



G.E.MI. 272801000  
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## **HALF-YEAR FINANCIAL REPORT FOR THE PERIOD 1 JANUARY – 30 JUNE 2018**

*(According to L 3556/2007)*

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*August 2018*



**DECLARATION OF THE REPRESENTATIVES OF THE BOARD OF DIRECTORS OF “MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.”**

Pursuant to the provisions of article 5 paragraph 2 item c of Law 3556/2007 we hereby declare that to the best of our knowledge:

- A. The half year single and consolidated financial statements of “MOTOR OIL (HELLAS) S.A.” (the Company) for the period ended June 30, 2018, which have been prepared in accordance with the applicable accounting standards, fairly present the assets, the liabilities, the shareholders’ equity and the results of operations of the Company and the companies included in the consolidated financial statements as of and for the period, according to the provisions of article 5 paragraphs 3 to 5 of Law 3556/2007, and
- B. The Board of Directors’ half year report fairly presents the information required by article 5 paragraph 6 of Law 3556/2007.

**Maroussi, August 28, 2018**

Chairman of the BoD  
and Managing Director

Vice Chairman

Deputy Managing Director  
and Chief Financial Officer

VARDIS J. VARDINOYANNIS

IOANNIS. V. VARDINOYANNIS

PETROS T. TZANNETAKIS

I.D. No K 011385/1982

I.D. No AH 567603/2009

I.D. No R 591984/1994

**DIRECTORS' REPORT**  
**(ACCORDING TO ARTICLE 5 OF THE LAW 3556/2007)**  
**ON THE FINANCIAL STATEMENTS OF**  
**“MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.”**  
**AND THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP**  
**FOR THE PERIOD ENDED 30 JUNE 2018**  
**(PERIOD 01.01.2018 – 30.06.2018)**

## I. REVIEW OF OPERATIONS

The financial figures of the **Group** for the first six month period of 2018 compared to the corresponding period of 2017, are presented hereunder:

Amounts in thousand Euros	For the six-month period ended		<u>Variation</u>	
	30 June 2018	30 June 2017	Amount	%
Turnover (Sales)	4,420,319	3,743,346	676,973	18.08%
<b>Less: Cost of Sales (before depreciation &amp; amortization)</b>	<u>4,015,462</u>	<u>3,325,645</u>	<u>689,817</u>	20.74%
<b>Gross Profit (before depreciation &amp; amortization)</b>	<b>404,857</b>	<b>417,701</b>	<b>(12,844)</b>	<b>(3.07%)</b>
<b>Less: Selling Expenses (before depreciation &amp; amortization)</b>	91,130	91,960	(830)	(0.90%)
<b>Less: Administrative Expenses (before depreciation &amp; amortization)</b>	34,921	33,258	1,663	5.00%
<b>Plus (Less): Other Operating Income (Expenses)</b>	<u>8,217</u>	<u>(19,383)</u>	<u>27,600</u>	142.39%
<b>Earnings before Interest, Tax, Depreciation &amp; Amortization (EBITDA)</b>	<b>287,023 *</b>	<b>273,100 *</b>	<b>13,923</b>	<b>5.10%</b>
<b>Plus: Investment Income / share of profits (losses) in associates</b>	1,648	4,917	(3,269)	(66.48%)
<b>Less: Financial Expenses</b>	<u>24,415</u>	<u>48,143</u>	<u>(23,728)</u>	(49.29%)
<b>Earnings before Depreciation/Amortization and Tax</b>	<b>264,256</b>	<b>229,874</b>	<b>34,382</b>	<b>14.96%</b>
<b>Less: Depreciation &amp; Amortization</b>	<u>50,506</u>	<u>51,960</u>	<u>(1,454)</u>	(2.80%)
<b>Earnings before Tax (EBT)</b>	<b>213,750</b>	<b>177,914</b>	<b>35,836</b>	<b>20.14%</b>
<b>Less: Income Tax</b>	<u>65,800</u>	<u>52,831</u>	<u>12,969</u>	24.55%
<b>Earnings after Tax (EAT)</b>	<b>147,950</b>	<b>125,083</b>	<b>22,867</b>	<b>18.28%</b>
<b>Less: Non-controlling interests</b>	<u>(809)</u>	<u>(1,432)</u>	<u>623</u>	<b>43.51%</b>
<b>Earnings after Tax and after non - controlling interests</b>	<b>148,759</b>	<b>126,515</b>	<b>22,244</b>	<b>17.58%</b>

(\*) Includes government grants amortization Euro 473 thousand for the first half of 2018 and Euro 563 thousand for the first half of 2017.

The financial figures of the **Company** for the first six-month period of 2018 compared to the corresponding period of 2017 are presented hereunder:

Amounts in thousands Euros	For the six-month period ended		Variation	
	30 June 2018	30 June 2017	Amount	%
Turnover (Sales)	3,356,290	2,748,167	608,123	22.13%
<b>Less:</b> Cost of Sales (before depreciation & amortization)	<u>3,093,883</u>	<u>2,454,383</u>	<u>639,500</u>	26.06%
<b>Gross Profit (before depreciation &amp; amortization)</b>	<b>262,407</b>	<b>293,784</b>	<b>(31,377)</b>	<b>(10.68%)</b>
<b>Less:</b> Selling Expenses (before depreciation & amortization)	10,450	13,133	(2,683)	(20.43%)
<b>Less:</b> Administrative Expenses (before depreciation & amortization)	17,326	17,887	(561)	(3.14%)
<b>Plus (Less):</b> Other Operating Income (Expenses)	<u>8,100</u>	<u>(15,797)</u>	<u>23,897</u>	151.28%
<b>Earnings before Interest, Tax, Depreciation &amp; Amortization (EBITDA)</b>	<b>242,731 *</b>	<b>246,967 *</b>	<b>(4,236)</b>	<b>(1.72%)</b>
<b>Plus:</b> Investment Income	3,355	1,572	1,783	113.42%
<b>Less:</b> Financial Expenses	<u>13,378</u>	<u>35,906</u>	<u>(22,528)</u>	(62.74%)
<b>Earnings before Depreciation/Amortization and Tax</b>	<b>232,708</b>	<b>212,633</b>	<b>20,075</b>	<b>9.44%</b>
<b>Less:</b> Depreciation & Amortization	<u>36,989</u>	<u>38,520</u>	<u>(1,531)</u>	(3.97%)
<b>Earnings before Tax (EBT)</b>	<b>195,719</b>	<b>174,113</b>	<b>21,606</b>	<b>12.41%</b>
<b>Less:</b> Income Tax	<u>58,406</u>	<u>50,953</u>	<u>7,453</u>	14.63%
<b>Earnings after Tax (EAT)</b>	<b><u>137,313</u></b>	<b><u>123,160</u></b>	<b><u>14,153</u></b>	<b>11.49%</b>

(\*) Includes government grants amortization Euro 473 thousand for the first half of 2018 and Euro 529 thousand for the first half of 2017.

On the financial figures presented above we hereby note the following:

## 1. Turnover

The breakdown of **Group** Turnover by geographical market (Domestic – Foreign) and type of activity (Refining – Trading) as well as sales category (Metric Tons – Euros) has as follows:

Geographical Market and Type of Activity	Metric Tons			Amounts in Thousand Euros		
	First Half 2018	First Half 2017	Variation %	First Half 2018	First Half 2017	Variation %
<b>Foreign</b>						
Refining/Fuels	4,812,682	4,759,841	1.11%	2,164,393	1,815,520	19.22%
Refining/Lubricants	127,311	113,181	12.48%	85,905	74,511	15.29%
Trading/Fuels etc.	<u>200,861</u>	<u>234,101</u>	(14.20%)	<u>128,341</u>	<u>77,298</u>	66.03%
<b>Total Foreign Sales</b>	<b><u>5,140,854</u></b>	<b><u>5,107,123</u></b>	<b>0.66%</b>	<b><u>2,378,639</u></b>	<b><u>1,967,329</u></b>	<b>20.91%</b>
<b>Domestic</b>						
Refining/Fuels	929,085	923,105	0.65%	544,414	470,324	15.75%
Refining/Lubricants	39,433	35,621	10.70%	30,122	26,681	12.90%
Trading/Fuels etc.	<u>679,866</u>	<u>495,726</u>	37.15%	<u>1,128,051</u>	<u>1,040,104</u>	8.46%
<b>Total Domestic Sales</b>	<b><u>1,648,384</u></b>	<b><u>1,454,452</u></b>	<b>13.33%</b>	<b><u>1,702,587</u></b>	<b><u>1,537,109</u></b>	<b>10.77%</b>
<b>Bunkering</b>						
Refining/Fuels	526,323	487,557	7.95%	225,437	167,168	34.86%
Refining/Lubricants	6,015	5,709	5.37%	6,832	6,973	(2.02%)
Trading/Fuels etc.	<u>170,299</u>	<u>138,945</u>	22.57%	<u>102,545</u>	<u>60,566</u>	69.31%
<b>Total Bunkering Sales</b>	<b><u>702,637</u></b>	<b><u>632,211</u></b>	<b>11.14%</b>	<b><u>334,814</u></b>	<b><u>234,707</u></b>	<b>42.65%</b>
<b>Rendering of Services</b>				<b><u>4,279</u></b>	<b><u>4,201</u></b>	<b>1.86%</b>
<b>Total Sales</b>	<b><u>7,491,875</u></b>	<b><u>7,193,786</u></b>	<b>4.14%</b>	<b><u>4,420,319</u></b>	<b><u>3,743,346</u></b>	<b>18.08%</b>

In the first half of 2018 the turnover of the Group increased by an amount of Euro 677 million or 18.08% compared to the corresponding period of 2017. The increase of the consolidated turnover is accounted for by the increase of the average prices of petroleum products (denominated in US Dollars) by approximately 32% and the increase of the sales volume by 4.14% (from MT 7,193,786 to MT 7,491,875) while part of the increase was offset by the weakening of the USD against the EURO (first half 2018 average parity EURO/USD = 1.21 compared to 1.08 in the first half of 2017) by approximately 12%.

The Group had revenues from services (storage fees) rendered by “OFC AVIATION FUEL SERVICES S.A.” both in the first half of 2018 and the first half of 2017.

The breakdown of the consolidated sales volume confirms the exporting profile of the Group given that export and bunkering sales combined accounted for 78.00% of the aggregate sales volume in the first six months of 2018 compared to 79.78% in the first six months of 2017 as well as the high contribution of refining activities (85.97% of the aggregate sales volume in the first half of 2018 compared to 87.92% in the first half of 2017).

