ATTIKI GAS SUPPLY COMPANY

(EPA ATTIKIS) S.A

(CURRENTLY EDA S.A.)

IFRS FINANCIAL STATEMENTS

For the year ended 31 December 2016

Εταιρεία Παροχής Αερίου Αττικής Α.Ε.

This financial statements have been translated from the original statutory financial statements that have been prepared in Greek language. Reasonable care has been taken to ensure that this document is an accurate translation of the original. In the event that differences exist between this translation and the original Greek language financial statements, Greek language financial report will prevail over this document.

Contents

ANNUAL REPORT TO THE BOARD OF DIRECTORS

Dear Shareholders,

In accordance to the Law No 3556/2007 and the Articles of Association, we submit for approval to the Board of Directors the Annual Report for the financial year 2016, which is based on the provisions of Articles 43a, paragraph 3 and 107 paragraph 3 of CL 2190/1920 and Article 4 of L.3556 / 2007.

This report includes Company's activities during the 15th fiscal year, i.e. from 1.1.2016 till 31.12.2016.

Attiki Gas Supply Company S.A. closed its 15th financial year having achieved the following:

6,742 new contracts were signed corresponding to 13.7 million m^3 estimated annual consumption.

During 2016, Attiki Gas Supply Company completed three (3) promotional activities targeting retail customers (B2C) by offering a financing program for houses and apartments intending to convert existing heating systems, as well as connection fee discounts to all customer categories. The promotions were supported by TV advertising campaign.

In November 2016 Attiki Gas Supply Company implemented an electronic payment service for natural gas invoices through the corporate website using a credit or debit card.

Regarding the operations of customers' new or existing internal installations, there were executed:

- 6.187 activations of new internal installations
- 1.941 post activation inspections of internal installations that had been commissioned more than 4 years ago
- 845 study surveys and inspections of internal installations in new buildings

In addition, in 2016 the annual preventive and corrective maintenance plan of Low Pressure network was successfully completed.

In addition, Medium Pressure O&M Department conducted the following key activities: connection and activation of three (3) underground and one (1) above ground station MR-DR 19/4bar, connection and activation of one (1) MR – IND for a CNG gas station and electrification of eleven (11) MR – DR stations.

In 2016, EPA executed construction works of a total budget of approximately 10.3 mil. € through seven (7) construction contracts, specifically 2,415 new Service Lines were constructed and activated, 26.8 km of new low pressure network, 3.6 km of new medium pressure network, two (2) M/R Distribution Stations and three (3) Large Customers Stations.

In addition, the annual «Study of Distribution System Development (2017-2021)» was issued along with the construction plan for the next five years and the GIS geometric network was completed, with the creation of applications and services for supporting operational scenarios in web, mobile & desktop environment.

During the year 2016, the Human Resources Division conducted a new employee satisfaction survey. Additionally, in the context of improving emergency response procedures and protecting personnel and corporate facilities, Human Resources Division successfully organized appropriate training of all personnel for safe evacuation of buildings in risk event.

EPA Attikis having the commitment for a safe workplace without accidents and without leaks was successfully completed the annual Safety Day 2016 on June 8 at the headquarters of EPA Attikis with the participation of all staff, shareholders of DEPA and Shell, contractors and partners of the company.

In June 2016 TUV Hellas inspected the company's Health and Safety Management System according to the standard OHSAS 18001: 2007, and confirmed the company's compliance with the requirements of the standard, so the certification was maintained.

The surveillance audit of the company's Quality Management System according to the standard ISO9001:2008 by TUV Hellas was successfully completed, as well as the improvement of the Process "Quality Inspection Materials Procedure" and compatibility check with SAP / QM module, and implemented the 'Managed Print Services'.

The amount of stock in December 2016 stood at € 2.94 mil., showing a decrease compared to the corresponding December 2015 (3.08 mil. €).
The annual turnover rate of stock in 2016 (annual consumptions without divestments to the average annual stock) decreased to 0.43 compared to 0.47 in 2015 due to the reduction of consumption.

Total outstanding balances on 31/12/2016 over 180 days amounted at 1.17M compared to target of 3.2M. The annual average of customers' outstanding balances without legal action amounted to 54 days versus 52 days in the prior year, due to the reduced sales.

The Tenders and Contracts Division during 2016, prepared and published 46 tenders and updated Open Pre-qualification Systems for several categories services, materials and works.

In total, during 2016 the company signed 109 new contracts (natural gas contracts and amendments to existing contracts not included).

During 2016 EPA Attikis issued 674 thousand gas invoices and 609 thousand meter readings where completed, as well as all billing processes and procedures were redesigned.

2. FINANCIAL STRUCTURE – RATIO ANALYSIS

It is clarified that Financial Ratios calculation is based on financial figures that derive before the spin off process.

Financial Ratios

i. The Net Profit Margin ratio is 11.9% for 2016 and is marginally decreased compared to 2015 (12.5%) as a result of increased expenses related to the liberalization of the gas market combined with the reduced sales.

ii. The working capital has been decreased significantly compared to previous year reaching the amount of €38,26 mln compared to €44,09mln in 2015. The decrease is mainly attributed to:

- The increase of other liabilities for the amount of €13,1mln is mainly attributed to the increased gas consumption during December 2016, and other liabilities to third parties.

- The reduction of the income tax liability by €5.0mln due to the reduced Net Income Before Tax in 2016 and the settlement of the income tax advance.

iii. Gearing ratio (excluding cash and cash equivalents) has been decreased from 5.60% in 2016 to 4.1% in 2016 as a result of the decrease of Bond Loan liabilities from €16.4mln in 2015 to €11.0mln in 2016.

iv. During 2016, the average days of credit were 54 and there was an increase compared to 2015 (52 days).

3.BASIC RISKS

Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's short-term investments.

For the year ended on 31 December 2016 the Company had debt obligations in loans with a fixed margin therefore there was not any material exposure in relation to interest rate changes.

The sensitivity of the overall liability to changes in the interest rate assumptions is:

	Change in assumption	**Impact on overall liability**
Interest rate	Increase by 0,5%	Decrease by 0,27%
Interest rate	Decrease by 0,5%	Decrease by 0,54%

1.1.1 Investments consist mainly of short term deposits in order to ensure liquidity.

Credit Risk

Company's maximum exposure to credit risk is limited to the amount of Cash, cash equivalents and Trade and Other Receivables as presented in the Statement of Financial Position.

Capital Risk Management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide return for shareholders and benefits to other stakeholders and to maintain an optimal capital structure reducing cost of capital. Company monitors capital on the basis of the gearing ratio. This ratio is calculated as the net debt divided by total capital. Net debt is calculated as total borrowings (including current and non – current borrowings as shown in the statement of financial position) less cash and cash equivalents.

For the financial year 2016 company's cash and cash equivalent amount to €26.769.608 covering in full company's total borrowing that amounts to €11.053.665.

Price fluctuation risk

The recession of the Greek economy has strongly differentiate the average consumer profile, having an impact also on consumer behavior The Greek economy has fallen into recession leading to a decrease in demand, while inflation is attributed mainly to taxes. Basis on specific conditions it is not expected in the coming years to have strong inflationary pressures.

The company is not exposed to the risk of securities prices, as it has not invested in securities that are traded in active markets (stock exchanges).

Liquidity risk (financial risk)

The company faces no difficulty in servicing its obligations, as a result of : a) good operating cash flows, b) high credit ratings from the financial institutions and c) its financial assets.

In any case, the company's management monitors and evaluates the developments and takes necessary measures to ensure adequate liquidity which will ensure the smooth continuation of its activities.

Foreign currency risk

The Company operates and sells in Greece. The Company is exposed to foreign currency risk in purchases mainly of materials only. These transactions are not considered to be material to the operation of the Company.

4. FUTURE PROSPECTS AND COMPANY’S TARGETS FOR 2017

On 2/1/2017 the Company proceeded with the spin-off of the Supply division and the establishment of a new company called Attiki Gas Supply Company S.A. with main activity the retail sales of natural gas, liquefied or gaseous, as per law 4001/2011 as in force since then.

At the same time, the existing company changed its name to Attiki Natural Gas Distribution Company S.A. with main activity the Distribution Network Management according with the approved Development Plan within the geographical area defined by the Ministerial decision Δ1/18887/06.11.2001 and the terms of the law 4001/2011 as in force since then.

EDA Attikis as manager of the natural gas network in Attiki aims the development and the exploitation of the natural gas network in Attiki and the strengthening of Company’s liquidity and performance in order to proceed in the future to productive and profitable investments in additional areas according with the existing legal and regulatory framework.

This Report has been translated from the Greek Original Version

Independent Auditor's Report

To the Shareholders of Attiki Distribution Gas Company S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Attiki Distribution Gas Company S.A., which comprise the statement of financial position as at December 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, as adopted 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Attiki Distribution Gas Company S.A. as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

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, the 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 provisions of Article 43a, CL 2190/1920, and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2016.

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 Attiki Distribution Gas Company S.A. and its environment.

As also recorded in Note 31 to the accompanying financial statements "Post Balance sheet Date Events", at a subsequent date, the Company will submit unbundled financial statements to the Regulatory Authority for Energy (RAE) in compliance with the provisions of Article 89, Law 4001/2011.

