Total	**27,693**	**27,942**

5.15 Other operating income / expenses

(Amounts in thousands EUR)	M & M GAS Co S.A. 31/12/2018	31/12/2017
Other operating income		
Profit from foreign exchange differences	0	-
Other	4	2
Total	**4**	**2**
Other operating expenses		
Losses from foreign exchange differences	10	59
Operating expenses from services	11	16
Other taxes	23	0
Total	**45**	**75**

5.16 Administrative Expenses

(Amounts in thousands EUR)	M & M GAS Co S.A. 31/12/2018	31/12/2017
Administrative expenses		
Other emploee benefits	350	328
Third party expenses	24	75
Third party benefits	4	5
Assets repair and maintenance cost	-	2
Operating leases rent	20	19
Taxes & Duties	1	2
Other expenses	75	118
Depreciation - Tangible Assets	1	1
Total	**475**	**550**

5.17 Financial income/expenses

(Amounts in thousands EUR)	M & M GAS Co S.A. 31/12/2018	31/12/2017
Financial income		
Bank deposits	1	2
Total	**1**	**2**
Financial expenses		
Discounts of Employees' benefits liability due to service	1	1
Other Banking Expenses	62	36
Total	**62**	**36**

5.18 Income tax

(Amounts in thousands EUR)	M & M GAS Co S.A. 31/12/2018	31/12/2017
Income Tax	35	203
Deferred taxation	(6)	1
Total	**30**	**203**
Earnings before tax	**(118)**	**609**
Nominal Tax rate	0.29	0.29
Tax calculated at the statutory tax rate of 26%	**(34)**	**176**
Tax calculated at the statutory tax rate	(34)	176
Nominal Tax Rate Adjustments - Change in Greek Tax Rate	-	-
Non tax deductible expenses	11	27
Other	53	-
Effective Tax Charge	**30**	**203**

For the fiscal years from 2011 up to 2017, the Company has received Tax Compliance Report, according to article 65A par. 1 of law 4174/2013 and to article 82 par. 5 of Law 2238/1994, having no significant differentiations. According to the circular CL. 1006/2016, companies that have been subject to foresaid tax audit, are not exempt from the regular tax audit held by the competent tax authorities. For fiscal year 2018, the tax Compliance audit is already being performed by the Statutory auditors and is not expected to bring any significant differentiation on the tax liabilities incorporated in the Financial Statements. The tax rate of the public limited liability entities in Greece as at 31.12.2018 is 29% (2017:29%). According to the new tax law 4579/2018, which was voted on December 2018, the tax rate on the earnings of business activity of legal entities, will gradually decrease by 1% per year, as following: 28% for tax year 2019, 27% for tax year 2020, 26% for tax year 2021 and 25% for tax year 2022 and thereafter.

5.19 Cash flow from operating activities

(Amounts in thousands EUR)	M & M GAS Co S.A. 1/1-31/12/2018	1/1-31/12/2017
Cash flows from operating activities		
Profit for the period	**(148)**	**405**
Adjustments for:		
Tax	30	203
Depreciation of property,plant and equipment	1	1
Interest income	(1)	(2)
Interest expenses	62	36
Exchange differences	10	59
	103	**298**
Changes in Working Capital		
(Increase)/Decrease in trade receivables	6,396	(7,979)
Increase / (Decrease) in liabilities	(8,198)	9,793
Pension plans	1	5
	(1,801)	**1,820**
Cash flows from operating activities	**(1,846)**	**2,523**

5.20 Contingent Assets & Contingent Liabilities

There are no litigation disputes that can have a significant impact on the company's financial position or operation.

5.21 Number of employees

The number of employees on 31.12.2018 is 5. The corresponding number for 31/12/2017 was 6.

5.22 Operating Lease

	M & M GAS Co S.A.	
(Amounts in thousands EUR)	31/12/2018	31/12/2017
Until 1 year	17	10
1 to 5 years	34	28
> 5 years	-	6
Total Operating Lease	**51**	**44**

5.23 Related Party transactions

	M & M GAS Co S.A.	
(Amounts in thousands €)	**31/12/2018**	**31/12/2017**
Stock Sales		
Parent Company	12,906	14,888
Other Related Parties	-	972
Total	**12,906**	**15,860**
Stock Purchases		
Parent Company	-	4,988
Total	**0**	**4,988**
Services Sales		
Parent Company	36	420
Total	**36**	**420**
Services Purchases		
Parent Company	3	3
Other Related Parties	4	3
Total	**8**	**7**

(Amounts in thousands €)	**31/12/2018**	**31/12/2017**
Balance from sales of stock / services receivable		
Parent Company	506	8,836
Management remuneration and fringes	-	2
Other Related Parties	-	88
Total	**506**	**8,926**
Balance from purchases of stock / services payable		
Parent Company	10	1,041
Other Related Parties	4	-
Total	**14**	**1,041**

	M & M GAS Co S.A.	
	31/12/2018	31/12/2017
Short term employee benefits		
- Wages and Salaries and BOD Fees	206	187
- Insurance service cost	44	43
	250	231
Total	250	231

The above mentioned related party transactions are on a pure commercial basis. The Company and any of its related parties have not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction for the above mentioned had any special terms and there were no guarantees given or received.

Balances and transactions with associates include all companies that are consolidated in the Group MYTILINEOS HOLDINGS S.A. by the full consolidated method.

5.24 Post Balance Sheet events

On 16.01.2019, MYTILINEOS SA announced that the acquisition of all the shares (50%) that MOTOR OIL (HELLAS) CORINTH REFINERIES SA held in the company M AND M NATURAL GAS SA had been completed. Henceforth, MYTILINEOS SA is the sole shareholder (100%) of M AND M NATURAL GAS SOCIETE ANONYME. On 08.03.2019 Greek Authorities approved the amendments of articles 1 & 10 of the Articles of Association of M AND M NATURAL GAS SA. The new company's name is "MYTILINEOS GAS SUPPLY AND TRADE OF NATURAL GAS S.A." with the distinctive title "M-NG TRADING".

Marousi, March 27, 2019

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER AND MEMBER OF THE BOARD OF DIRECTORS	THE HEAD OF THE ACCOUNTING DEPARTMENT
DESYPRIS IOANNIS ID No. AK 082005	KANELLOPOULOS PANAGIOTIS ID No. AE 074979/2007	PALIKARAS STYLIANOS ID No. AK 621204