The respective breakdown of **Company** Turnover is presented hereunder:

Geographical Market and Type of Activity	Metric Tons			Amounts in Thousand Euros		
	First Half 2018	First Half 2017	Variation %	First Half 2018	First Half 2017	Variation %
<b>Foreign</b>						
Refining/Fuels	4,812,682	4,759,841	1.11%	2,164,393	1,815,520	19.22%
Refining/Lubricants	113,214	104,689	8.14%	72,520	65,323	11.02%
Trading/Fuels etc.	<u>145,422</u>	<u>194,437</u>	(25.21%)	<u>78,068</u>	<u>61,677</u>	26.58%
<b>Total Foreign Sales</b>	<b><u>5,071,318</u></b>	<b><u>5,058,967</u></b>	<b>0.24%</b>	<b><u>2,314,981</u></b>	<b><u>1,942,520</u></b>	<b>19.17%</b>
<b>Domestic</b>						
Refining/Fuels	929,085	923,105	0.65%	544,414	470,324	15.75%
Refining/Lubricants	22,724	19,136	18.75%	15,848	13,401	18.26%
Trading/Fuels etc.	<u>294,308</u>	<u>216,368</u>	36.02%	<u>171,482</u>	<u>116,220</u>	47.55%
<b>Total Domestic Sales</b>	<b><u>1,246,117</u></b>	<b><u>1,158,609</u></b>	<b>7.55%</b>	<b><u>731,744</u></b>	<b><u>599,945</u></b>	<b>21.97%</b>
<b>Bunkering</b>						
Refining/Fuels	526,323	487,557	7.95%	225,437	167,168	34.86%
Refining/Lubricants	2,232	1,952	14.34%	2,232	2,018	10.60%
Trading/Fuels etc.	<u>138,428</u>	<u>78,632</u>	76.05%	<u>81,896</u>	<u>36,516</u>	124.27%
<b>Total Bunkering Sales</b>	<b><u>666,983</u></b>	<b><u>568,141</u></b>	<b>17.40%</b>	<b><u>309,565</u></b>	<b><u>205,702</u></b>	<b>50.49%</b>
<b>Total Sales</b>	<b><u>6,984,418</u></b>	<b><u>6,785,717</u></b>	<b>2.93%</b>	<b><u>3,356,290</u></b>	<b><u>2,748,167</u></b>	<b>22.13%</b>

In the first half of 2018 the turnover of the Company amounted to Euro 3,356.3 million compared to Euro 2,748.2 million in the corresponding period of 2017 which represents an increase of 22.13%. This increase in the Company's turnover is attributed to the impact of the same parameters which influenced the development of turnover at Group level and which have already been mentioned.

The breakdown of the Company sales volume confirms the solid exporting profile of the Refinery (export and bunkering sales combined accounted for 82.16% of the aggregate sales volume in the first half of 2018 compared to 82.93% in the corresponding period of 2017) as well as the high contribution of refining activities (91.72% of the aggregate sales volume in the first six months of 2018 compared to 92.79% in the corresponding period of 2017).

A breakdown of the aggregate volume of crude oil and other raw materials processed by the **Company** during the first six months of 2018 compared to the respective volume processed during the corresponding period of 2017 is presented hereunder:

	Metric Tons First half 2018	Metric Tons First half 2017
Crude oil	4,801,798	4,759,241
Fuel Oil – raw material	707,169	774,539
Gas Oil	1,092,233	1,069,173
Others	<u>113,404</u>	<u>94,793</u>
<b>Total</b>	<b><u>6,714,604</u></b>	<b><u>6,697,746</u></b>

## 2. Gross Profit

In the first half of 2018 the Gross Profit (before depreciation) of the **Group** was Euro 404,857 thousand from Euro 417,701 thousand in the corresponding period of 2017 (a decrease of 3.07%), while the Gross Profit at **Company** level was Euro 262,407 thousand from Euro 293,784 thousand (a decrease of 10.68%).

The development of the Gross Profit Margin of the **Company** in USD/MT in the first half of 2018 compared to the first half of 2017 is presented in the table below:

Gross Profit Margin (USD/MT)	H1 2018	H1 2017
Company Blended Profit Margin	57.7	57.1

## 3. Administrative and Selling Expenses (before depreciation) – Other Operating Income

The Operating expenses (Administrative and Selling) at **Group** level increased in the first half of 2018 by Euro 833 thousand or 0.67% while at **Company** level decreased by Euro 3,244 thousand or 10.46% compared to the corresponding period of 2017.

Other Operating Income (Expenses) is distinguished in two classes:

- Foreign exchange gains or losses which relate to the net difference which evolves from receivables and payables denominated in foreign currency as well as bank deposits kept in foreign currency
- Other operating income concerning mainly storage rentals from third parties as well as income from the usage of the Truck Loading Terminal of the Refinery.

The **Group** recorded foreign exchange losses of Euro 3,779 thousand in the first half of 2018 compared to losses of Euro 33,260 thousand in the respective interim period of 2017. Likewise, the **Company** recorded foreign exchange losses of Euro 3,868 thousand in the first half of 2018 compared to losses of Euro 32,108 thousand in the respective period of 2017.

As regards other operating income, apart from foreign exchange differences, at **Group** level it amounted to Euro 11,996 thousand in the first half of 2018 compared to Euro 13,878 thousand in the first half of 2017 while at **Company** level it amounted to Euro 11,968 thousand compared to Euro 16,311 thousand.

## 4. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

Subsequent to the above developments at Gross Margin level and at Operating Income & Expenses level, the EBITDA of the **Group** reached Euro 287,023 thousand in the first half of 2018 compared to Euro 273,100 thousand in the first half of 2017 while the EBITDA of the **Company** was Euro 242,731 thousand in the first half of 2018 compared to Euro 246,967 thousand in the respective period of 2017.

## 5. Income from Investments – Financial Expenses

In the first half of 2018 the financial cost at **Group** level amounted to Euro 22,767 thousand compared to Euro 43,226 thousand in the corresponding period of 2017 decreased by Euro 20,459 thousand or 47.33%. A breakdown of this variation is presented in the table below:

Amounts in thousands Euros	For the 6-month period ended		Variation	
	30 June 2018	30 June 2017	Amount	%
Share of (profits) / losses from Associates	1,335	(3,719)	5,054	135.90%
Income from Participations & Investments	0	(101)	101	100.00%
Interest Income	(2,983)	(1,097)	(1,886)	(171.92%)
Interest Expenses & bank charges	<u>24,415</u>	<u>48,143</u>	<u>(23,728)</u>	(49.29%)
<b>Total Finance Cost</b>	<b><u>22,767</u></b>	<b><u>43,226</u></b>	<b><u>(20,459)</u></b>	<b>(47.33%)</b>

The “Share of losses from Associates” amount of Euro 1,335 thousand for the first half of 2018 concerns the share of the Group in the combined financial results of the companies: “M and M NATURAL GAS S.A.”, “KORINTHOS POWER S.A.”, “SHELL & MOH AVIATION FUELS A.E.”, “RHODES - ALEXANDROUPOLIS PETROLEUM INSTALLATION S.A.” and “NUR-MOH” which are consolidated under the net equity method.

The “Share of profits from Associates” amount of Euro 3,719 thousand for the first half of 2017 corresponds to Euro 1,836 thousand profit from the acquisition of CORAL ENERGY PRODUCTS (CYPRUS) LTD, to Euro 375 thousand profit from the acquisition of a subsidiary of MOTOR OIL VEGAS UPSTREAM LIMITED and to Euro 1,508 thousand which concerns the share of the Group in the combined financial results of the five companies mentioned in the previous paragraph, which are consolidated under the net equity method.

The “Income from Participations & Investments” amount of Euro 101 thousand for the first half of 2017 relates to the dividend from the fiscal year 2016 earnings of the company “ATHENS AIRPORT FUEL PIPELINE COMPANY S.A.”. The company paid Euro 101.8 thousand as dividend from the fiscal year 2017 earnings on 5 July 2018.

In the first half of 2018 the financial cost at **Company** level amounted to Euro 10,023 thousand compared to Euro 34,334 thousand the first half of 2017 decreased by Euro 24,311 thousand or 70.81%. A breakdown of this variation is offered in the table below:

Amounts in Thousand Euros	For the six-month period ended		Variation	
	30 June 2018	30 June 2017	Amount	%
Income from Investments	(666)	(766)	100	13.05%
Interest income	(2,689)	(806)	(1,883)	(233.62%)
Interest Expenses & bank charges	<u>13,378</u>	<u>35,906</u>	<u>(22,528)</u>	(62.74%)
<b>Total Finance Cost</b>	<b><u>10,023</u></b>	<b><u>34,334</u></b>	<b><u>(24,311)</u></b>	<b>(70.81%)</b>

The “Income from Investments” amount of Euro 666 thousand for the first half of 2018 corresponds to the dividends from the fiscal year 2017 earnings of the company “OFC AVIATION FUEL SERVICES S.A.” (please see section “Related Party Transactions”). The amount of Euro 766 thousand for the first half of 2017 corresponds to the dividends from the fiscal year 2016 earnings of the companies “OFC AVIATION FUEL SERVICES S.A.” and “ATHENS AIRPORT FUEL PIPELINE COMPANY S.A.”. The latter paid Euro 101.8 thousand as dividend from the fiscal year 2017 earnings on 5 July 2018.

The noted in the first half of 2018 decrease of Interest Expenses & bank charges, both at consolidated and at parent company level, is attributed to: a) the refinancing of € 350 mil. Senior Notes due 2019 at a coupon of 5.125% per annum with new Senior Notes due 2022 at a coupon of 3.250% per annum which took place in April 2017 (Issuer of the notes: MOTOR OIL FINANCE PLC.) b) the decrease of bank loans (Group borrowings: Euro 924.6 mil. on 30.06.2018 compared to Euro 1,138.6 mil. on 30.06.2017 – Company: Euro 586,6 mil. on 30.06.2018 compared to Euro 806.5 mil. on 30.06.2017) and c) the improvement of the relevant terms which the Group is in a position to attain.



## 6. Earnings before Tax – Earnings after Tax

The Earnings before Tax of the **Group** in the first half of 2018 amounted to Euro 213,750 thousand compared to Earnings before Tax of Euro 177,914 thousand in the respective interim period of 2017 while the Earnings after Tax amounted to Euro 147,950 thousand compared to Earnings after Tax of Euro 125,083 thousand in the respective interim period of 2017.

The Earnings before Tax of the **Company** in the first half of 2018 amounted to Euro 195,719 thousand compared to Earnings before Tax of Euro 174,113 thousand in the respective interim period of 2017 while the Earnings after Tax amounted to Euro 137,313 thousand compared to Earnings after Tax of Euro 123,160 thousand in the respective period of 2017.

It is noted that the applicable corporate tax rate is 29% for the first half of 2018 (Law 4334 - Government Gazette A' 80/16.07.2015) as well as for the respective period of 2017.

## II. PROSPECTS

The operations as well as the profitability of the companies engaging in the sector of “oil refining and marketing of petroleum products” are influenced by a series of external parameters and mainly the prices of crude oil, the refining margins, the EURO/US Dollar parity and the development of the interest rates (reference to the latter two parameters is made in the section “Management of Financial Risks”).

During the first half of 2018 the price of Brent traded within the 60-80 USD/barrel range (max price 80.29 USD/barrel – min price 61.52 USD/barrel – average price 70.61 USD/barrel). In the period after June 30<sup>th</sup> (closing price 77.90 USD/barrel) the price of Brent has been trading within the narrower range of 70-80 USD/barrel (max price 77.67 USD/barrel – min price 68.87 USD/barrel – average price 73.18 USD/barrel) and at least in the short term no noticeable volatility is anticipated because of the seemingly sufficient supply of crude oil at international level.

It is hereby noted that, as a representative of the energy sector, the Company is treated with priority by the Banking Transactions Approval Committee of the Greek Ministry of Economy regarding the purchase of crude oil and of raw materials from abroad so as to secure the sufficiency of the Country with reference to petroleum products. Moreover, through its exports which historically constitute the majority of its sales, the Company is in a position to finance the purchases of crude oil further securing the uninterrupted supply of its Refinery with raw material, without being affected by the capital controls imposed in Greece.

For the second half of 2018 the operating results of the Company are expected satisfactory considering the capability of the Refinery to deliver refining margins at the top end of the sector, combined with the continuation of the level of activities of the Company at a high level and the de-escalation of its financial costs (i.e. interest expenses).