Athens, March 2nd 2017
The Chartered Accountant

Pavlos Stellakis
SOEL Reg. No 24941

Grant Thornton
An instinct for growth™

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

FINANCIAL STATEMENTS

	Note	As at 31 December 2016	As at 31 December 2015
ASSETS			
Non-current assets		€	€
Property, plant and equipment	5	1.602.071	1.571.299
Intangible assets	6	271.853.565	283.270.413
Deferred tax asset	7	850.713	1.030.648
Other non-current assets	8	125.245	2.257.680
		274.431.594	**288.130.040**
Current assets			
Inventory	9	2.940.254	3.083.859
Trade receivables	10	2.568.796	20.309.016
Other receivables	10	6.770.023	12.657.474
Cash related to the Subsidy scheme for Central Heating Replacement		31.581	32.298
Held to maturity Financial Asset			15.654.913
Cash and cash equivalents	12	8.899.144	28.467.108
		21.209.798	**80.204.669**
Assets Clasified as held for sale	31	**62.436.342**	
Total assets		**358.077.735**	**368.334.708**
EQUITY AND LIABILITIES			
Equity attributable to the Company's equity holders		€	€
Share capital	13	261.957.085	271.957.100
Share issuance costs		(2.463.372)	(2.463.372)
Reserves		4.826.378	3.770.238
Retained earnings		16.525.666	21.170.120
Total Equity		**280.845.757**	**294.434.086**
LIABILITIES			
Non-current liabilities			
Deferred Tax Liability			
Long term Borrowings	14	5.493.665	10.915.225
Retirement benefits obligation		2.272.967	2.149.065
Other provisions	16	2.163.438	2.088.998
Cash guarantees	17	214.178	22.331.716
Deferred Income	18	1.130.091	817.064
		11.274.338	**38.302.067**
Current liabilities			
Current Portion of Long term Borrowing	14	5.560.000	5.560.000
Current Income tax liabilities			5.031.712
Trade payables	19	4.580.169	5.984.441
Liability to the Ministry of Enviroment & Energy for the subsidy scheme		37.483	38.195
Other payables	19	11.489.004	18.984.207
		21.666.656	**35.598.555**
Liabilities directly associated with assets classified as Held for sale	30	**44.290.984**	
Total liabilities		**77.231.978**	**73.900.622**
Total equity and liabilities		**358.077.735**	**368.334.708**

The notes on pages 5 to 47 are an integral part of these Financial Statements

Athens 02/03/2017

President of the Board	A member of the Board	Chief Financial Officer	Financial Controller	Chief Account Officer
Elias Tatsiopoulos	Thierry Jean Albert Grawules	Aphrodite Tsezou	Manolis Diamantopoulos	Vasilis Vafopoulos
ID. No X 548226	Pass.No. EI 903381	Cert. No. A' Class A0004600	Cert. No. A' Class A0058670	Cert. No. A' Class A0014949

	Note	31 December 2016	31 December 2015 *
		€	€
Continued Operations			
Sales	20	56.850.867	66.967.875
Cost of sales		(33.329.669)	(33.226.503)
Gross Profit		**23.521.198**	**33.741.372**
Selling and distribution expenses	23	(2.547.545)	(2.569.209)
Administrative expenses	23	(5.562.258)	(4.774.864)
Other income/expenses	22	337.300	(190.794)
Operating Profit		**15.748.695**	**26.206.505**
Finance income	26	432.018	665.775
Finance costs	26	(1.179.222)	(1.299.353)
Profit before income tax from Continued Operations		**15.001.491**	**25.572.926**
Income tax	27	(6.314.792)	(8.958.820)
Net Profit from Continued Operations		**8.686.699**	**16.614.106**
Net Profit from Discontinued Operations	30	**7.943.625**	**4.595.980**
Net Profit After Tax		**16.630.324**	**21.210.085**
Items that will not be reclassified to Profit or Loss:			
Actuarial gains /(losses) on defined benefit pension plans	15	(143.946)	(110.894)
Income tax relating to Items not reclassified	7	41.744	32.159
Other Comprhensive income for the Year, net of tax		**(102.202)**	**(78.735)**
Other Comprhensive income for the Year, net of tax from Discontinued operations		**(9.216)**	**(8.558)**
Total comprehensive income for the Year		**16.518.906**	**21.122.792**

The notes on pages 5 to 47 are an integral part of these Financial Statements
* Restated Figures due to Discontinued operations (Note 30)

ATTIKI GAS SUPPLY COMPANY S.A.

Statement of changes in equity
For the Year ended 31 December 2016

	Share Capital	Share Issuance Costs	Reserves	Retained Earnings	Total Shareholder's Equity
Balance at 1 January 2015	**286.984.300**	**(2.463.372)**	**3.257.549**	**10.338.016**	**298.116.494**
Net Profit for the Year	-	-	-	**21.210.085**	**21.210.085**
Other Comprehensive Income	-	-	-	- **87.293**	**(87.293)**
Total Comprehensive Income for the Year	**0**	**0**	**0**	**21.122.792**	**21.122.792**
Share Capital Reduction	**(15.027.200)**	-	-	-	**(15.027.200)**
Dividends payable	-	-	-	**(9.778.000)**	**(9.778.000)**
Transfers to statutory reserves	-	-	**512.688**	**(512.688)**	-
Other movements	**(15.027.200)**	**0**	**512.688**	**(10.290.688)**	**(24.805.200)**
Balance at 31 December 2015	**271.957.100**	**(2.463.372)**	**3.770.238**	**21.170.120**	**294.434.086**

	Share Capital	Share Issuance Costs	Reserves	Retained Earnings	Total Shareholder's Equity
Balance at 1 January 2016	**271.957.100**	**(2.463.372)**	**3.770.238**	**21.170.120**	**294.434.086**
Net Profit for the Year	-	-	-	16.630.324	**16.630.324**
Other Comprehensive Income	-	-	-	(111.418)	**(111.418)**
Total Comprehensive Income for the Year	**0**	**0**	**0**	**16.518.906**	**16.518.906**
Share Capital Reduction	(10.000.015)	-	-	-	- **10.000.015**
Dividends paid	-	-	-	(20.107.220)	- **20.107.220**
Transfers to statutory reserves	-	-	1.056.140	(1.056.140)	-
Other movements	**(10.000.015)**		**1.056.140**	**(21.163.360)**	**(30.107.235)**
Balance at 31 December 2016	**261.957.085**	**(2.463.372)**	**4.826.378**	**16.525.666**	**280.845.757**

The notes on pages 5 to 47 are an integral part of these Financial Statements

ATTIKI GAS SUPPLY COMPANY S.A
Statement of Cash Flow

		For the Year ended	
Cash Flow Statement		**31 December 2016**	**31 December 2015**
	Note	**(€)**	**(€)**
Cash Flows from Operating Activities:			
Net profit before taxation		**23.069.537**	**30.168.906**
Adjustments for:			
Depreciation on tangible assets	5	235.410	226.506
Amortisation charge on intangible assets	6	20.261.859	19.790.773
Amortisation of grants	6	(2.067.307)	(2.067.307)
Other non - cash flow items		(2.657.581)	5.047.440
Amortization of connection fees	18	(366.673)	(260.287)
Finance costs	26	1.737.104	1.609.779
Finance income	26	(952.518)	(1.276.267)
Operating profit before working capital changes		**39.259.831**	**53.239.544**
(Increase) / decrease in inventories		149.742	(292.488)
(Increase) / decrease in trade and other receivables		2.720.394	14.768.118
Increase / (decrease) in deferred revenue		679.700	87.200
Increase / (decrease) in trade and other payables		(17.029.540)	(18.748.864)
Increase / (decrease) in cash guarantees		552.194	768.528
Cash generated from operations		**26.332.320**	**49.822.038**
Interest paid		(1.737.104)	(1.609.779)
Taxes paid		(4.889.442)	(3.076.988)
Net cash generated from operating activities		**19.705.774**	**45.135.271**
Investing activities			
Capital expenditure incurred on network expansion	6	(5.805.973)	(6.814.235)
Acquisition (net of disposals) of property, plant and	5	(363.533)	(253.128)
Intangibles acquired	6	(1.000.314)	(484.278)
Held to maturity debt securities	11	-	(16.285.839)
Receipts from debt securities	11	15.581.250	581.250
Interest received		952.518	1.276.267
Net cash used in investing activities		**9.363.948**	**(21.979.963)**
Financing activities			
Repayment of Bank Loans		(5.560.000)	(5.560.000)
Dividends Paid to Shareholders		(20.107.220)	(9.778.000)
Share Capital reduction	13	(5.100.003)	(15.027.200)
Net cash used in financing activities		**(30.767.223)**	**(30.365.200)**
Net increase in cash and cash equivalents		**(1.697.500)**	**(7.209.892)**
Cash and cash equivalents at beginning of year		28.467.108	35.677.001
Cash and cash equivalents at end of the Year		**26.769.608**	**28.467.108**
Minus Cash and Cash equivalents fron Discontinued operations		**(17.870.464)**	
Cash and cash equivalents at end of the Year from continued operations		**8.899.144**	**28.467.108**

The notes on pages 5 to 47 are an integral part of these Financial Statements

Notes to the Financial Statements

1. GENERAL INFORMATION

Attiki Gas Supply Company S.A., currently EDA S.A., is the exclusive natural gas distributor in Attica under a thirty year concession granted under Greek Law 2528/97 in 2001 when the Company was established.