## III. CAPITAL EXPENDITURE

In the first six months of 2018 the Company carried out investments of Euro 30.6 million the greater part of which (Euro 29.8 million) concerned projects of the Refinery of MOTOR OIL as follows:

a) An amount of Euro 14.8 million was spent on regular maintenance at the existing Refinery units and on a series of miscellaneous small scale projects relating to the improvement of health and safety conditions of the Refinery, the improvement of its environmental terms as well as the attainment of high level of operability and flexibility of production.

b) An amount of Euro 15 million was spent on the so-called major investment projects the most notable ones being: the processing capacity increase of the Lubricants Complex, the construction of new storage tanks at the area freed as a result of placing the overhead Independent Power Transmission Operator (ADMIE) high voltage lines underground, the enhancement of the energy efficiency of the Refinery

(Power Plant upgrade and GT-3 major field inspection), and the improvement of the infrastructure of the Refinery (installation of a new multi buoy mooring system in the proximity of the existing piers in order to enhance the flexibility of the uploading of crude oil vessels for the Refinery supply).

It must be noted that the major investment projects of the Company also include the undertaking for the connection of its Refinery with the HELLENIC RAILWAYS ORGANIZATION (OSE) railway network (more information is available in the section “Significant Events”). The amount spent on the OSE project during H1 2018 was Euro 2.3 million.

Furthermore, it must be noted that the amount of Euro 12.6 million for the purchase of an 85,645 square meter (approximately 21 acres) plot of land located adjacently to the Refinery area (please see section “Significant Events”) will be included in the capital expenditure of the 3<sup>rd</sup> quarter of 2018.

Subsequent to the above, the Company’s capital expenditure for the fiscal 2018 might exceed the initial estimate of Euro 70 million.

#### **IV. SIGNIFICANT EVENTS**

The most important events for the Company and the Group during the first half of 2018 until the time of the writing of the present half year financial report are presented hereunder:

On May 14, 2018 the 90,000 ordinary registered dematerialized senior notes issued by CORAL A.E. (a wholly owned subsidiary of MOTOR OIL) commenced trading in the Fixed Income category of the Organized Market of the Athens Exchange. More specifically, CORAL A.E. raised the amount of Euro 90 million through the public offering of 90,000 senior notes of nominal value Euro 1,000 each due 2023 at a fixed interest rate of 3% per annum. The net proceeds of the offering were used by CORAL A.E. for the repayment of part of an existing bond loan of Euro 120 million terminating on 28 September 2019 thus securing the extension of the maturity profile of the medium term loans of the company and the uninterrupted financing of its working capital needs.

On May 29, 2018 MOTOR OIL entered into a Memorandum of Understanding (MoU) with the HELLENIC RAILWAYS ORGANIZATION (OSE) regarding an investment project concerning the modernization of the part of the approximately 9.5 km long existing railway line connecting the Company’s Agioi Theodoroi Refinery with the Isthmos station at Korinthos. More specifically, the Company has undertaken the task to turn the currently metric width railway line into a regular width railway line in accordance with the international railway standards. The project (estimated capital expenditure Euro 13 million) will be effected by MOTOR OIL under the technical supervision of OSE staff. Upon completion of the project, the railway line will belong to OSE and form part of the National Railway Infrastructure.

The modernization of the railway line is expected to facilitate the transportation of petroleum products to Northern Greece, Balkan countries and Central Europe through the Rail Freight Corridor 7 of which OSE is a member.

On June 21, 2018 MOTOR OIL entered into a share sale and purchase agreement for the acquisition of a 90% stake of the company NRG TRADING HOUSE S.A. (registered address: Maroussi, GREECE). The selling shareholder will be the Cyprus based company NRG GLOBAL ENERGY TRADING HOUSE LTD which is the sole shareholder of NRG TRADING HOUSE S.A. Following the completion of the transaction the stake of NRG GLOBAL ENERGY TRADING HOUSE LTD in NRG TRADING HOUSE S.A. will be reduced to 10%.

NRG TRADING HOUSE S.A. commenced its activities in 2012 in the energy sector as electrical energy supplier while its current domestic market share is above 1%. The portfolio of NRG TRADING HOUSE S.A. includes large business groups, small and medium sized enterprises, as well as household customers.

The purchase of the above mentioned stake in NRG TRADING HOUSE S.A. (the transaction is subject to the approval by the competent authorities) will enable MOTOR OIL to extend its activities by entering the market of electrical energy supply.

On June 26, 2018 the Ordinary Resolution of the Shareholders of the company MOTOR OIL VEGAS UPSTREAM LIMITED decided a share capital increase in cash issuing additional 2,000 ordinary shares of nominal value Euro 1 each at a subscription price of Euro 1,750 each. From the share capital increase referred to above, an amount of Euro 2,000 was booked for the payment of the nominal value of the shares and the remaining amount of Euro 3,498,000 was booked as share premium. The payment of the Euro 2,275,000 amount corresponding to the participation of MOTOR OIL (HELLAS) S.A. in the above share capital increase was effected on 12<sup>th</sup> July 2018.

Following the corporate action referred above, the share capital of MOTOR OIL VEGAS UPSTREAM LIMITED is Euro 14,000 divided into 14,000 ordinary shares of nominal value Euro 1 each. MOTOR OIL (HELLAS) S.A. owns 65% of the shares of MOTOR OIL VEGAS UPSTREAM LIMITED and the total amount it has injected through consecutive share capital increases since June 2016 amounts to Euro 12,675,000. MOTOR OIL VEGAS UPSTREAM LIMITED is based in Cyprus and its corporate objective is the exploration and production of potential new oil resources (upstream).

In July 2018 MOTOR OIL (HELLAS) S.A. proceeded with the purchase of an 85,645 square meter (approximately 21 acres) plot of land for the amount of Euro 12.6 million. This plot of land is located adjacently to the Refinery premises thus securing sufficiency of space for infrastructure enhancement projects, logistics optimization as well as expansion prospects.

There are no events that could have a material impact on the Group's and the Company's financial structure or operations that have occurred since 1/7/2018 up to the date of issue of these financial statements.

## **V. MAIN SOURCES OF UNCERTAINTY IN ACCOUNTING ESTIMATES**

The preparation of the financial statements presumes that various estimates and assumptions are made by the Group's management which possibly affect the carrying values of assets and liabilities and the required disclosures for contingent assets and liabilities as well as the amounts of income and expenses recognized. The use of adequate information and the subjective judgment used are basic for the estimates made for the valuation of assets, liabilities derived from employees benefit plans, impairment of receivables, unaudited tax years and pending legal cases. The estimates are important but not restrictive. The actual future events may differ from the above estimates. The major sources of uncertainty in accounting estimates by the Group's management, concern mainly the legal cases and the financial years not audited by the tax authorities, as described in detail in note 19 of the financial statements.

Other sources of uncertainty relate to the assumptions made by management regarding the employee benefit plans such as payroll increase, remaining years to retirement, inflation rates etc. Another source of uncertainty regards the estimate for the fixed assets useful life. The above estimates and assumptions are based on the up to date experience of management and are re-evaluated so as to reflect the prevailing market conditions.

## **VI. MANAGEMENT OF FINANCIAL RISKS**

The Group's management has assessed the impacts on the management of financial risks that may arise due to the challenges of the general business environment in Greece. In general, as it is further discussed in the management of each financial risk below, the management of the Group does not consider that any negative developments in the Greek economy in connection with the capital controls of the Greek banks may materially affect the normal course of business of the Group and the Company.

### a. Capital risk management

The Group manages its capital to ensure that Group companies will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group's management monitors the capital structure on a frequent basis.

As a part of this monitoring, the management reviews the cost of capital and the risks associated with each class of capital. The Group's intention is to balance its overall capital structure through the payment of dividends, as well as the issue of new debt or the redemption of existing debt. The Group through its 100% subsidiary "Motor Oil Finance plc" that is based in London, has already issued, since 2014, bond loans through the offering of Senior Notes bearing a fixed rate coupon and also maintains access at the international money markets broadening materially its financing alternatives. A possible exit of Great Britain from EU (Brexit) is not expected to have any impact in this subsidiary or in the Group.

### Gearing Ratio

The Group's management reviews the capital structure on a frequent basis. As part of this review, the cost of capital is calculated and the risks associated with each class of capital are assessed.

The gearing ratio as of 30/6/2018 and 31/12/2017 was as follows:

<i>(In 000's Euros)</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>30/06/2018</b>	<b>31/12/2017</b>
Bank loans	924,617	994,065	586,616	667,375
Cash and cash equivalents	(758,368)	(714,026)	(678,057)	(638,815)
<b>Net debt</b>	<b>166,249</b>	<b>280,039</b>	<b>(91,441)</b>	<b>28,560</b>
<b>Equity</b>	<b>1,043,605</b>	<b>1,018,883</b>	<b>908,138</b>	<b>881,837</b>
<b>Net debt to equity ratio</b>	<b>0.16</b>	<b>0.27</b>	<b>(0.10)</b>	<b>0.03</b>

### b. Financial risk management

The Group's Treasury department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Treasury department reports on a frequent basis to the Group's management that monitors risks and policies implemented to mitigate risk exposures.

### c. Market risk

Due to the nature of its activities, the Group is exposed primarily to the financial risks of changes in foreign currency exchange rates (see (d) below), interest rates (see (e) below) and to the volatility of oil prices mainly due to the obligation to maintain certain level of inventories. The Company, in order to avoid significant fluctuations in the inventories valuation is trying, as a policy, to keep the inventories at the lowest possible levels. Furthermore, any change in the pertaining refinery margin, denominated in USD, affects the Company's gross margin. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures these risks. Considering the conditions in the oil refining and trading sector, as well as the negative economic environment in general, we consider the course of the Group and the Company as satisfactory. The Group also through its subsidiaries in the Middle East, Great Britain, Cyprus and the Balkans, aims to exploit its endeavors at international level and to further strengthen its already solid exporting orientation. Moreover, the instability in the domestic market, in connection with the capital controls, is not expected to create problems to the normal course

of business of the Company, which due to its strong exporting orientation generates adequate cash flows to cover the necessary imports of crude oil for the refinery activities. Furthermore, crude oil prices are determined in the international markets and are not affected so by any domestic market turbulences.

#### **d. Foreign currency risk**

Due to the use of the international Platt's prices in USD for oil purchases/sales, exposures to exchange rate fluctuations may arise for the Company's profit margins. The Company minimises foreign currency risks through physical hedging, mostly by monitoring assets and liabilities in foreign currencies.

#### **e. Interest rate risk**

The Group has access to various major domestic and international financial markets and manages to have borrowings with competitive interest rates and terms. Hence, the operating expenses and cash flows from financing activities are not materially affected by interest rate fluctuations.

#### **f. Credit risk**

The Group's credit risk is primarily attributable to its trade and other receivables.

The Group's trade receivables are characterized by a high degree of concentration, due to a limited number of customers comprising the clientele of the parent Company. Most of the customers are international well-known oil companies. Consequently, the credit risk is limited to a great extent. The Group companies have signed contracts with their clients, based on the course of the international oil prices. In addition, the Group, as a policy, obtains letters of guarantee from its clients in order to secure its receivables, which as at 30/6/2018 amounted to Euro 27.3 million. As far as receivables of the subsidiaries "Avin Oil S.A.", "CORAL A.E.", "CORAL GAS A.E.B.E.Y." and "L.P.C. S.A." are concerned, these are spread in a wide range of customers and consequently there is no material concentration and the credit risk is limited. The Group manages its domestic credit policy in a way to limit accordingly the credit days granted in the local market, in order to minimise any probable domestic credit risk.

#### **g. Liquidity risk**

Liquidity risk is managed through the proper combination of cash and cash equivalents and available bank loan facilities. In order to address such risks, the Group's management monitors the balance of cash and cash equivalents and ensures available bank loans facilities, maintaining also increased cash balances. Moreover, the major part of the Group's borrowings is long term borrowings which facilitates liquidity management.

As at today the Company has available total credit facilities of approximately € 1 billion of which € 587 million have been withdrawn and total available bank Letter of Credit facilities up to approximately € 400 million.

#### **Going Concern**

The Group's management considers that the Company and the Group have adequate resources that ensure the smooth continuance of the business of the Company and the Group as a "Going Concern" in the foreseeable future.

### **VII. QUALITY – ENVIRONMENT- HEALTH & SAFETY**

The commitment of the Group to the fulfillment of its main goal, which involves its engagement in the wider energy sector catering for the energy needs of society while contributing to the economic and community prosperity, respecting the principles of Sustainable Development and minimizing the impact on the environment resulting from its operations, is reflected on its policy for Quality, Environmental Protection and Health & Safety.



The Quality Management System of the Company was certified initially in 1993 according to the ISO 9002 standard while the reformation of the system commenced in 2002 aiming at the development of a new one meeting the standards of the (then) new ISO 9001:2000 which was certified by Bureau Veritas Quality International (BVQI) in January 2003. In March 2006 the system was recertified with validity until March 2009 when it was certified according to the new version of the standard ISO 9001:2008 and validity until February 2012 when its certification was renewed with validity until February 2015. In December 2014, within the context of the simultaneous evaluation of Company certifications, the ISO 9001:2008 standard was recertified with validity until December 2017.

In December 2017 the Quality Management System of the Company was certified with the currently most recent standard ISO 9001:2015 with validity until December 2020.

The commitment of the management as well as the personnel of MOTOR OIL to the continuous quality development is universal. In September 2006 the Refinery Chemical Laboratory was accredited by the National Accreditation System (ESYD) with the ISO / IEC 17025 standard initially with validity until September 2010. Since then, the validity of the accreditation was extended until September 2014 when it was extended once more until September 2018.

The Environmental Management System (EMS) of the Refinery was initially certified by Bureau Veritas Certification (BV Cert.) according to the ISO 14001:1996 standard in December 2000. In March 2007 the system was certified according to the more stringent standard ISO 14001:2004 and validity until January 2010. In March 2010 the system was recertified with validity until January 2013 when its certification was renewed with validity until January 2016. In December 2014, within the context of the simultaneous evaluation of Company certifications already mentioned, the Company EMS was recertified with validity until December 2017.

In December 2017 the Environment Management System of the Company was certified with the currently most recent standard ISO 14001:2015 with validity until December 2020.

Additionally, in November 2017 the Refinery Energy Management System was certified by Bureau Veritas Certification (B V Cert.) according to the ISO 50001:2011 standard with validity until November 2020.

By implementing this system MOTOR OIL is committed to effectively use energy so as to preserve natural resources, reduce greenhouse gas emissions and contribute to abate the repercussions on climate change. Energy consumption data are utilized in a systematic way, planning changes in the operation and the equipment as a means to achieve continuous improvement of the energy performance and the relative economic indicators.

Furthermore, in July 2007, and given the firm commitment of the Company to the continuous improvement of environmental management and the dissemination of information regarding the impact of its operations on the environment, MOTOR OIL voluntarily adopted the European Regulation (ER) 761/2001 EMAS (Eco-Management and Audit Scheme) and since then has been issuing an annual Environmental Statement certified by Bureau Veritas. The annual Environmental Statements for the fiscal years 2006-2009 were compiled according to the above mentioned European Regulation standard EMAS II 761/2001 while these of the fiscal years 2010-2017 according to the more recent European Regulation standard EMAS III 1221/2009. The year 2017 Environmental Statement was submitted to the MINISTRY OF ENVIRONMENT & ENERGY in May 2018 bearing the Protocol Number 31060/24.05.2018.

The annual Environmental Statements EMAS which, through appropriate indices and measurements and other nonfinancial data and indices pertaining to the refining sector, offer a thorough assessment of the environmental performance of the Refinery as well a detailed description of the Emergency Plans set out by the Company, their effectiveness displayed by the absence of environmental incidents / accidents, are available through the Company's website [www.moh.gr](http://www.moh.gr) at the particular option Environment & Society / Environment and Sustainable Development / EMAS Environmental

Statements. MOTOR OIL is registered in the European System of Eco-Management and Audit Scheme while its Refinery is registered in the Hellenic Register of EMAS Registered Organizations.

The triple combination of certifications, ISO 14001:2015 & EMAS (for the environment) and ISO 9001:2015 (for quality), is of the utmost importance and is only met in a handful of European refineries such high level of complexity similar to that of the Refinery of MOTOR OIL.

MOTOR OIL is also committed to incorporate Health & Safety requirements in its planning, decision making and Refinery operation always considering all stakeholders.

Within the context of this commitment, the Health & Safety Management of the Refinery was revised thoroughly and certified by Bureau Veritas Certification (BV Cert.) according to the international standard OHSAS 18001:2007 in December 2008. This certification initially had a three-year validity. In December 2011 the OHSAS 18001:2007 was recertified with validity until December 2014 when it was recertified with validity until December 2017.

In December 2017 the validity of the OHSAS 18001:2007 certificate of the Company was extended until December 2020.

Moreover, in November 2017 the Management System for Private Security operations of the Refinery was certified by Bureau Veritas Certification (B V Cert.) according to the standard ISO 18788:2015 with validity until November 2020.

This standard sets the requirements and provides the guidelines for organizations conducting or contracting security operations. It stipulates a business and risk management framework for the effective conduct of security operations. The purpose is to improve and demonstrate consistent and predictable security operations maintaining the safety and security within a framework that aims to safeguard the respect for human rights, national and international laws and fundamental freedoms.

The above presuppose the utilisation of tactics, techniques, procedures, training and equipment in such a way so as to attain the operational as well as the risk management objectives.

Since 2002 MOTOR OIL compiles each year a Sustainability Report which describes in detail, through representative to the refining sector indices and measurements and other nonfinancial data, all activities of the Group relating to its commitment to the Environment, Health & Safety and Employees. These Sustainability Reports also provide an analysis regarding the allocation of the Social Product among selected stakeholder groups: Personnel, State, Shareholders, Banks, Suppliers (not including suppliers of crude oil, other raw materials and finished products), Society at large (donations and sponsorships) as well as expenditure for Health & Safety and the Environment, insurance premium for Company installations and premises, repairs and preventive maintenance. The Sustainability Reports are available through the Company website [www.moh.gr](http://www.moh.gr) at the particular option Environment & Society / Sustainability Reports.

### VIII. KEY FINANCIAL RATIOS

The key financial ratios for the **Group** and the **Company** are as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/06/2018</b>	<b>30/06/2017</b>	<b>30/06/2018</b>	<b>30/06/2017</b>
Debt to Capital Ratio  $\frac{\text{Total Borrowings}}{\text{Total Borrowings} + \text{Total Equity}}$	46.98%	56.57%	39.24%	51.74%
Net Debt to Equity Ratio  $\frac{\text{Total Borrowings}}{\text{Total Equity}}$	0.89	1.30	0.65	1.07
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/06/2018</b>	<b>30/06/2017</b>	<b>30/06/2018</b>	<b>30/06/2017</b>
Return On Assets (ROA)  $\frac{\text{Net Profits after Tax}}{\text{Total Assets}}$	4.77%	4.38%	5.57%	5.50%
Return On Equity (ROE)  $\frac{\text{Net Profits after Tax}}{\text{Total Equity}}$	14.18%	14.31%	15.12%	16.37%
Return On Invested Capital (ROIC)  $\frac{\text{Net Profits After Tax} + \text{Finance Costs}}{\text{Total Net Borrowings} + \text{Total Equity} + \text{Provisions}}$	12.94%	13.15%	16.89%	17.74%



## IX. RELATED PARTY TRANSACTIONS

The transactions between the Company and its subsidiaries have been eliminated on consolidation. Details regarding the transactions of the Company, its subsidiaries and the related parties disclosed as associates are presented hereunder:

<b>GROUP</b>					
<u>Amounts in thousand Euro</u>	Sales of products and services	Other expenses	Dividends	Receivables	Payables
<b><u>Associates:</u></b>					
SEKAVIN	46,799	244	0	6,386	2
EAKAA, S.A,					
AIR LIFT	18	9		27	
KORINTHOS POWER S.A,	283			122	
RAPL,		191			43
M & M				1	32
SHELL-MOH AVIATION	100,037	242		32,898	9
ALL SPORTS	20	12		11	12
NUR-MOH					
<b>Total</b>	<b><u>147,157</u></b>	<b><u>698</u></b>	<b><u>0</u></b>	<b><u>39,445</u></b>	<b><u>98</u></b>

<b>COMPANY</b>					
<u>Amounts in thousand Euro</u>	Sales of products and services	Other expenses	Dividends	Receivables	Payables
<b><u>Subsidiaries:</u></b>					
AVIN OIL A.V.E.N.E.P	185,933	28,178		16,516	3,886
ELECTROPARAGOI SOUSSAKI S.A	1			0	0
OFC AVIATION FUEL SERVICES			666	73	
CORAL INNOVATIONS	20			12	
CORAL PRODUCTS & TRADING	27,780	62		7,939	
LPC	12,133	3,089		4,696	1,265
MAKREON S.A	30	14		24	0
CORAL A.E,	265,562	7,078		18,054	2,027
MYRTEA	24	0		14	
ERMIS	60	1		35	
CORAL GAS	32,823	0		4,766	
MOTOR OIL FINANCE PLC		6,684		0	382,997
IREON INVESTMENTS		1			56
KEPED		0			0
ENDIALE		1			1
CYTOP	11			6	
DMCC	120,647	0		18,702	
MOTOR OIL TRADING	1,719	12		0	
B,F,S, A,E,	14	870		2	26
CORINTHIAN OIL LTD	141,651	126,731		278	63,455
CORAL ENERGY CYPRUS	36			30	
CORAL SERBIA DOO BEOGRAD	12			6	
AVIN AKINHTA		50			50
<b>Total</b>	<b><u>788,456</u></b>	<b><u>172,771</u></b>	<b><u>666</u></b>	<b><u>71,153</u></b>	<b><u>453,763</u></b>
<b><u>Associates:</u></b>					
SEKAVIN	46,796	244	0	6,385	2
EAKAA, S.A,			0		
KORINTHOS POWER S.A	283			121	
SHELL-MOH AVIATION	97,831	242		32,473	
AIR LIFT SA		9			0
M & M					
NUR-MOH	-			0	0
<b>Total</b>	<b><u>144,910</u></b>	<b><u>495</u></b>	<b><u>0</u></b>	<b><u>38,979</u></b>	<b><u>2</u></b>
<b>Grand Total</b>	<b><u>933,366</u></b>	<b><u>173,266</u></b>	<b><u>666</u></b>	<b><u>110,132</u></b>	<b><u>453,765</u></b>

Sales of goods to related parties were made on an arm's length basis. The amounts outstanding will be settled in cash.

No provision has been made for doubtful debts in respect of the amounts due from related parties.

### **Remuneration of Key Management Personnel**

The remuneration of the key management personnel of the **Group**, for the period 1/1–30/6/2018 and 1/1 - 30/06/2017 amounted to Euro 4,155 thousand and Euro 3,834 thousand respectively (**Company**: 1/1 - 30/06/2018: Euro 1,365 thousand, 1/1 - 30/06/2017: Euro 991 thousand).

The Board of Directors' fees are proposed by the management and are approved by the Annual General Assembly of Company shareholders.