The Company is jointly controlled by DEPA S.A and Attiki Gas B.V. 51% of Company's share capital is owned by DEPA S.A and the remaining 49% is owned by Attiki Gas B.V. The address of Company's registered office is 11 Sofokli Venizelou Avenue, 141 23 Lykovrisi Athens. It also has a branch in Athens, 11 Amerikis 11 str and a branch in Metamorphosis, 9 L. Katsoni str.

The Greek Law 4336 / 14.8.2015 provides for the gradual liberalization of the natural gas market.

According to article 8 of the Greek law 4001/2011, until 30th May 2016, EPA should submit for approval to RAE the accounting separation principles and the allocation rules of its activities for the calculation of the distribution tariffs. The Operator submitted to RAE draft distribution tariffs based on a 4-year calculation period. This submission was based on the accounting separated financial statements of 2015, which present distinct figures for the Basic Activity of Distribution. Based on the actual figures of 2015, RAE evaluated the individual parameters which formed the basis for the preparation of the submitted distribution tariffs. Additionally, RAE approved with its decision 332/2016 the principles and rules of the accounting separation of the Company.

Subsequently, RAE approved the Required Revenue for the period of tariffs' validity (Regulatory Period) from 2017 to 2020, while the tariffs of the Basic Activity of Distribution that were approved by FEK 3490 / 31.10.2016 were in effect from 1 December 2016.

According to law 4414 / 09.08.2016, until January 1, 2017, the current company EPA Attikis is required to proceed with the legal and functional separation of the activity of the management of Distribution Network of Attica from its other activities, with the contribution at its discretion either of the Distribution activity or of the Supply activity. In case of contributing the Supply activity, the legal name of the new EPA may be amended accordingly and the existing EPA shall be renamed to Gas Distribution Company.

Further, it is noted that according to article 75 of l. 2190/1920, the legal separation took place on 02.01.2017. As a result the existing company is the Distribution of Natural Gas Company, which was renamed to EDA Attikis S.A. In parallel a new company was established for the supply of natural gas. The duration of the license to be granted to EDA was set to twenty (20) years, i.e. until 31.12.2036.

Company's Board of Directors, with its resolution on 02.03.2017, established the Share Capital of the new company under the name "ATTIKI GAS SUPPLY COMPANY S.A" for the amount of € 9.820.510 and a positive difference that emerged during the transition period from 01.09.2016 until 01.02.2017 for the amount of €8.324.848, which will recorded in the financial statements of the new company as «difference from issuance of shares above par".

The changes described above require the application of IFRS 5 "Non-current assets held for sale and discontinued operations» that has been used for the preparation of the Financial Statements for the year of 2016.

The Company, in accordance with Article 89 of Law. 4001/2011, is required to prepare separate accounts for the activities that relate to Natural Gas and any other activities using the fixed rules for the allocation of assets, liabilities, costs and revenues, which have been approved by RAE.

However, following relevant communication with the RAE the accounting unbundled financial statements for the year 2016 will be submitted by the Company to RAE by the end of April 2017. The Financial Statements will be audited by the certified auditor in accordance with the allocation rules that have been approved by RAE.

In the context of the spin off process and in order to depict a clear view to third parties the Company will prepare the financial statements for 2016 by applying the provisions of IFRS 5 "Non-current assets held for sale and discontinued operations".

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union.

The financial statements have been prepared under the historical cost convention, as modified by the financial assets and liabilities (including derivative instruments) at present value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the reported financial statements are fully disclosed in note 4 "Critical accounting estimates and judgments".

Certain comparative figures have been reclassified in the notes to ensure consistency and comparability with the corresponding amounts for the current year mainly due to the application of IFRS 5 "Non-current assets held for sale and discontinued operations".

The financial statements have been prepared on a going concern basis.

All financial information is expressed in Euro which is the Company's functional and presentation currency.

2.2 Accounting policies

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

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2016.

- **Amendments to IAS 19: "Defined Benefit Plans: Employee Contributions" (effective for annual periods starting on or after 01/02/2015)**

In November 2013, the IASB published narrow scope amendments to IAS 19 “Employee Benefits” entitled Defined Benefit Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments do not affect the Company’s Financial Statements**.**

- **Annual Improvements to IFRSs – 2010-2012 Cycle (effective for annual periods starting on or after 01/02/2015)**

In December 2013, the IASB issued Annual Improvements to IFRSs - 2010-2012 Cycle, a collection of amendments to IFRSs, in response to seven issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: **IFRS 2:** Definition of 'vesting condition', **IFRS 3:** Accounting for contingent consideration in a business combination, **IFRS 8:** Aggregation of operating segments, **IFRS 8:** Reconciliation of the total of the reportable segments' assets to the entity's assets, **IFRS 13:** Short-term receivables and payables, **IAS 16 /IAS 38:** Revaluation method—proportionate restatement of accumulated depreciation and **IAS 24:** Key management personnel services. The amendments do not affect the Company’s Financial Statements**.**

- **Amendments to IFRS 11: “Accounting for Acquisitions of Interests in Joint Operations” (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The amendments do not affect the Company’s Financial Statements**.**

- **Amendments to IAS 16 and IAS 38: “Clarification of Acceptable Methods of Depreciation and Amortisation” (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments do not affect the Company’s Financial Statements**.**

- **Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: **IFRS 5**: Changes in methods of disposal, **IFRS 7**: Servicing Contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements, **IAS 19**: Discount rate: regional market issue, and **IAS 34**: Disclosure of information "elsewhere in the interim financial report". The amendments do not affect the Company's Financial Statements**.**

- **Amendments to IAS 1: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB issued amendments to IAS 1. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The amendments do not affect the separate Financial Statements.

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

The following new Standards 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 14 "Regulatory Deferral Accounts" (effective for annual periods starting on or after 01/01/2016)**

In January 2014, the IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The Company will examine the impact of the above on its Financial Statements**.** The above have not been adopted by the European Union, until the issuance of the final Standard.

- **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 is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The Company will examine the impact of the above on its Financial Statements**.** The above have been adopted by the European Union with effective date of 01/01/2018.

- **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. The Company will examine the impact of the above on its Financial Statements**.** The above have been adopted by the European Union with effective date of 01/01/2018.

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

- **Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Company will examine the impact of the above on its Financial Statements**.** The above have not been adopted by the European Union.

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

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

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

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 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 are the following: **IFRS 12:** Clarification of the scope of the Standard, **IFRS 1:** Deletion of short-term exemptions for first-time adopters, **IAS 28:** Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

2.3 Property, plant and equipment

Property, plant and equipment are recorded at historical cost less any accumulated depreciation and any impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is computed based on the straight-line method over the economic useful lives of the assets.

Property, plant and equipment are depreciated as follows:

Leasehold improvements: over the life of the lease contract.

Plant, machinery and equipment	5-10 years
Motor vehicles	5-10 years
Furniture and fittings	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each balance sheet date. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised immediately in the statement of comprehensive income.

2.4 Service Concession arrangements

The Company applies IFRIC 12 involving provision of public services to private individuals, for contracts that satisfy the following two criteria:

a) The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what price, and
b) The grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement.

Pursuant to IFRIC 12, such infrastructure is not recognized in assets of the operator as property, plant and equipment but in the financial assets (“financial asset model”) and/or in intangible assets (“intangible asset model”), depending on the remuneration commitments given by the grantor.

The Company, as operator, recognises an intangible asset in cases of concession contracts where the operator is paid by the users of the public services provided. The right to charge the users of the public services does not constitute an unconditional right to receive cash, since the amounts received are dependent upon the degree at which the public (civilians) make use of the services provided.

Intangible assets resulting from the application of IFRIC 12 are recorded in the Balance Sheet under the category “Intangible Assets” and analysed as “Concession assets”, and are recorded at cost less amortization. Amortization is calculated on a straight line basis over the concession licence agreement period.

According to article 80B of law 4336/2015, the construction works for expansion of the existing Distribution Networks that will be executed by EDAs established under the aforementioned law and are included in the approved Network Development Plan, will be solely owned by EDA.

2.5 Intangible assets

2.5.1 Concession rights

Intangible assets include mainly the rights that EPA Attikis has to use the natural gas network. The rights for part of this network were transferred to the Company by EDA S.A at establishment as concession right and the rest is being constructed by the Company and transferred to DEPA S.A. who then returns the rights for its use at the value of its cost. These rights are held by EPA Attikis, according to the existing license and are amortized - using the straight-line method - over the existing concession period. The costs of the additional rights transferred to DEPA S.A are recorded at their present value at the date of transfer.

The Concession Rights are measured at cost of acquisition less amortization. Amortization is calculated using the straight line method over the duration of the Service Concession Arrangement (note 2.4). Additionally, network contracts under construction are presented within concession assets in the statement of financial position (note 6).

2.5.2 Computer software

Acquired and developed software and the corresponding licences are capitalised on the basis incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over a period of 5 years.

2.6 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the event of impairment losses are recognised directly in the Statement of Comprehensive Income.

2.7 Inventory

Inventory consists of materials for the construction of natural gas distribution network and maintenance spare parts. Inventories are valued at the lower of cost or net realisable value. Cost is determined using the moving weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.8 Trade receivables

Trade receivables, are recognised initially at present value (originally invoiced amount) and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts. An allowance for doubtful debts is made by the Company when there is objective evidence that the company will not be able to collect all amounts due in accordance to the original terms of receivables.

2.9 Financial assets

The Company classifies its financial assets in the following categories: loans and receivables and Held to maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2.9.1 Classification

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

(b) Held to maturity debt securities

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

Interest on held to maturity investments is included in the statement of comprehensive income and is reported as interest income. The carrying amount of the investment is adjusted for any impairment and such loss is recognized in the statement of comprehensive income.

During the year the company received on maturity bonds issued by the European Investment Bank (EIB).

2.9.2 Recognition and measurement

The Company does not hold financial assets at present value through profit and loss or available-for-sale financial assets for the reporting period.

Loans and receivables are carried at amortized cost using the effective interest method.

2.10 Restricted cash

Cash deposits that are set aside for a specific purpose and cannot be converted into cash 'on demand' are classified as restricted cash in the statement of financial position and presented separately from Cash and Cash Equivalents.

2.11 Cash and cash equivalents

Cash and cash equivalents consist of term deposits and other highly liquid investments with original maturities of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above deducting any bank overdrafts.

2.12 Share Capital

The Company has issued only ordinary shares that are classified as Equity. Incremental costs (share issuance costs) directly attributable to the issue of the share capital are shown as a deduction in Equity as Share Issuance Costs net of tax.

2.13 Post-retirement benefits and pension plans

The Company contributes to the Greek State sponsored Social Security Fund (IKA) for the pension payments of its employees upon retirement. This is a defined contribution scheme and there is no additional legal or constructive obligation to pay contributions in addition to company's fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

In addition, local labour law requires employees to be paid a retirement benefit. The liability is recognised in the Balance Sheet as a defined benefit plan. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually with the assistance of independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are charged or credited in Other Comprehensive Income for the year.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can been reliably estimated.

2.15 Borrowing costs

All loans and borrowings are recognised initially at present value, being the present value of the consideration received net of issue costs associated with the borrowing and subsequently measured at amortised cost using the effective interest rate method. Borrowing costs that are attributed to the acquisition and construction of network assets, form part of the cost of these assets and are, therefore, capitalized. Other borrowing costs are recognised as an expense in the statement of comprehensive income.

2.16 Government grants

Government grants received as financing for the concession right are recognized in accordance with IFRIC 12 and are shown as a reduction of the Concession Rights (note 2.5.1).

2.17 Foreign currency translation and transaction

The Company's functional currency is Euro. Transactions denominated in currencies other than the functional currency are translated into Euro using the applicable rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euro using the applicable rate of exchange at the date of Financial Statements preparation. The resulting exchange differences are stated in the accompanying Statement of Comprehensive Income.

2.18 Trade and other payables

Trade payables and other payables are obligations to pay goods or services that have been acquired in the course of business by suppliers. These are recognised initially at present value and subsequently measured at amortised cost using the effective interest rate method.

2.19 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the date of Financial Statements preparation.

Deferred income tax is provided in full, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for taxable temporary differences. Deferred income tax assets are recognised for deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of Financial Statements preparation.

2.20 Revenue recognition

(a) Sales of gas (commodity and capacity charge)

The Company bills commodity and distribution charges to its industrial eligible customers and commodity and capacity charges to its customers for providing gas distribution and supply services respectively. At the end of the year, a revenue accrual is accounted to reflect gas that is supplied but not yet billed to customers. Revenue accrual for industrial and large commercial customers is calculated based on actual consumption determined within the first few days after the end of the month. Revenue accrual for the other customer categories is estimated based on historical consumption per customer category and after taking into consideration the number of customers gazed-on and the period for which consumption has not been billed. This amount is included as accrued income in the accompanying statement of financial position.

(b) Connection fees

EPA Attikis collects connection fees for all customer categories upon their signing of the contract. These fees represent the price paid by the customer in order to gain the right to connect to Company's network. Small commercial and residential customers sign an open-maturity contract. There are significant incremental costs for the Company (mainly dealers fees paid per contract) and therefore the revenue from connection fees is recognised directly in the Income Statement upon signing of the contract. Connection fees from customers are in Sales (note 20). Connection fees for Large Industrial and Large Commercial customers have been recognised within the current year. Large industrial and large commercial customers have contracts that mature in three years from signing of the contract for connection. Since incremental costs are a small portion of the connection fee paid by these customers, revenue is being recognised over the period of the contract.

(c) Concession Arrangements

Income from construction contracts is recognized in accordance with IAS 11, as described in Note 2.23 below.

2.21 Leases

All leases of the Company are classified as operating leases in which the lessor retains substantially all the risks and benefits of ownership of the assets. The operating lease payments are recognized as an expense in the income statement over the lease period.

2.22 Dividends distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements at the time that the right to receive payment is established by the shareholders' General Assembly.

In accordance to Article 44a of Codified Law 2190/1920 there is a limitation on the amount to be distributed to the shareholders. The Codified Law states that the distribution is prohibited in the case that the equity amount, following the distribution of net profits, is lower than the Share Capital amount plus statutory reserves. Under this context, the Company created a reserve for the amount of €4.826.378 as presented in the Statement of changes in Equity.

2.23 Contracts under construction

Contract costs are recognised as expenses in the period in which they are incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Company uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss shall be recognised as an expense immediately.

3 RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Recent developments that were expressed with the imposition of restrictions on the movement of capital could constitute factors of increased uncertainty regarding the general medium and long term economic conditions of the domestic market, having also a potential negative impact on the growth rate of the Greek economy.

Despite the general economic conditions, the Company maintains, at the balance sheet date, sufficient capital adequacy, profitability and liquidity and is in compliance with the covenants described in the Bond Loan Agreement in place.

Company's management is constantly monitoring and evaluating the economic environment, aiming to reduce significantly any negative impact and to maintain the proper operation of the organization.

3.1 Market risk

3.1.1 Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's short-term investments. For the year ended on 31 December 2016 the Company had debt obligations in loans with a fixed margin therefore there it is has been assessed that there is not any material exposure in relation to interest rate changes.

The sensitivity of the overall liability to changes in the interest rate assumptions is:

	Change in assumption	**Impact on overall liability**
Interest rate	Increase by 0,5%	Decrease by 0,27%
Interest rate	Decrease by 0,5%	Decrease by 0,54%

Investments consist mainly of short term deposits in order to ensure liquidity.

3.1.2 Foreign currency risk

The Company operates and sells in Greece. The Company is exposed to foreign currency risk in purchases mainly of materials only and natural gas. These transactions are not considered to be material to the operation of the Company.

3.1.3 Commodity price risk

During the past the Company was exposed to the volatility of the commodity prices for natural gas since the cost was affected by fluctuations in oil prices and selling prices were regulated in relation to competitive fuels.

However, the Company has gradually adopted, since the 4th quarter of 2011, the cost plus tariff policy for all customer categories.

3.2 Credit risk exposures

Credit risk arises from cash equivalents and deposits in banks, as well as credit exposures to wholesale and retail customers.

The company makes short term deposits, with maturity periods less than six months, with banks that have at least a credit rating of A2 and with a Bank that has credit rating of CAA3.

The company implements consistently a specific credit policy for its customers in order to ensure the collection of outstanding amounts.

During the year the Company has received on maturity debt securities issued by EIB with a credit rating of AAA by Moody's (note 11).

Company's maximum exposure to credit risk is limited to the amount of Cash, cash equivalents and Trade and Other Receivables as presented in the Statement of Financial Position.

3.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents and the availability of funding from an adequate amount of committed credit facilities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	**Between 1 and 2 years**	**Over 2 years**
At 31 December 2016			
Borrowings	5.560.000	5.540.000	
Interest expense for bond loan	456.231	141.856	
Trade and other payables	16.069.173	-	-

	Less than 1 year	**Between 1 and 2 years**	**Over 2 years**
At 31 December 2015			
Borrowings	5.560.000	5.560.000	5.540.000
Interest expense for bond loan	773.529	456.231	141.856
Trade and other payables	24.968.648	-	-

3.4 Capital risk management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide return for shareholders and benefits to other stakeholders and to maintain an optimal capital structure reducing cost of capital. Company monitors capital on the basis of the gearing ratio. This ratio is calculated as the net debt divided by total capital. Net debt is calculated as total borrowings (including current and non – current borrowings as shown in the statement of financial position) less cash and cash equivalents (note 12). Total capital is calculated as equity as shown in the statement of financial position plus net debt.

The gearing ratios are calculated based on the financial data before the spin off and. Therefore, the ratios at 31 December 2016 and 2015 were as follows:

	December 2016	December 2015
	€	€
Total borrowings	11.053.665	16.475.225
Less: cash and cash equivalents	26.769.608	28.467.108
Net debt	**0**	**0**
Total equity	280.845.757	294.434.086
Total capital	280.845.757	294.434.086
Gearing ratio	**0%**	**0%**

3.5 Price Fluctuation Risk

The recession of the Greek economy has strongly differentiate the average consumer profile, having an impact also on consumer behavior The Greek economy has fallen into recession leading to a decrease in demand, while inflation is attributed mainly to taxes. Basis on specific conditions it is not expected in the coming years to have strong inflationary pressures.

The company is not exposed to the risk of securities prices, as it has not invested in securities that are traded in active markets (stock exchanges).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

4.2 Revenue recognition and accrued Income

The Company makes an estimate on natural gas consumption not yet billed to retail customers. The need for this estimate arises from the operations of the Company as at year end the retail customers have not been fully invoiced for the gas they have consumed. In estimating accrued income, the Company uses historical data for retail customer category and for the seasonality of sales. By combining the above data to the actual number of customers connected to the network, accrued income is recognized. Additionally at year end, an evaluation of the gross margin ratio, given by the deduction of the actual cost of gas from natural gas sales, took place and the outcome is considered by the Company reasonable. The method of calculation is reviewed constantly thus to ensure the consistency and continuity of the accounting estimates recognized in the financial statements.