Other short term benefits granted to the top management of the **Group** amounted to Euro 193 thousand for the period 1/1 - 30/06/2018 and to Euro 173 thousand for the period 1/1 – 30/06/2017 (**Company**: 1/1 - 30/06/2018: Euro 32 thousand, 1/1 – 30/06/2017: Euro 35 thousand)

There are no leaving indemnities paid to key management for the Group and the Company for the period 1/1-30/6/2018 as well as for the comparative last year period.

### **Directors' Transactions**

There are no other transactions, receivables and/or payables among Group companies and key management personnel.

Maroussi, 28 August 2018

**THE CHAIRMAN OF THE BoD &  
MANAGING DIRECTOR**

VARDIS J. VARDINOYANNIS

**THE VICE CHAIRMAN**

JOHN V. VARDINOYANNIS

**THE DEPUTY MANAGING DIRECTORS**

JOHN N. KOSMADAKIS

PETROS T. TZANNETAKIS

**THE MEMBERS OF THE BoD**

NIKOS TH. VARDINOYANNIS

GEORGE P. ALEXANDRIDIS

MICHAEL – MATHEOS J. STIAKAKIS

THEOFANIS CHR. VOUTSARAS

NIKI D. STOUFFI

ANASTASIOS – ELIAS CHR. TRIANDAPHYLLIDIS

ANTONIOS TH. THEOHARIS

PANAYOTIS J. CONSTANTARAS



**G.E.MI. 272801000**  
**Prefecture of Attica Registration Nr 1482/06/B/86/26**  
**Headquarters: Irodou Attikou 12<sup>A</sup> – 151 24 Maroussi Attica**

# **INTERIM CONDENSED FINANCIAL STATEMENTS**

**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS  
THAT HAVE BEEN ADOPTED BY THE EUROPEAN UNION**

**FOR THE PERIOD 1 JANUARY – 30 JUNE 2018**

**FOR THE GROUP AND THE COMPANY**

**“MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.”**

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*The financial statements of the Group and the Company, set out on pages 1 to 34, were approved at the Board of Directors' Meeting dated Tuesday 28 August 2018.*

**THE CHAIRMAN OF THE  
BOARD OF DIRECTORS AND  
MANAGING DIRECTOR**

**THE DEPUTY MANAGING  
DIRECTOR AND CHIEF  
FINANCIAL OFFICER**

**THE CHIEF ACCOUNTANT**

**VARDIS J. VARDINOYANNIS**

**PETROS T. TZANNETAKIS**

**THEODOROS N. PORFIRIS**

## *Condensed Statement of Profit or Loss and other Comprehensive Income for the period ended 30<sup>th</sup> June 2018*

Period 1/1 – 30/6/2018

		<u>GROUP</u>		<u>COMPANY</u>	
	<u>Note</u>	<u>1/1-30/6/2018</u>	<u>1/1-30-/6/2017</u>	<u>1/1-30/6/2018</u>	<u>1/1-30/6/2017</u>
<i>In 000's Euros (except for "earnings per share")</i>					
<b>Operating results</b>					
Revenue	4	4,420,319	3,743,346	3,356,290	2,748,167
Cost of Sales	5	(4,053,176)	(3,365,314)	(3,130,140)	(2,492,594)
<b>Gross profit</b>		<b>367,143</b>	<b>378,032</b>	<b>226,150</b>	<b>255,573</b>
Distribution expenses		(102,957)	(103,440)	(10,854)	(13,214)
Administrative expenses		(35,886)	(34,069)	(17,654)	(18,115)
Other operating income / (expenses)		8,217	(19,383)	8,100	(15,797)
<b>Profit from operations</b>		<b>236,517</b>	<b>221,140</b>	<b>205,742</b>	<b>208,447</b>
Investment income		2,983	1,198	3,355	1,572
Share of profit / (loss) in associates		(1,335)	3,719	0	0
Finance costs		(24,415)	(48,143)	(13,378)	(35,906)
<b>Profit / (loss) before tax</b>		<b>213,750</b>	<b>177,914</b>	<b>195,719</b>	<b>174,113</b>
Income taxes	6	(65,800)	(52,831)	(58,406)	(50,953)
<b>Profit / (loss) after tax</b>		<b>147,950</b>	<b>125,083</b>	<b>137,313</b>	<b>123,160</b>
<b>Attributable to Company Shareholders</b>		<b>148,759</b>	<b>126,515</b>	<b>137,313</b>	<b>123,160</b>
<b>Non-controlling interest</b>		<b>(809)</b>	<b>(1,432)</b>	<b>0</b>	<b>0</b>
<b>Earnings per share basic and diluted (in Euro)</b>	7	<b>1.34</b>	<b>1.14</b>	<b>1.24</b>	<b>1.11</b>
<b>Other comprehensive income</b>					
Subsidiary Share Capital increase expenses		0	(25)	0	0
Exchange differences on translating foreign operations		211	(412)	0	0
Income tax on other comprehensive income		0	7	0	0
<b>Total comprehensive income</b>		<b>148,161</b>	<b>124,653</b>	<b>137,313</b>	<b>123,160</b>
<b>Attributable to Company Shareholders</b>		<b>148,904</b>	<b>126,210</b>	<b>137,313</b>	<b>123,160</b>
<b>Non-controlling interest</b>		<b>(743)</b>	<b>(1,557)</b>	<b>0</b>	<b>0</b>

The notes on pages 8-34 are an integral part of these interim condensed Financial Statements of the Company and the Group.

## *Condensed Statement of Profit or Loss and other Comprehensive Income*

*for the period ended 30th June 2018*

<u>Period 1/4 – 30/6/2018</u>	<u>GROUP</u>		<u>COMPANY</u>	
<u>In 000's Euros (except for "earnings per share")</u>	<u>1/4-30/6/2018</u>	<u>1/4-30/6/2017</u>	<u>1/4-30/6/2018</u>	<u>1/4-30/6/2017</u>
<b>Operating results</b>				
Revenue	2,376,240	1,903,692	1,833,332	1,406,926
Cost of Sales	(2,140,306)	(1,735,666)	(1,677,621)	(1,301,888)
<b>Gross profit</b>	<b>235,934</b>	<b>168,026</b>	<b>155,711</b>	<b>105,038</b>
Distribution expenses	(52,457)	(52,732)	(4,336)	(5,527)
Administrative expenses	(19,039)	(18,984)	(9,046)	(10,073)
Other operating income / (expenses)	1,108	(18,607)	1,296	(17,774)
<b>Profit from operations</b>	<b>165,546</b>	<b>77,703</b>	<b>143,625</b>	<b>71,664</b>
Investment income	1,382	689	2,059	1,131
Share of profit / (loss) in associates	(455)	2,411	0	0
Finance costs	(11,410)	(29,690)	(5,586)	(23,535)
<b>Profit / (loss) before tax</b>	<b>155,063</b>	<b>51,113</b>	<b>140,098</b>	<b>49,260</b>
Income taxes	(47,718)	(15,319)	(41,987)	(14,457)
<b>Profit / (loss) after tax</b>	<b>107,345</b>	<b>35,794</b>	<b>98,111</b>	<b>34,803</b>
<b>Attributable to Company Shareholders</b>	<b>107,749</b>	<b>36,191</b>	<b>98,111</b>	<b>34,803</b>
<b>Non-controlling interest</b>	<b>(404)</b>	<b>(397)</b>	<b>0</b>	<b>0</b>
<b>Earnings / (losses) per share basic and diluted (in Euro)</b>	<b>0.97</b>	<b>0.33</b>	<b>0.89</b>	<b>0.31</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified in the results:</b>				
Subsidiary Share Capital increase expenses	0	(5)	0	0
Exchange differences on translating foreign operations	460	(325)	0	0
Income tax on other comprehensive income	0	1	0	0
	<b>460</b>	<b>(329)</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>107,805</b>	<b>35,465</b>	<b>98,111</b>	<b>34,803</b>
<b>Attributable to Company Shareholders</b>	<b>108,063</b>	<b>35,962</b>	<b>98,111</b>	<b>34,803</b>
<b>Non-controlling interest</b>	<b>(258)</b>	<b>(497)</b>	<b>0</b>	<b>0</b>

The notes on pages 8-34 are an integral part of these interim condensed Financial Statements of the Company and the Group.

**Condensed Statement of Financial Position as at 30<sup>th</sup> June 2018**

<i>(In 000's Euros)</i>	<u>Note</u>	<u>GROUP</u>		<u>COMPANY</u>	
		<u>30/6/2018</u>	<u>31/12/2017</u>	<u>30/6/2018</u>	<u>31/12/2017</u>
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill	9	19,772	19,772	0	0
Other intangible assets	10	20,237	22,015	817	718
Property, Plant and Equipment	11	1,022,087	1,023,031	673,289	679,765
Investments in subsidiaries and associates	12	45,563	48,707	194,127	194,115
Other financial assets	13	1,501	1,001	937	937
Other non-current assets		32,205	33,680	2,601	2,101
<b>Total</b>		<b>1,141,365</b>	<b>1,148,206</b>	<b>871,771</b>	<b>877,636</b>
<b>Current assets</b>					
Inventories		717,266	635,541	567,532	498,763
Trade and other receivables		481,714	397,375	348,452	251,815
Cash and cash equivalents		758,368	714,026	678,057	638,815
<b>Total</b>		<b>1,957,348</b>	<b>1,746,942</b>	<b>1,594,041</b>	<b>1,389,393</b>
<b>Total Assets</b>		<b>3,098,713</b>	<b>2,895,148</b>	<b>2,465,812</b>	<b>2,267,029</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	14	784,997	805,648	544,884	583,683
Provision for retirement benefit obligation		67,577	65,677	52,720	50,904
Deferred tax liabilities		63,870	71,944	46,873	50,386
Other non-current liabilities		16,657	21,812	5,000	10,000
Other non-current provisions		2,039	2,078	0	0
Deferred income		4,844	4,845	4,844	4,845
<b>Total</b>		<b>939,984</b>	<b>972,004</b>	<b>654,321</b>	<b>699,818</b>
<b>Current liabilities</b>					
Trade and other payables		888,474	694,619	780,035	581,682
Provision for retirement benefit obligation		2,183	2,385	2,133	2,335
Income taxes		83,909	17,783	78,515	16,608
Borrowings	14	139,620	188,417	41,732	83,692
Deferred income		938	1,057	938	1,057
<b>Total</b>		<b>1,115,124</b>	<b>904,261</b>	<b>903,353</b>	<b>685,374</b>
<b>Total Liabilities</b>		<b>2,055,108</b>	<b>1,876,265</b>	<b>1,557,674</b>	<b>1,385,192</b>
<b>Equity</b>					
Share capital	15	83,088	83,088	83,088	83,088
Reserves	16	85,196	84,500	54,559	54,559
Retained earnings	17	869,230	844,303	770,491	744,190
<b>Equity attributable to Company Shareholders</b>		<b>1,037,514</b>	<b>1,011,891</b>	<b>908,138</b>	<b>881,837</b>
<b>Non-controlling interest</b>		<b>6,091</b>	<b>6,992</b>	<b>0</b>	<b>0</b>
<b>Total Equity</b>		<b>1,043,605</b>	<b>1,018,883</b>	<b>908,138</b>	<b>881,837</b>
<b>Total Equity and Liabilities</b>		<b>3,098,713</b>	<b>2,895,148</b>	<b>2,465,812</b>	<b>2,267,029</b>

The notes on pages 8-34 are an integral part of these interim condensed Financial Statements of the Company and the Group.