4.3 Estimated impairment of non-financial assets

The Company tests annually whether non-financial assets have suffered any impairment in accordance with the accounting policy stated in note 2.6. These calculations require the use of estimates.

4.4 Impairment test of non – financial assets

The recoverable amount of the Company is determined based on value - in - use calculations. These calculations use pretax cash flow projections based on the estimates prepared by Company's management taking into consideration current Energy Law.

4.5 Non-current Assets Held for Sale and Discontinued Operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and
(a) represents a separate major line of business or geographical area of operations,
(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
(c) is a subsidiary acquired exclusively with a view to resale.
An entity shall disclose:
(a) a single amount in the statement of comprehensive income comprising the total of:
(i) the post-tax profit or loss of discontinued operations and
(ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.
(b) an analysis of the single amount in (a) into:
(i) the revenue, expenses and pre-tax profit or loss of discontinued operations;
(ii) the related income tax expense as required by paragraph 81(h) of IAS 12.
(iii) the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation; and
(iv) the related income tax expense as required by paragraph 81(h) of IAS 12.
The analysis may be presented in the notes or in the statement of comprehensive income. If it is presented in the statement of comprehensive income it shall be presented in a section identified as relating to discontinued operations, ie separately from continuing operations. The analysis is not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see paragraph 11).
(c) the net cash flows attributable to the operating, investing and financing activities of discontinued operations. These disclosures may be presented either in the notes or in the financial statements. These disclosures are not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see paragraph 11).

(d) the amount of income from continuing operations and from discontinued operations attributable to owners of the parent. These disclosures may be presented either in the notes or in the statement of comprehensive income.

If an entity presents the items of profit or loss in a separate statement as described in paragraph 10A of IAS 1 (as amended in 2011), a section identified as relating to discontinued operations is presented in that statement.[1]

The disclosures required by IFRS 5 have been fully implemented except the figures relating to cash flow due to the complexity for the preparation of the preparation of the comparative figures of 2015 and the income tax expense for current and comparative year.

5 PROPERTY, PLANT AND EQUIPMENT

	For the Year ended 31 December 2016					
	Leasehold impovements	Machinery & Equipment	Vehicles	Furniture & office equipment	Other projects under construction	Total
Gross Carrying Amount						
Balance at 1 January 2016	**875.638**	**1.504.041**	**326.199**	**2.527.383**	**17.800**	**5.251.060**
Capital expenditure (additions)	34.841	54.431	86.526	129.481	-	305.279
Disposals and scrapping	-	-	-	(113.983)	-	(113.983)
Transfers to PPE	-	-	-	-	-	-
Transfers to other Debtors	-	-	-	-	(17.800)	(17.800)
Balance at 31 December 2016	**910.479**	**1.558.472**	**412.725**	**2.542.880**	**-**	**5.424.556**
Depreciation						
Balance at 1 January 2016	**320.659**	**934.922**	**324.936**	**2.129.048**	**-**	**3.709.565**
Charge for the period	68.843	59.684	4.850	92.418	-	225.795
Disposals and scrapping	-	-	-	(112.876)	-	(112.876)
Balance at 31 December 2016	**389.502**	**994.606**	**329.786**	**2.108.591**	**-**	**3.822.485**
Net book value 31 December 2016	**520.977**	**563.866**	**82.939**	**434.289**	**-**	**1.602.071**

	For the Year ended 31 December 2015					
	Leasehold impovements	Machinery & Equipment	Vehicles	Furniture & office equipment	Other projects under construction	Total
Gross Carrying Amount						
Balance at 1 January 2015	**840.883**	**1.479.872**	**464.560**	**3.783.574**	**34.000**	**6.602.889**
Capital expenditure (additions)	38.126	24.169	518	175.700	17.800	256.312
Disposals and scrapping	-	-	(138.879)	(1.080.464)	-	(1.219.343)
Transfers to PPE						
Transfers to intangibles						
Transfers to other Debtors	-	-	-	-	(34.000)	(34.000)
Balance at 31 December 2015	**879.009**	**1.504.041**	**326.199**	**2.878.810**	**17.800**	**5.605.859**
Depreciation						
Balance at 1 January 2015	**246.656**	**871.799**	**459.666**	**3.441.527**	**-**	**5.019.649**
Charge for the period	75.173	63.123	1.147	87.063	-	226.506
Disposals and scrapping	-	-	(135.877)	(1.075.718)	-	(1.211.595)
Balance at 31 December 2015	**321.830**	**934.922**	**324.936**	**2.452.872**	**-**	**4.034.560**
Net book value 31 December 2015	**557.179**	**569.119**	**1.263**	**425.938**	**17.800**	**1.571.299**

During 2015, due to the relocation to new premises, the Company proceeded to the write off for used furniture and office equipment of net residual value of €4.746 (i.e. €1.080.464 minus €1.075.718) following resolution from Board of Directors.

6 INTANGIBLE ASSETS

Details of Company's Intangible assets and their carrying amounts are as follows:

For the Year ended
31 December 2016

Gross Carrying Amount	Concession Assets €	Software €	Total €
Balance at 1 January 2016	**468.738.432**	**9.233.143**	**477.971.575**
Capital expenditure (additions)	5.805.973	972.707	6.778.680
Balance at 31 December 2016	**474.544.404**	**10.205.851**	**484.750.255**
Amortisation			
Balance at 1 January 2016	**186.418.526**	**8.284.141**	**194.702.667**
Charge for the period	19.828.868	432.462	20.261.331
Government Grants amortized	(2.067.307)	-	(2.067.307)
Balance at 31 December 2016	**204.180.087**	**8.716.603**	**212.896.690**
Net book value 31 December 2016	**270.364.317**	**1.489.247**	**271.853.565**

For the Year ended
31 December 2015

Gross Carrying Amount	Concession Assets €	Software €	Total €
Balance at 1 January 2015	**459.856.889**	**8.754.871**	**468.611.760**
Capital expenditure	6.814.235	484.278	**7.298.514**
Network under construction (scrapping & disposals)	-	-	-
Balance at 31 December 2015	**466.671.124**	**9.239.150**	**475.910.274**
Amortisation			
Balance at 1 January 2015	**167.002.515**	**7.913.880**	**174.916.395**
Charge for the period	19.416.011	374.763	**19.790.773**
Government Grants amortized	(2.067.307)	-	**(2.067.307)**
Balance at 31 December 2015	**184.351.219**	**8.288.642**	**192.639.861**
Net book value 31 December 2015	**282.319.906**	**950.507**	**283.270.413**

Concession assets represent the right to use the gas network under the existing Concession Agreement and comprise the initial cost paid for the right acquired, plus the cost of capital expenditures incurred for network enhancements less grants received in accordance with the requirements of IFRIC 12.

The movement of Concession assets for the current year is presented at the following table:

	Concession Rights €	Grants €	Network under construction €	Total €
Balance at 1 January 2016	**313.089.515**	**(32.904.639)**	**2.135.029**	**282.319.906**
Capital Expenditure	-	-	5.805.973	**5.805.973**
Disposal & Scrapping	-	-	-	-
Transfers from/(to) intangibles	6.607.112	-	(6.607.112)	-
Government Grants amortized	-	2.067.307	-	**2.067.307**
Amortization for the period	(19.828.868)	-	-	**(19.828.868)**
Closing net book amount 31 December 2016	**299.867.758**	**(30.837.331)**	**1.333.890**	**270.364.317**

	Concession Rights €	Grants €	Network under construction €	Total €
Balance at 1 January 2015	**325.436.088**	**(34.971.946)**	**2.390.232**	**292.854.374**
Capital Expenditure	-	-	6.814.235	**6.814.235**
Disposal & Scrapping	-	-	-	-
Transfers from/(to) intangibles	7.069.438	-	(7.069.438)	-
Government Grants amortized	-	2.067.307	-	**2.067.307**
Amortization for the period	(19.416.011)	-	-	**(19.416.011)**
Closing net book amount 31 December 2015	**313.089.515**	**(32.904.639)**	**2.135.029**	**282.319.906**

The unamortized amount of €270.364.317 as at 31/12/2016 is considered to be fully recoverable.

7 DEFERRED TAX

Deferred tax for all years has been calculated in accordance with the Greek tax regulations and the period that temporary differences are expected to be settled.