## Condensed Statement of Changes in Equity for the period ended 30<sup>th</sup> June 2018

### GROUP

<i>(In 000's Euros)</i>	<u>Share Capital</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total</u>
<b>Balance as at 1 January 2017</b>	<b>83,088</b>	<b>79,888</b>	<b>658,963</b>	<b>821,939</b>	<b>2,121</b>	<b>824,060</b>
Profit/(loss) for the period	0	0	126,515	126,515	(1,432)	125,083
Other comprehensive income for the period	0	0	(305)	(305)	(125)	(430)
Total comprehensive income for the period	0	0	126,210	126,210	(1,557)	124,653
Non-controlling interest arising on the acquisition of subsidiary	0	0	(2,365)	(2,365)	5,516	3,151
Transfer to Reserves	0	541	(541)	0	0	0
Dividends	0	0	(77,548)	(77,548)	(116)	(77,664)
<b>Balance as at 30 June 2017</b>	<b>83,088</b>	<b>80,429</b>	<b>704,719</b>	<b>868,236</b>	<b>5,964</b>	<b>874,200</b>
<b>Balance as at 1 January 2018</b>	<b>83,088</b>	<b>84,500</b>	<b>844,303</b>	<b>1,011,891</b>	<b>6,992</b>	<b>1,018,883</b>
Effect of change in accounting policies (adoption of IFRS 9) (note 2a)	0	0	(12,536)	(12,536)	0	(12,536)
<b>Adjusted balance as at 1 January 2018</b>	<b>83,088</b>	<b>84,500</b>	<b>831,767</b>	<b>999,355</b>	<b>6,992</b>	<b>1,006,347</b>
Profit/(loss) for the period	0	0	148,759	148,759	(809)	147,950
Other comprehensive income for the period	0	0	145	145	66	211
Total comprehensive income for the period	0	0	148,904	148,904	(743)	148,161
Increase in Subsidiary's Share Capital	0	0	0	0	1	1
Acquisition of Subsidiary's Minority Interest	0	0	38	38	(44)	(6)
Transfer to Reserves	0	696	(696)	0	0	0
Dividends	0	0	(110,783)	(110,783)	(115)	(110,898)
<b>Balance as at 30 June 2018</b>	<b>83,088</b>	<b>85,196</b>	<b>869,230</b>	<b>1,037,514</b>	<b>6,091</b>	<b>1,043,605</b>

### COMPANY

<i>(In 000's Euros)</i>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance as at 1 January 2017</b>	<b>83,088</b>	<b>51,268</b>	<b>572,319</b>	<b>706,675</b>
Profit/(loss) for the period	0	0	123,160	123,160
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	0	0	123,160	123,160
Transfer to Reserves	0	876	(876)	0
Dividends	0	0	(77,548)	(77,548)
<b>Balance as at 30 June 2017</b>	<b>83,088</b>	<b>52,144</b>	<b>617,055</b>	<b>752,287</b>
<b>Balance as at 1 January 2018</b>	<b>83,088</b>	<b>54,559</b>	<b>744,190</b>	<b>881,837</b>
Effect of change in accounting policies (adoption of IFRS 9) (note 2a)	0	0	(229)	(229)
<b>Adjusted balance as at 1 January 2018</b>	<b>83,088</b>	<b>54,559</b>	<b>743,961</b>	<b>881,608</b>
Profit/(loss) for the period	0	0	137,313	137,313
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	0	0	137,313	137,313
Dividends	0	0	(110,783)	(110,783)
<b>Balance as at 30 June 2018</b>	<b>83,088</b>	<b>54,559</b>	<b>770,491</b>	<b>908,138</b>

The notes on pages 8-34 are an integral part of these interim condensed Financial Statements of the Company and the Group.

## Condensed Statement of Cash Flows for the period ended 30<sup>th</sup> June 2018

*(In 000's Euros)*

		<u>GROUP</u>		<u>COMPANY</u>	
	<u>Note</u>	<u>1/1 – 30/6/2018</u>	<u>1/1 – 30/6/2017</u>	<u>1/1 – 30/6/2018</u>	<u>1/1 – 30/6/2017</u>
<b><u>Operating activities</u></b>					
<b>Profit before tax</b>		213,750	177,914	195,719	174,113
<b>Adjustments for:</b>					
Depreciation & amortization of non-current assets	10,11	50,506	51,960	36,989	38,520
Provisions		229	2,846	1,613	1,155
Exchange differences		4,845	(6,051)	4,373	(5,762)
Investment income / (expenses)		(1,550)	(2,975)	(3,659)	(1,858)
Finance costs		24,415	48,143	13,378	35,906
<b>Movements in working capital:</b>					
Decrease / (increase) in inventories		(81,725)	74,260	(68,769)	80,724
Decrease / (increase) in receivables		(99,837)	1,788	(97,113)	30,744
(Decrease) / increase in payables (excluding borrowings)		77,268	(152,098)	83,372	(160,637)
<b>Less:</b>					
Finance costs paid		(23,460)	(46,561)	(14,332)	(34,951)
Taxes paid		0	(13,338)	0	(13,338)
<b>Net cash (used in) / from operating activities (a)</b>		<b>164,441</b>	<b>135,888</b>	<b>151,571</b>	<b>144,616</b>
<b><u>Investing activities</u></b>					
Acquisition of subsidiaries, affiliates, joint-ventures and other investments		0	(6,014)	(12)	(5,850)
Purchase of tangible and intangible assets *		(47,870)	(37,277)	(30,612)	(23,471)
Proceeds on disposal of tangible and intangible assets		72	140	0	110
Interest received		2,575	592	2,519	526
Dividends received		0	102	666	767
<b>Net cash (used in) / from investing activities (b)</b>		<b>(45,223)</b>	<b>(42,457)</b>	<b>(27,439)</b>	<b>(27,918)</b>
<b><u>Financing activities</u></b>					
Proceeds from borrowings		177,358	622,089	53,347	604,428
Repayments of borrowings		(252,117)	(662,243)	(138,237)	(649,659)
Repayments of finance leases		(2)	(39)	0	(38)
Dividends Paid		(115)	(116)	0	0
<b>Net cash (used in) / from financing activities (c)</b>		<b>(74,876)</b>	<b>(40,309)</b>	<b>(84,890)</b>	<b>(45,269)</b>
<b>Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)</b>		<b>44,342</b>	<b>53,122</b>	<b>39,242</b>	<b>71,429</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>714,026</b>	<b>800,285</b>	<b>638,815</b>	<b>688,735</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>758,368</b>	<b>853,407</b>	<b>678,057</b>	<b>760,164</b>

The notes on pages 8-34 are an integral part of these interim condensed Financial Statements of the Company and the Group.

## ***Notes to the Condensed Financial Statements***

### **1. General Information**

The parent company of the MOTOR OIL Group (the Group) is the entity under the trade name “Motor Oil (Hellas) Corinth Refineries S.A.” (the Company), which is registered in Greece as a public company (Societe Anonyme) according to the provisions of Company Law 2190/1920, with headquarters in Maroussi of Attica, 12A Irodou Attikou street, 151 24. The Group operates in the oil sector with its main activities being oil refining and oil products trading.

Major shareholders of the Company are “Petroventure Holdings Limited” holding 40% and “Doson Investments Company” holding 5.9%.

These financial statements are presented in Euro because that is the currency of the primary economic environment in which the Group operates. Amounts in these financial statements are expressed in € 000’s unless otherwise indicated. Any difference up to €1,000 is due to rounding.

As at 30 June 2018 the number of employees, for the Group and the Company, was 2,162 and 1,251 respectively (30/6/2017: Group: 2,153 persons, Company: 1,228 persons).

### **2. Adoption of new and revised International Financial Reporting Standards (IFRSs)**

The interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, ‘*Interim financial reporting*’ and should be read in combination with the 2017 annual financial statements.

The interim condensed financial statements have been prepared on the historical cost basis.

The accounting policies adopted in these condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2017 except for the following: a) Changes in accounting policies due to the new impairment rules based on IFRS 9 and b) adoption of new standards, amendment to existing standards and interpretations.

#### **a) Changes in accounting policies**

This note explains the impact of the adoption of IFRS 9 “Financial Instruments” on the group’s financial statements and discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

##### **Impact on Financial Statements**

As a result of the changes in the entity’s accounting policies, opening equity in financial statements had to be restated. As explained below, IFRS 9 was adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the number provided.

**Notes to the Condensed Financial Statements (continued)**
**2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)**

The adjustments of the Group and the Company's accounting figures because of the adoption of new and revised IFRSs, are pictured in the following table:

	<b>GROUP</b>		
<b>Statement of Financial Position</b>	<b><u>31/12/2017</u></b>	<b><u>IFRS 9</u></b>	<b><u>01/01/2018</u></b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Available for Sale Investments	1,001	(1,001)	0
Financial assets at Fair value through Other Comprehensive Income	0	1,501	1,501
<b>Total</b>	<b>1,148,206</b>	<b>500</b>	<b>1,148,706</b>
<b>Current assets</b>			
Trade and other receivables	397,375	(18,112)	379,263
<b>Total</b>	<b>1,746,942</b>	<b>(18,112)</b>	<b>1,728,830</b>
<b>Total Assets</b>	<b>2,895,148</b>	<b>(17,612)</b>	<b>2,877,536</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	71,944	(5,076)	66,868
<b>Total</b>	<b>972,004</b>	<b>(5,076)</b>	<b>966,928</b>
<b>Total Liabilities</b>	<b>1,876,265</b>	<b>(5,076)</b>	<b>1,871,189</b>
<b>Equity</b>			
Retained earnings	844,303	(12,536)	831,767
<b>Equity attributable to Company Shareholders</b>	<b>1,011,891</b>	<b>(12,536)</b>	<b>999,355</b>
<b>Total Equity</b>	<b>1,018,883</b>	<b>(12,536)</b>	<b>1,006,347</b>
<b>Total Equity and Liabilities</b>	<b>2,895,148</b>	<b>(17,612)</b>	<b>2,877,536</b>

	<b>COMPANY</b>		
<b>Statement of Financial Position</b>	<b><u>31/12/2017</u></b>	<b><u>IFRS 9</u></b>	<b><u>01/01/2018</u></b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Available for Sale Investments	937	(937)	0
Financial assets at Fair value through Other Comprehensive Income	0	937	937
<b>Total</b>	<b>877,636</b>	<b>0</b>	<b>877,636</b>
<b>Current assets</b>			
Trade and other receivables	251,815	(322)	251,493
<b>Total</b>	<b>1,389,393</b>	<b>(322)</b>	<b>1,389,071</b>
<b>Total Assets</b>	<b>2,267,029</b>	<b>(322)</b>	<b>2,266,707</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	50,386	(93)	50,293
<b>Total</b>	<b>699,818</b>	<b>(93)</b>	<b>699,725</b>
<b>Total Liabilities</b>	<b>1,385,192</b>	<b>(93)</b>	<b>1,385,099</b>
<b>Equity</b>			
Retained earnings	744,190	(229)	743,961
<b>Equity attributable to Company Shareholders</b>	<b>881,837</b>	<b>(229)</b>	<b>881,608</b>
<b>Total Equity</b>	<b>881,837</b>	<b>(229)</b>	<b>881,608</b>
<b>Total Equity and Liabilities</b>	<b>2,267,029</b>	<b>(322)</b>	<b>2,266,707</b>

## **2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **IFRS 9 Financial Instruments – Impact of adoption**

#### **A) IFRS 9 Changes**

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities.

In particular, IFRS 9 provides the following for the Classification and Measurement of Financial Assets:

#### **Classification of Financial Assets**

IFRS 9 introduces a comprehensive classification model based on which the financial assets are classified into three categories:

- Financial assets at Amortized Cost
- Financial Assets at Fair Value through Other Comprehensive Income (“FVTOCI”)
- Financial Assets at Fair Value through Profit or Loss (“FVTPL”)

Financial assets that give rise to cash flows, consisting only of payments of principal and interest, are classified by considering the business model for holding these instruments. Financial assets that are held in a business model with the objective to hold them until maturity and collect the contractual cash flows, are measured at amortized cost. If the business model comprises the intention to hold the financial assets to collect the contractual cash flows but expects to sell these financial assets when this is necessary (e.g. to fulfill a specific need for liquidity), then these instruments are measured at FVTOCI.