Deferred taxes in the accompanying financial statement consist of the following:

Deffered Tax Liabilities / (Assets)	**1 January 2016**	**Recognized in Other Comprehensive income**	**Recognized in Statement of Comprehensive Income**	**31 December 2016**
Non Current Assets				
Intangible Assets	(15.982)	-	8.068	(7.913)
Current Assets				
Trade Receivables	(233.057)	-	233.057	
Current Liabilities				
Retirement Benefits Obligation	(623.229)	(41.744)	5.813	(659.160)
Deferred Revenue for connection fees	(236.948)	-	(90.778)	(327.726)
Other Short Term Liabilities	(120.728)	-	105.666	(15.062)
Borrowings	53.585	-	(40.147)	13.437
Other adjustments	145.712	-		145.712
Grand Total	**(1.030.648)**	**(41.744)**	**221.679**	**(850.713)**

Deffered Tax Liabilities / (Assets)	**1 January 2015**	**Recognized in Other Comprehensive income**	**Recognized in Statement of Comprehensive Income**	**31 December 2015**
Non Current Assets				
Intangible Assets	(23.299)	-	7.317	(15.982)
Current Assets				
Trade Receivables	(278.665)	-	45.608	(233.057)
Current Liabilities				
Retirement Benefits Obligation	(516.621)	(35.655)	(70.953)	(623.229)
Deferred Revenue for connection fees	(257.439)	-	20.491	(236.948)
Other Short Term Liabilities	(1.314.941)	-	1.194.214	(120.728)
Borrowings	44.220	-	9.365	53.585
Other adjustments	130.638	-	15.074	145.712
Grand Total	**(2.216.107)**	**(35.655)**	**1.221.114**	**(1.030.648)**

8 OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following items:

	As at	
	31 December 2016 (€)	31 December 2015 (€)
Cash guarantees paid to third parties	125.245	123.747
Non current portion of trade receivables	2.278.984	2.133.933
	---------------------	---------------------
Other non-current assets	**2.404.229**	**2.257.680**

Cash guarantees mainly refer to amounts payable to other parties upon inception of cooperation relating to contracts signed for the transportation of natural gas.

Non-current portion of trade receivables refers to amounts due from the financing of internal installations that are expected to be collected in more than 12 months after the end of the reporting period.

9 INVENTORY

	As at	
	31 December 2016	31 December 2015
	€	€
Distribution network materials and spare parts	**2.940.254**	**3.083.859**

Inventories, as presented in the Statement of Financial position, have been decreased by the amount of €144 thousand in 2016 (2015: increased by €279 thousand).

The creation and release of provision for slow moving and obsolete stock has been included in the cost of sales in the statement of comprehensive income:

	2016	2015
At 1 January	**529.611**	**515.712**
Additional provision	79.807	58.729
Released provision unused	(62.314)	(26.311)
Used amounts	(23.630)	(18.520)
At 31 December 2016 / 31 December 2015	**523.474**	**529.611**

10 TRADE AND OTHER RECEIVABLES

	As at	
	31 December 2016	31 December 2015
	(€)	(€)
Trade receivables	3.692.354	30.109.759
Provision for impairment	(1.123.558)	(7.666.810)
Total Trade receivables	**2.568.796**	**22.442.949**
Less: non-current portion	0	(2.133.933)
Current portion	**2.568.796**	**20.309.016**
Other receivables	7.131.442	13.018.893
Provision for impairment	(361.419)	(361.419)
Total other receivables	**6.770.023**	**12.657.474**
Grand Total	**9.338.820**	**32.966.491**
Other Receivables		
Accrued income - unbilled gas consumption	1.987.982	9.601.232
Impairment of assets	-	
Amounts receivable from municipalities	1.064.035	1.053.947
Income Tax prepayment	2.492.589	-
Receivables from third parties	-	118.386
Income taxes and other witholding taxes	141.689	72.149
Installation costs receivable from public sector	14.984	24.556
Accrued income related to network relocations and internal installations	212.193	120.658
Personnel advances and loans	351.919	397.507
Prepaid expenses	209.504	131.799
Postdated cheques	3.059	-
Sealed cheques	-	300.042
Due by related parties [note 30]	207.645	22.586
Cash Guaranties DEPA DESFA	-	511.441
Other	84.423	303.172
Continued Operations	**6.770.023**	**12.657.474**

Current portion of trade receivables amount to €2.930.215 for 2016 and €20.309.016 for 2015 respectively and are fully performing.

The creation and release of provision for impaired receivables has been included in Other Income/ expense in the statement of comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The "other" category within trade and other receivables contain impaired assets from constructions of €361.419.

11 HELD TO MATURITY DEBT SECURITIES

During the reporting year the Company received on maturity bonds of the European Investment Bank (EIB) with a credit rating of AAA as per Moody's.

The movement during the year is presented below:

	2016	2015
Held to maturity debt securities	**€**	**€**
At 1st January 2016 / 2015	**15.654.794**	**0**
Investment in held to maturity debt securities	0	16.285.839
Receipts from debt securities	(15.581.250)	(581.250)
Net gain / (losses)	(73.544)	(49.795)
31 December 2016 / 2015	**0**	**15.654.794**

12 CASH AND CASH EQUIVALENTS

	As at	
	31 December 2016	**31 December 2015**
	(€)	**(€)**
Cash on hand	947.930	887.740
Cash deposits and short term deposits	25.821.677	27.579.368
Total cash and cash equivalents	**26.769.608**	**28.467.108**
Minus Cash From Discontinued operations	17.870.464	
Total cash and cash equivalents from Continued Operations	**8.899.144**	**28.467.108**

Cash, cash equivalents presented above don't differ for the purposes of the cash flow statement.

13 SHARE CAPITAL

	As at	
	31 December 2016	**31 December 2015**
	€	**€**
Number of common shares	8.925.284	9.266.000
Nominal value	261.957.085	271.957.100

The total authorised share capital is €261.957.085. Each share has a nominal value of €29.35. All issued shares are fully paid. The Company incurred incremental costs, comprising of taxes applicable on equity instruments, amounting to €2.463.372 upon inception of the Company in 2001.

During the 1st half of 2016, the General Assembly of the company, at the meeting No 41 / 24.03.2016, approved a dividend payment amounting to €20.107.220, concerning the year 2015. The amount was fully paid to the shareholders at 10.05.2016.

During the fiscal year 2016, the Extraordinary General Assembly of the company, at the meeting No 42 / 01.07.2016, authorized a share capital reduction amounting to €10.000.015. The amount of €5.100.003 was paid to the shareholder DEPA S.A. in 2016, while the remaining balance of €4.900.012 is payable to the shareholder Attiki Gas B.V. presented in other payables at the financial statements as at 31/12/2016 and it is expected to be paid in Q1 2017.

14 BORROWINGS

Borrowings include the following liabilities:

	As at 31 December 2016 (€)	31 December 2015 (€)
Non - current		
Bond Loan	5.493.665	10.915.225
	5.493.665	**10.915.225**
Current		
Bond Loan	5.560.000	5.560.000
	5.560.000	**5.560.000**
Total Borrowings	**11.053.665**	**16.475.225**

A loan agreement was signed on 28/05/2014 with Alpha Bank (Bond Holder) for the amount of € 40.000.000 and with maturity until September of 2018.

From the loan of € 40.000.000 an amount of € 25.000.000 has been disbursed within 2014 and has been used for the repayment of the previous Bond Loan amounting to € 20.000.000. Initial transaction costs of €201.000, that were directly attributable to the issue of debt, have been deducted in arriving at the initial carrying amount. These costs are subsequently amortized through the income statement over the life of the debt using the effective interest method and form part of interest expense for the period.

Current portion of borrowings of €5.560.000, depicted above, refers to bonds that will be paid in a period of less than 12 months after the end of the reporting period.

Under the Bond Loan agreement the Company undertook the obligation as the Bond issuer to comply with certain financial covenants such as Net Debt to EBITDA ratio, Net Debt to Equity ratio and EBITDA to Net Interest Expense ratio. At the balance sheet date, the Company is in compliance with these covenants.

Bank borrowings have an average interest rate of 5.48% (2015: 5.83%). Current Interest is calculated on 6 month Euribor rate.

The company before spin off has the following undrawn facilities. These facilities have been arranged to help finance working capital requirements.

Undrawn credit limits	As at **31 December 2016**	**31 December 2015**
Short term credit lines	28.450.212	32.540.044
Bond Loan	0	15.000.000
Total	**28.450.212**	**47.540.044**

The carrying amounts and present value of the non – current borrowings are as follows:

	Carrying amount		Present value	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Bond Loan	5.493.665	10.915.225	5.208.252	10.313.534
	5.493.665	**10.915.225**	**5.208.252**	**10.313.534**

The present values are based on discounted cash flows based on a borrowing rate of 5,48% (2015: 5,83%).

15 RETIREMENT BENEFITS OBLIGATION

Greek legislation requires the payment of retirement indemnities based on the number of years of service and the final remuneration. The retirement indemnities are not funded. The liabilities arising from the obligation to pay retirement indemnities are evaluated through an independent actuary. The movement in the benefit obligation over the year is as follows:

	As at	
	31 December 2016	**31 December 2015**
Change in benefit obligation	**(€)**	**(€)**
DBO at start of year	2.021.350	1.987.003
Service cost	152.339	134.400
Interest cost	36.384	35.766
Actuarial Loss	119.272	30.589
Financial assumption settlement / Curtailment / Termination Loss / (Gain)	7.721	17.585
Benefits paid directly by the company	(88.775)	(148.637)
Actuarial Company Loss experience	24.674	92.359
DBO at end of year	**2.272.966**	**2.149.065**

	As at	
Remeasurements	**31 December 2016**	**31 December 2015**
Liability gain / (losses) due to changes in assumptions	(119.272)	(27.590)
Liability experience gain / (loss) arising during the year	(24.674)	(83.304)
Total (gain) / loss recognized in OCI	**(143.946)**	**(110.894)**

Amounts recognised at the statement of comprehensive income		
Service cost	152.339	134.400
Interest cost	36.384	35.766
Settlement/Curtailment/Termination Loss/(Gain)	7.721	17.585
Total charge [note 24]	**196.445**	**187.751**

The basic assumptions are presented the following table:

The weighted principal actuarial assumptions used were as follows :		
Discount rate	Fixed 1,40%	Fixed 1,80%
Rate of salary increases	1,00%	1,00%
Average Future working Life	19,80	21,05

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Change in assumption	**Impact on overall liability**
Discount rate	Increase by 0,5%	Decrease by 7%
Salary growth rate	Increase by 0,5%	Increase by 7,8%

16 OTHER PROVISIONS

	Legal & Other Provisions (€)	
At 1 st January 2016 / 2015	**2.088.998**	**1.909.736**
Charged/(Credited) to the Income Statement		
-Other provisions for technical works		40.000
-Additional Legal Provisions	543.989	140.761
-Release of unused provision	(429.550)	(1.500)
-Used during year	(40.000)	
At 31 December 2016 / 31 December 2015	**2.163.438**	**2.088.998**

The amounts represent mainly provisions for legal claims brought against the company. These are recognised in the statement of comprehensive income within other Income / expenses (note 23). In reference to legal cases, it is management's opinion, after taking legal advice, that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 31 December 2016.