Financial assets that contain cash flows other than those of principal and interest, such as interests in money-market funds or derivatives including separated embedded derivatives, are measured at FVTPL. However, especially for equity instruments, IFRS 9 optionally allows their measurement at FVTOCI.

#### **Measurement of Impairment of Financial Assets**

IFRS 9 introduces the expected credit loss (“ECL”) approach to be applied on all financial assets at Amortized Cost or at FVTOCI (with the exception of equity securities). Whereas under IAS 39, only incurred losses should be recognized as impairment of financial assets, under the ECL approach, estimation of the future credit losses should be performed, using three stages, as follow:

**Stage 1:** Measurement of the ECL for the next twelve months. It includes all financial assets with no significant increase in credit risk since initial recognition and it usually entails financial assets with ageing lower than 30 days past due date. The portion of the lifetime expected credit losses resulting from default events possible within the next 12 months is recognized.

**Stage 2:** Measurement of ECL over the lifetime – not credit impaired. If a financial asset has a significant increase in credit risk since initial recognition but is not yet credit impaired, it is classified at Stage 2 and measured at lifetime expected credit loss, which is defined as the expected credit loss that results from all possible default events over its expected life.

**Notes to the Condensed Financial Statements (continued)**
**2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)**

**Stage 3:** Measurement of ECL over the lifetime – credit impaired. If a financial asset is defined as credit impaired, it is transferred to Stage 3 and measured at lifetime expected credit loss. Objective evidence for a credit-impaired financial asset includes ageing more than 90 days past due and other information about significant financial difficulties of the borrower.

**B) Adoption of IFRS 9 by the Group and the Company**

The adoption of IFRS 9 by the Group and the Company since 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. Therefore:

- i. Any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the difference recognised in opening retained earnings,
- ii. Financial assets are not reclassified in the statement of financial position for the comparative period,
- iii. Provisions for impairment of financial assets have not been restated in the comparative period.

On that ground, the total impact on the **Group's** and the **Company's** retained earnings as at 1 January 2018 is as follows:

<i>Amounts in thousand Euros</i>	<b>GROUP</b>	<b>COMPANY</b>
<b>Closing retained earnings as at 31 December 2017</b>	<b>844,303</b>	<b>744,190</b>
Increase in allowance for doubtful debts of trade and other receivables	(17,612)	(322)
Decrease of deferred tax liabilities	5,076	93
<b>Opening retained earnings 1 January 2018 - IFRS 9</b>	<b>831,767</b>	<b>743,961</b>

Given that IFRS 9 was adopted without restating comparative information, the reclassifications and the adjustments arising from the IFRS 9 provisions, are not reflected in a restated statement of financial position as at 31 December 2017, but are recognized in the opening balances of the financial assets for the period starting as at 1 January 2018.

In detail, the effect in the Financial Assets of the Group and the Company, as of 1 January 2018, is presented by the following table:

<b>GROUP</b> <i>Amounts in thousand Euros</i>	<b>31 Dec 2017</b> <b>Carrying amount according to IAS 39</b>	<b>Reclassification effects</b>	<b>Remeasurement effects</b>	<b>1 Jan 2018</b> <b>Carrying amount according to IFRS 9</b>
Investments Available for Sale	1.001	(1.001)	0	<b>0</b>
Financial assets at Fair value through Other Comprehensive Income	0	1.501	0	<b>1.501</b>
Trade & other receivables	397.375	(500)	(17.612)	<b>379.263</b>

**Notes to the Condensed Financial Statements (continued)**
**2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)**

<i>COMPANY</i> <i>Amounts in thousand Euros</i>	<b>31 Dec 2017 Carrying amount according to IAS 39</b>	<b>Reclassification effects</b>	<b>Remeasurement effects</b>	<b>1 Jan 2018 Carrying amount according to IFRS 9</b>
Investments Available for Sale	937	(937)	0	<b>0</b>
Financial assets at Fair value through Other Comprehensive Income	0	937	0	<b>937</b>
Trade & other receivables	251.815	0	(322)	<b>251.493</b>

Unlisted equity securities have been reclassified from "Investments Available for Sale" to FVTOCI, as the Group and the Company have irrevocably elected to classify them at transition date to this category. In compliance with IFRS 9, the Group and the Company consider that the cost of these unquoted equity instruments represents an appropriate estimation of their fair value.

**Measurement of Impairment of financial assets**

The Group and the Company has one type of financial assets that is subject to the IFRS 9 ECL approach: "Trade and other receivables".

The Group and the Company apply the IFRS 9 simplified model to estimate the ECL of trade and other receivables, classifying them either at Stage 2 or at Stage 3 and measuring lifetime ECL.

To measure the ECL, the trade and other receivables have been grouped based on their credit risk characteristics and their ageing (days past due) at the reporting date. This measurement is based on specific credit risk metrics (i.e. probability of default, loss given default), which are calculated based on historical data, existing market conditions as well as forward looking estimates at the end of each reporting period.

The allowance for doubtful debts of trade and other receivables as at 31 December 2017, reconcile to the opening allowance on 1 January 2018, as follows:

<i>Amounts in thousand Euros</i>	<b>Group</b>	<b>Company</b>
Allowance for doubtful debts as of 31 December 2017 (under IAS 39)	65.376	0
Additional impairment losses at transition date (under IFRS 9)	17.612	322
<b>Allowance for doubtful debts as of 1 January 2018 (under IFRS 9)</b>	<b>82.988</b>	<b>322</b>



## **2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **New Standards and Amendments to Standards effective for periods beginning on or after January 1<sup>st</sup> 2017**

#### **IAS 12 (Amendment) “Recognition of Deferred Tax Assets for Unrealised Losses”**

Amends IAS 12 Income Taxes in order to clarify that unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. The carrying amount of an asset does not limit the estimation of probable future taxable profits and estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type. The amendment has been endorsed by the EU in November 2017 and is estimated that it will not have a significant impact in the Financial statements of the Group and the Company.

#### **IAS 7 (Amendment) “Disclosure Initiative”**

Amends IAS 7 Statement of Cash Flows in order to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendment has been endorsed by the EU in November 2017 and is estimated that it will not have a significant impact in the Financial statements of the Group and the Company.

### **New Standards effective for periods beginning on or after January 1<sup>st</sup> 2018**

#### **IFRS 15 “Revenue from Contracts with Customers”**

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows: Identify the contract with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contracts, recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The standard has been endorsed by the European Union and is estimated that it will not have a significant impact in the Financial statements of the Group and the Company.

#### **IFRS 15 (Amendment) “Revenue from Contracts with Customers”**

Clarifications to IFRS 15 amend three areas and specifically regard changes that clarify the application of the concept of ‘distinct’ in the context of performance obligations identification, changes that clarify the application of the principal of ‘control’ in making the determination of whether an entity is acting as principal or agent and changes that assist in determining whether an entity’s activities ‘significantly affect’ intellectual property during the period for which it has been licensed to a customer. The amendment has been endorsed by the EU in October 2017 and is estimated that it will not have a significant impact in the Financial statements of the Group and the Company.

#### **IFRS 9 “Financial Instruments”**

IFRS 9 is the first Phase of the Board’s project to replace IAS 39 and deals with: the classification and measurement of financial assets and financial liabilities, impairment of financial assets, hedge accounting, derecognition of financial assets and liabilities. The standard has been adopted by EU.



## **2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **IFRS 9 “Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39”**

The IASB has published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity’s debt attributable to changes in an entity’s own credit risk to be recognised in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have been endorsed by the EU.

### **IFRS 4 (Amendment) “Applying IFRS 9 ‘Financial Instruments’ with IFRS 4 ‘Insurance Contracts”**

Amends IFRS 4 ‘Insurance Contracts’ to provide two options for entities that issue insurance contracts within the scope of IFRS 4: a) an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach; b) an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date. The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied. Overlay approach to be applied when IFRS 9 is first applied. The amendment is has been endorsed by the EU in November 2017 and is estimated that it will have no impact in the Financial statements of the Group and the Company.

### **IFRS 2 (Amendment) “Classification and Measurement of Share-based Payment Transactions”**

Amends IFRS 2 to clarify the classification and measurement of share-based payment transactions with respect to a) the accounting for cash-settled share-based payment transactions that include a performance condition; b) the classification of share-based payment transactions with net settlement features; and c) the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendment is has been endorsed by the EU and is estimated that it will have no impact in the Financial statements of the Group and the Company.

### **IFRIC 22 “Foreign Currency Transactions and Advance Consideration”**

The interpretation addresses foreign currency transactions or parts of transactions where i) there is consideration that is denominated or priced in a foreign currency; ii) the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and iii) the prepayment asset or deferred income liability is non-monetary. The Interpretations Committee concluded that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability and in case there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The interpretation is has been endorsed by the EU and the Group will estimate any impact of this standard in the financial statements of the Company and the Group.

### **IAS 40 (Amendment) “Investment Property”- *Transfers of Investment Property***

Amends IAS 40 Investment Property to state in paragraph 57 that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management’s intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence in paragraph 57 (a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list. The amendment is has been endorsed by the EU and is estimated that it will not have a significant impact in the Financial statements of the Group and the Company.

## **2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **New Standards effective for periods beginning on or after January 1<sup>st</sup> 2019**

#### **IFRS 16 “Leases”**

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard has been endorsed by the EU in October 2017. The Group will assess the impact of the standard in the Financial statements of the Group and the Company.

#### **IFRIC 23 “Uncertainty over Income Tax Treatments”**

The interpretation sets out how to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12 Income Taxes. The Interpretation requires an entity to a) determine whether uncertain tax positions are assessed separately or as a group; and b) assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the entity should reflect the effect of uncertainty in determining its accounting tax position. The standard is not yet endorsed for use in the EU. The Group will assess the impact of the standard in the Financial statements of the Group and the Company.

#### **IAS 28 (Amendment) “Long-term Interests in Associates and Joint Ventures”**

The amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Detailed amendments to the initial IAS text are provided. Not yet endorsed for use in the EU. The Group will assess the impact of the standard in the Financial statements of the Group and the Company.

#### **IFRS 9 (Amendment) “Prepayment Features with Negative Compensation”**

The amendment addresses concerns about how IFRS 9 Financial Instruments classifies particular prepayable financial assets. It amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. In addition, the IASB has clarified an aspect of the accounting for financial liabilities following a modification. It clarifies that an entity recognises any adjustment to the amortised cost of the financial liability arising from a modification or exchange in profit or loss at the date of the modification or exchange. The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019. The Group will assess the impact of the standard in the Financial statements of the Group and the Company.

#### **IAS 19 (Amendment) “Plan Amendment, Curtailment or Settlement”**

The Amendments to IAS 19 clarify that in case a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition Amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The amendment has not yet been endorsed by the European Union.

## **2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)**

### **Amendments to standards being part of the annual improvement program of 2017 of the IASB (International Accounting Standards Board) 2015 – 2017 Cycle.**

The following amendments describe the most important changes brought to the IFRS due to the results of the annual improvement program of the IASB published in December 2017. The amendments have not yet been endorsed by the E.U.

#### **IFRS 3 “Business Combinations” and IFRS 11 “Joint Arrangements”**

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

#### **IAS 12 “Income Taxes”**

The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises.