17 CASH GUARANTEES

Upon the signing of the connection contract, the Bundled Company received from retail customers, cash guarantees as an insurance against future liabilities that may arise from gas supply. Customer guarantees are refunded by the Company in the event of contract termination as defined in the contractual terms.

Cash guarantees for 2016 include guarantees from eligible customers and cash received from suppliers in respect of good performance and proper execution of their services.

	As at 31 December 2016	31 December 2015
Customer guarantees	41.188	22.127.709
Other cash guarantees	172.990	204.007
	214.178	**22.331.716**

18 DEFERRED INCOME

The Company collects connection fees for all customer categories upon the signing of the contract. Since incremental costs are a small portion of the connection fee paid by these customers, revenue is being recognised over the period of the.

Financial Year 2015	
Opening amount as at 1 January 2015	**990.151**
Connection fees received during the year	87.200
Connection fees recognised during the year	(260.287)
Other deferred revenue recognised during the year	-
Closing amount as at 31 December 2015	**817.064**

Financial Year 2016	
Opening amount as at 1 January 2016	**817.064**
Connection fees received during the period	679.700
Connection fees recognised during the period	(366.673)
Other deferred revenue recognised during the period	-
Closing amount as at 31 December 2016	**1.130.091**

19 TRADE AND OTHER PAYABLES

	As at 31 December 2016 (€)	31 December 2015 (€)
Trade payables	4.580.169	5.984.441
Other payables	11.445.506	18.984.207
	16.025.675	**24.968.648**

Other payables	As at 31 December 2016 (€)	31 December 2015 (€)
Accruals	824.910	946.239
Taxes and contributions	4.791.714	4.017.469
Share capital return (Shell)	4.900.012	-
Other payables	650.538	1.228.385
Due to related parties	278.332	12.792.113
	11.445.506	**18.984.207**

Accruals include amounts for accrued expenses and accrued interests incurred in the reporting year. Due to related parties mainly include amounts payable to DEPA for unbilled gas supplied in

December 2016 amounting to € 13.729.016 (December 2015: €12.259.292) and the remaining amount is analyzed in Note 29.

20 SALES

Sales for the reporting year consist of the following:

	For the Year ended	
	31 December 2016 (€)	31 December 2015 (€)
Energy charge	44.108.379	55.024.037
Supply security fee (TAE)	0	0
Total Proceeds	**44.108.379**	**55.024.037**
Capacity charge	2.182.065	2.413.212
Connection fees	1.654.836	1.608.561
Distribution income	2.568.515	501.673
Service	371.065	397.508
Internal installation	23.667	102.023
Income from Studies Verification	136.368	106.627
Total Other Income	**6.936.515**	**5.129.603**
Contract revenue recognised as per IFRIC 12 and IAS 11	**5.805.973**	**6.814.235**
	56.850.868	**66.967.875**

Based on the requirements of IFRIC 12 the Company recognises contract revenue and costs in accordance with IAS 11 *Construction Contracts.* Contract revenue and cost represent the present value of network costs incurred during the year.

21 OTHER INCOME / EXPENSE

Other income include amongst other items income or expenses which do not represent major trading activities of the Company.

	For the Year ended	
	31 December 2016 (€)	31 December 2015 (€)
Income invoiced to the Ministry of Environment & Energy	0	150.000
Other	110.416	101.587
Income from technical works performed	52.917	46.097
Income received from OAED	51.493	58.718
Income from bad debt provision	98.673	
	313.499	**356.402**
Penalties charged to customers for not meeting contractual obligations	145.742	84.302
Total other operating income	**459.240**	**440.704**
Bad debt provision for the period		(452.236)
Legal cases provision for the period	(121.940)	(139.261)
Other provisions for technical works		(40.000)
Total other operating expenses	**(121.940)**	**(631.497)**
Grand Total	**337.300**	**(190.794)**

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22 EXPENSES BY NATURE

Expenses by nature

For the year ended 31 December 2016 (€)	Cost of sales	Selling and distribution expenses	Administrative expenses	Total
Cost of gas [note 29]				
Contract cost recognised as per IFRIC 12 and IAS 11 [note 20]	5.805.973			5.805.973
Employee benefits expenses [note 24]	8.225.811	1.628.528	3.250.358	13.104.697
Advertising costs	8.930	505.192	16.523	530.645
Maintenance, Rents and Insurance expenses	1.476.404	224.521	794.601	2.495.525
Depreciation & amortisation charges [note 25]	18.090.003			18.090.003
Third party expenses	274.047	126.873	1.363.239	1.764.159
Other operating expenses	1.603.868	37.551	91.178	1.732.597
Retirement Indemnity recognized [note 14]	124.980	24.881	46.360	196.221
Write off of material deficits from subcontractors warehouses	44.428			44.428
Payroll and expenses capitalised	-2.324.775			-2.324.775
Total	**33.329.669**	**2.547.546**	**5.562.258**	**41.439.473**

For the year ended 31 December 2015 (€)	Cost of sales	Selling and distribution expenses	Administrative expenses	Total
Cost of gas [note 30]				
Contract cost recognised as per IFRIC 12 and IAS 11 [note 21]	6.814.235			6.814.235
Employee benefits expenses [note 25]	8.144.352	1.537.722	2.909.380	12.591.454
Advertising costs	1.596	317.143	9.921	328.660
Maintenance, Rents and Insurance expenses	1.929.522	367.202	839.897	3.136.621
Depreciation & amortisation charges [note 26]	17.726.919			17.726.919
Third party expenses	206.457	246.279	793.887	1.246.623
Other operating expenses	1.008.113	80.182	182.650	1.270.945
Retirement Indemnity recognized [note 14]	109.535	20.681	39.129	169.344
Write off of material deficits from subcontractors warehouses				
Payroll and expenses capitalised	-2.714.224			
Total	**33.226.504**	**2.569.209**	**4.774.864**	**40.570.577**

23 EMPLOYEE BENEFIT EXPENSE

	For the year ended 31 December 2016 (€)	31 December 2015 (€)
Wages and salaries	9.399.459	9.029.133
Social security contributions	2.372.542	2.177.465
Insurance & Pension costs - Defined contribution plan	597.422	602.125
Pension costs - Defined benefit plan	196.221	169.344
Other Provision for wages	375.678	450.980
Other expenses	163.375	162.407
	13.104.697	**12.591.454**

24 DEPRECIATION AND AMORTISATION CHARGE

Depreciation of property, plant and equipment and amortisation of intangibles are as follows:

	For the year ended	
	31 December 2016 (€)	31 December 2015 (€)
Cost of sales	20.157.310	19.794.226
Amortization of grants	(2.067.307)	(2.067.307)
Selling distribution and administration expenses	0	0
	18.090.003	**17.726.919**

Depreciation and amortization expenses are presented in Note 5 and Note 6.

25 FINANCE INCOME AND COSTS

	For the Year ended	
	31 December 2016 (€)	31 December 2015 (€)
Interest income:		
- Income from investments	175.189	166.502
- Income from overdue customers	121.012	180.910
- Interest income from internal installations & trade debtors	135.817	318.362
Finance income	**432.018**	**665.775**
Interest expense:		
- Debenture loan interest	(752.878)	(1.118.744)
- Other interest and bank charges	(151.223)	(112.983)
- Interest expense for trade debtor discounted		
- Amortisation of Bond Loan issuance costs & Bonds	(331.448)	(128.543)
Finance costs	**(1.235.549)**	**(1.360.269)**
Less: Interest capitalised on qualifying assets	56.327	60.916
Total finance costs	**(1.179.222)**	**(1.299.353)**
Net finance income	**(747.204)**	**(633.579)**

26 INCOME TAX EXPENSE

	For the year ended 31 December 2016 (€)	31 December 2015 (€)
Current tax on profit of the year	6.151.652	8.773.322
Adjustments in respect of prior year	(58.539)	(989.159)
Cash discount on payment of income taxes		(46.458)
Total current tax	**6.093.113**	**7.737.706**
Deferred tax [note 7]	221.679	1.221.114
Total deferred tax	**221.679**	**1.221.114**
Income tax expense	**6.314.792**	**8.958.820**

	For the year ended 31 December 2016 (€)	31 December 2015 (€)
Profit before tax from Contninued and Discontinued operations	23.069.537	30.168.906
Tax calculated at domestic rate at 29%	6.690.166	8.748.983
Tax effects of:		0
Income not subject to tax	(26.327)	(126.744)
Expenses not deductible for tax purposes	437.303	222.261
Other adjustments	(603.388)	894.232
Adjustments in respect of prior year	(58.539)	-989.159
Cash discount on payment of income taxes		(46.458)
Impact due to change of income tax rate		255.705
From Discontinued operations	(124.422)	
Tax charge	**6.314.792**	**8.958.820**

27 COMMITMENTS, CONTINGENCIES AND OTHER OBLIGATIONS

Contingencies

The Company has recognised in these financial statements adequate provisions in relation to claims for which it is probable that a liability will arise.

The Company is subject to audit of Certified Public Accountants in compliance with the provisions of Article 65a, Law 4174/2013, for the year 2016. This audit is in progress and the Tax Compliance Report is to be issued following the publication of the Financial Statements for the year 2016. If at the completion of the tax audit incur additional tax liabilities, we estimate that they will not have a material impact on the financial statements. The Company has been tax-inspected by the Tax

Authorities as till 2008. In respect of the years 2011 till 2015 the relatives Tax Compliance Report was timely submitted to the Tax Authorities, as in compliance with the aforementioned legal provisions.

The Company has submitted a question to the Independent Authority for Public Revenue, registered with the number 1010926 / 25.1.2017, under which the Company requests clarification for the treatment of tax recognition for cost incurred for the purchase of Natural Gas of the transferring company, when the purchase invoice has been obtained from the recipient Company.

Additionally, a second question has been submitted to the Independent Authority for Public Revenue, registered with the number 1016979 / 06.02.2017, regarding the tax recognition of retrospective costs due to the revision on the price of natural gas and to default interests relating to fiscal year 2014 and 2015.

For the above two questions, the Company expects confirmation of the treatment for the deduction from Company's net profit.

Insurance Coverage

The Company's property, plant and equipment are all located in Attiki region. The Company carries insurance policies for various types of risks. The insurance covers on buildings, inventory, property, transportation means and third party liabilities, are considered to be sufficient.

Commitments

Significant contractual commitments of the company relating to network construction are as follows:

	As at	
	31 December 2016	**31 December 2015**
Network under construction	4.223.558	1.232.773
	4.223.558	**1.232.773**

Operating lease commitments

The Company leases various offices and vehicles under operating lease agreements. The duration of leases is between 1 and 11 years.

Future minimum rentals payable under operating leases are as follows:

	As at	
	31 December 2016	**31 December 2015**
Within one year	883.614	789.002
After one year but not more than five years	2.151.023	1.967.504
More than five years	3.042.732	3.499.608
Total	**6.077.369**	**6.256.113**

28 RELATED PARTY TRANSACTIONS

Included in the statement of comprehensive income of the company before the spin off , are proceeds, costs and expenses, which arise from transactions between related parties. Such transactions mainly consist of sales and purchase of goods and services in the ordinary course of business.

	As at	
	31 December 2016	**31 December 2015**
	(€)	**(€)**
Balances with related parties		
(a) Receivables from DEPA	207.645	22.586
(b) Receivables from DESFA	-	-
Total Receivables	**207.645**	**22.586**
(a) Payables to DEPA	15.260.864	12.522.445
(b) Payables to DESFA	3.618.464	25.818
(c) Payables to Shell	192.000	243.851
(d) Payables to Attiki Gas	4.986.344	
Total paybles	**24.057.672**	**12.792.113**

	For the Year ended	
	31 December 2016	**31 December 2015**
Transactions with related parties:	**(€)**	**(€)**
a) Purchase of goods and services		
-Cost of gas from DEPA	59.639.263	90.889.658
-Cost of gas from DESFA	7.991.834	
-Supply security fee (TAE)	662.375	1.285.639
-Odorisation from DESFA	121.963	112.112
-Other expenses charged from DESFA	2.585	1.626
-Interest expenses paid to DEPA	112.066	448
-Services from Shell	176.000	275.017
-Services from Attiki Gas	86.332	
	68.792.417	**92.564.500**

Natural Gas purchases are according to the Gas Supply Agreement with DEPA that was signed at the establishment of the Company.

b) Sales of goods and services	**31 December 2016**	**31 December 2015**
-Supply security fee (TAE)	662.375	1.285.639
CNG network construction	225.000	
-Transportation fees charged to DEPA	157.805	123.950
-Recognition of deferred connection fees to DEPA	33.700	33.700
-Odorisation fees charged to DEPA	-	32.067
-Natural gas sold to DEPA & Other	127	113
- Other	53.499	28.075
	1.132.505	**1.503.545**

Natural gas sold to DEPA is based on Company's tariff policy in accordance with Company's general terms and conditions.

c) Key management compensation	**31 December 2016**	**31 December 2015**
-BOD fees	66.130	63.932
Total	**66.130**	**63.932**

29 PROFIT DISTRIBUTION

A proposal for a €2,17 per share as final dividend for 2015 (amounting to a total of €20.107.220) was approved by the Board of Directors on 17 February 2016 (Meeting No #189) and the final approval was given by the shareholders at the General Assembly meeting held on 24 March 2016 (Resolution 41/24-3-2016).

The dividend was fully paid and is shown within the statement of changes in equity.
Board of Directors will propose, in a following meeting, dividends distribution for the fiscal year 2016 to the General Assembly.

30 DISCONTINUED OPERATIONS

On 2/1/2017 the Company proceeded with the spin-off of the Supply activity and the establishment of a new company named Attiki Gas Supply Company S.A. with its main activity being sales of natural gas as per law 4001/2011.

The Financial statements have been prepared in accordance with the IFRS 5 standard. The Financial data of the Spin-off Company ισ presented below:

ATTIKI GAS SUPPLY COMPANY S.A.	
Discontinued Operations	**As at 31 December 2016**
ASSETS	
Non-current assets	**€**
Property, plant and equipment	78.443
Intangible assets	28.584
Other non-current assets	2.278.984
	2.386.011
Current assets	
Inventory	
Trade receivables	19.688.908
Other receivables	22.490.960
Cash and cash equivalents	17.870.464
	60.050.332
Assets Clasified as held for sale	
Total assets Assets Clasified as held for sale	**62.436.342**
LIABILITIES	
Non-current liabilities	
Deferred Tax Liability	120.657
Retirement benefits obligation	161.800
Other provisions	7.500
Cash guarantees	22.669.732
	22.959.689
Current liabilities	
Trade payables	701.878
Other payables	20.672.916
	21.374.793
Liabilities directly associated with assets classified as Held for sale	**44.334.482**

	Discontinued operations	
	31 December 2016	31 December 2015
Sales	82.006.472	102.217.574
Cost of sales	(70.078.658)	(93.892.992)
Gross Profit	**11.927.815**	**8.324.583**
Selling and distribution expenses	(1.481.064)	(1.386.386)
Administrative expenses	(2.566.516)	(1.917.481)
Other income/expenses	225.193	(724.803)
Operating Profit	**8.105.428**	**4.295.913**
Finance income	520.501	610.493
Finance costs	(557.882)	(310.426)
Profit before income tax	**8.068.047**	**4.595.980**
Income tax	(124.422)	
Net Profit	**7.943.625**	**4.595.980**
Net Profit After Tax	**7.943.625**	**4.595.980**
Items that will not be reclassified to Profit or Loss:		
Actuarial gains /(losses) on defined benefit pension plans	(12.981)	(12.054)
Income tax relating to Items not reclassified	3.764	3.496
Other Comprhensive income for the Year, net of tax	**(9.216)**	**(8.558)**
Total comprehensive income for the Year	**7.934.408**	**4.587.421**

31 POST BALANCE SHEET EVENTS

On 2/1/2017 the Company proceeded with the spin-off of the Supply division and the establishment of a new company called Attiki Gas Supply Company S.A. with main activity the retail sales of natural gas, liquefied or gaseous, as per law 4001/2011 as in force since then.

At the same time, the existing company changed its name to Attiki Natural Gas Distribution Company S.A. with main activity the Distribution Network Management according with the approved Development Plan within the geographical area defined by the Ministerial decision Δ1/18887/06.11.2001 and the terms of the law 4001/2011 as in force since then.

EDA Attikis as operator of the natural gas network in Attiki aims the development and the exploitation of the natural gas network in Attiki and the strengthening of Company's liquidity and performance in order to proceed in the future to productive and profitable investments in additional areas according with the existing legal and regulatory framework.

Company's Board of Directors with its resolution on 28.02.2017 established the Share Capital of the new company under the name "ATTIKI GAS SUPPLY COMPANY S.A" for the amount of € 9.820.510 and a positive difference that emerged during the transition period from 01.09.2016 until 01.02.2017 for the amount of €8.324.848, which will recorded in the financial statements of the new company as «difference from issuance of shares above par".

The Company, in accordance with Article 89 of Law. 4001/2011, is required to prepare separate accounts for the activities that relate to Natural Gas and any other activities using the fixed rules for the allocation of assets, liabilities, costs and revenues, which have been approved by RAE.

However, following relevant communication with the RAE the accounting unbundled financial statements for the year 2016 will be submitted by the Company to RAE by the end of April 2017 and will be published. The Financial Statements will be audited by the certified auditor in accordance with the allocation rules that have been approved by RAE.

In the context of the spin off process and in order to depict a clear view to third parties the Company will prepare the financial statements for 2016 by applying the provisions of IFRS 5 "Non-current assets held for sale and discontinued operations".