#### **IAS 23 “Borrowing Costs”**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

### **New Standards effective for periods beginning on or after January 1<sup>st</sup> 2021**

#### **IFRS 17 “Insurance Contracts”**

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021. The standard is not yet endorsed for use in the EU and is estimated that it will have no impact in the Financial statements of the Group and the Company.

*Notes to the Condensed Financial Statements (continued)*

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### **3. Operating Segments**

The major part of the Group's activities takes place in Greece, given that most Group Companies included in the consolidation, are based in Greece, while those having activities abroad are few with limited operations for the time being.

All operational segments fall under one of three distinct activity categories: Refinery's Activities, Sales to/from Gas Stations and Services.

Segment information is presented in the following table:

*Notes to the Condensed Financial Statements (continued)*

**3. Operating Segments (continued)**

**Statement of Comprehensive Income**

*(In 000's Euros)*

	<u>1/1-30/6/2018</u>					<u>1/1-30/6/2017</u>				
	<u>Refinery's Activities</u>	<u>Trading/ Sales to Gas Stations</u>	<u>Services</u>	<u>Eliminations/ Adjustments</u>	<u>Total</u>	<u>Refinery's Activities</u>	<u>Trading/ Sales to Gas Stations</u>	<u>Services</u>	<u>Eliminations/ Adjustments</u>	<u>Total</u>
<b>Business Operations</b>										
Sales to third parties	2,615,854	1,800,186	4,279	0	4,420,319	2,205,039	1,534,106	4,201	0	3,743,346
Inter-segment sales	785,157	294,529	1,955	(1,081,641)	0	579,981	501,475	1,639	(1,083,095)	0
<b>Total revenue</b>	<b>3,401,011</b>	<b>2,094,715</b>	<b>6,234</b>	<b>(1,081,641)</b>	<b>4,420,319</b>	<b>2,785,020</b>	<b>2,035,581</b>	<b>5,840</b>	<b>(1,083,095)</b>	<b>3,743,346</b>
Cost of Sales	(3,166,064)	(1,968,136)	(5,306)	1,086,330	(4,053,176)	(2,521,625)	(1,922,644)	(4,678)	1,083,633	(3,365,314)
<b>Gross profit</b>	<b>234,947</b>	<b>126,579</b>	<b>928</b>	<b>4,689</b>	<b>367,143</b>	<b>263,395</b>	<b>112,937</b>	<b>1,162</b>	<b>538</b>	<b>378,032</b>
Distribution expenses	(15,340)	(97,887)	(7)	10,277	(102,957)	(17,092)	(101,513)	(7)	15,172	(103,440)
Administrative expenses	(20,957)	(13,934)	(1,231)	236	(35,886)	(21,360)	(12,272)	(906)	469	(34,069)
Other operating income / (expenses)	9,105	13,140	26	(14,054)	8,217	(19,306)	18,489	16	(18,582)	(19,383)
<b>Segment result from operations</b>	<b>207,755</b>	<b>27,898</b>	<b>(284)</b>	<b>1,148</b>	<b>236,517</b>	<b>205,637</b>	<b>17,641</b>	<b>265</b>	<b>(2,403)</b>	<b>221,140</b>
Investment income	3,365	2,329	6,949	(9,660)	2,983	1,952	771	21,487	(23,012)	1,198
Share of profit / (loss) in associates	0	0	0	(1,335)	(1,335)	0	0	0	3,719	3,719
Finance costs	(13,904)	(10,770)	(6,530)	6,789	(24,415)	(36,546)	(11,775)	(21,456)	21,634	(48,143)
<b>Profit before tax</b>	<b>197,216</b>	<b>19,457</b>	<b>135</b>	<b>(3,058)</b>	<b>213,750</b>	<b>171,043</b>	<b>6,637</b>	<b>296</b>	<b>(62)</b>	<b>177,914</b>
<b>Other information</b>										
Additions attributable to acquisition of subsidiaries	0	0	0	0	0	0	13,369	0	0	13,369
Capital additions	33,882	13,970	19	(1)	47,870	38,837	11,621	1,819	0	52,277
Depreciation/amortization for the period	37,640	11,863	978	25	50,506	39,154	11,814	975	17	51,960
<b>Financial Position</b>										
<b>Assets</b>										
Segment assets (excluding investments)	2,347,050	843,229	408,201	(546,831)	3,051,649	2,115,755	767,005	372,995	(450,816)	2,804,939
Investments in subsidiaries & associates	194,310	7,823	11,320	(167,890)	45,563	191,614	33,581	9,348	(187,701)	46,842
Other financial assets	1,001	500	0	0	1,501	937	0	0	0	937
<b>Total assets</b>	<b>2,542,361</b>	<b>851,552</b>	<b>419,521</b>	<b>(714,721)</b>	<b>3,098,713</b>	<b>2,308,306</b>	<b>800,586</b>	<b>382,343</b>	<b>(638,517)</b>	<b>2,852,718</b>
<b>Liabilities</b>										
<b>Total liabilities</b>	<b>1,600,465</b>	<b>613,139</b>	<b>389,867</b>	<b>(548,363)</b>	<b>2,055,108</b>	<b>1,525,773</b>	<b>547,522</b>	<b>355,368</b>	<b>(450,145)</b>	<b>1,978,518</b>

**Notes to the Condensed Financial Statements (continued)**
**4. Revenue**

Sales revenue is analysed as follows:

<i>(In 000's Euros)</i>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1/1 – 30/6/18</u>	<u>1/1 – 30/6/17</u>	<u>1/1 – 30/6/18</u>	<u>1/1 – 30/6/17</u>
Sales of goods	4,420,319	3,743,346	3,356,290	2,748,167

The following table provides an analysis of the sales by geographical market (domestic – export) and by category of goods sold (products - merchandise - services):

**GROUP**

<i>(In 000's Euros)</i>	<u>1/1 – 30/6/18</u>				<u>1/1 – 30/6/17</u>			
<b>SALES:</b>	<b>DOMESTIC</b>	<b>BUNKERING</b>	<b>EXPORT</b>	<b>TOTAL</b>	<b>DOMESTIC</b>	<b>BUNKERING</b>	<b>EXPORT</b>	<b>TOTAL</b>
Products	574,536	232,269	2,250,298	3,057,103	497,005	174,141	1,890,031	2,561,177
Merchandise	1,128,051	102,545	128,341	1,358,937	1,040,104	60,566	77,298	1,177,968
Services	4,279	0	0	4,279	4,201	0	0	4,201
<b>Total</b>	<b>1,706,866</b>	<b>334,814</b>	<b>2,378,639</b>	<b>4,420,319</b>	<b>1,541,310</b>	<b>234,707</b>	<b>1,967,329</b>	<b>3,743,346</b>

**COMPANY**

<i>(In 000's Euros)</i>	<u>1/1 – 30/6/18</u>				<u>1/1 – 30/6/17</u>			
<b>SALES:</b>	<b>DOMESTIC</b>	<b>BUNKERING</b>	<b>EXPORT</b>	<b>TOTAL</b>	<b>DOMESTIC</b>	<b>BUNKERING</b>	<b>EXPORT</b>	<b>TOTAL</b>
Products	560,262	227,669	2,236,913	3,024,844	483,725	169,187	1,880,843	2,533,755
Merchandise	171,482	81,896	78,068	331,446	116,220	36,515	61,677	214,412
<b>Total</b>	<b>731,744</b>	<b>309,565</b>	<b>2,314,981</b>	<b>3,356,290</b>	<b>599,945</b>	<b>205,702</b>	<b>1,942,520</b>	<b>2,748,167</b>

Based on historical information of the Company and the Group, the percentage of quarterly sales volume varies from 26% to 28% on annual sales volume and thus there is no material seasonality on the total sales volume.

**5. Inventories Valuation / Cost of Sales**

It is noted that inventories are valued at each Statement of Financial Position date at the lower of cost and net realizable value. For the current and previous period certain inventories were valued at their net realizable value resulting in the following charges to the Statement of Comprehensive Income (cost of sales) for the Group, € 75 thousand for 1/1–30/6/2018 whereas during the prior period 1/1–30/6/2017 there was a charge of € 7,521 thousand. The charge per inventory category is as follows:

<i>(In 000's Euros)</i>	<u>1/1 – 30/6/18</u>	<u>1/1 – 30/6/17</u>
Products	6	1,093
Merchandise	69	1,114
Raw materials	0	5,314
<b>Total</b>	<b>75</b>	<b>7,521</b>

The total cost of inventories recognized as an expense during the current and prior year period for the Group was for 1/1–30/6/2018: € 4,015,387 thousand and for 1/1–30/6/2017 € 3,318,124 thousand (Company: 1/1–30/6/2018: € 3,093,808 thousand, 1/1–30/6/2017: € 2,446,916 thousand).

**Notes to the Condensed Financial Statements (continued)**

## 6. Income Tax Expenses

<i>(In 000's Euros)</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<u>1/1-30/6/18</u>	<u>1/1-30/6/17</u>	<u>1/1-30/6/18</u>	<u>1/1-30/6/17</u>
Current corporate tax for the period	68,869	63,155	61,933	59,429
	38	(9)	0	0
Deferred tax	(3,107)	(10,315)	(3,527)	(8,476)
<b>Total</b>	<b>65,800</b>	<b>52,831</b>	<b>58,406</b>	<b>50,953</b>

Current corporate income tax is calculated at 29% for the period 1/1-30/6/2018 and for the period 1/1-30/6/2017.

## 7. Earnings per Share

The calculation of the basic earnings per share attributable to the ordinary equity holders is based on the following data:

	<b>GROUP</b>		<b>COMPANY</b>	
	<u>1/1-30/6/18</u>	<u>1/1-30/6/17</u>	<u>1/1-30/6/18</u>	<u>1/1-30/6/17</u>
<b>Earnings/(losses) attributable to Company Shareholders (in 000's Euros)</b>	<b>148,759</b>	<b>126,515</b>	<b>137,313</b>	<b>123,160</b>
Weighted average number of ordinary shares for the purposes of basic earnings per share	110,782,980	110,782,980	110,782,980	110,782,980
<b>Earnings/(losses) per share, basic and diluted in €</b>	<b>1.34</b>	<b>1.14</b>	<b>1.24</b>	<b>1.11</b>

## 8. Dividends

Dividends to shareholders are proposed by management at each year end and are subject to approval by the Annual General Assembly Meeting. The Annual General Assembly Meeting of shareholders within June 2018, approved the distribution of total gross dividends for 2017 of € 144,017,874 (€1.30 per share). It is noted that a gross interim dividend of € 33,234,894 (€ 0.30 per share) for 2017 has been paid and accounted for in December 2017, while the remaining € 110,782,980 (€ 1.00 per share) has been accounted for in June and paid in July 2018.

## 9. Goodwill

Goodwill for the Group as at 30 June 2018 was € 19,772 thousand. Goodwill concerns the subsidiaries "AVIN OIL S.A." for € 16,200 thousand and "CORAL GAS A.E.B.E.Y." for € 3,105 thousand. Addition of € 467 thousand refers to the goodwill transferred from the Group of "L.P.C. S.A." that was created from the spin-off of "CYCLON HELLAS A.E.". The Group performs on an annual basis impairment test on Goodwill from which no need for impairment has arisen.

<i>(In 000's Euros)</i>	<u>31/12/2017</u>	<u>Additions</u>	<u>30/6/2018</u>
<b>Goodwill</b>	<b>19,772</b>	<b>0</b>	<b>19,772</b>



**Notes to the Condensed Financial Statements (continued)**

## 10. Other Intangible Assets

The carrying amount of other intangible assets represents software purchases, rights to operate gas stations on leasehold property and service concession arrangements. The movement for the period 1/1/2018 – 30/6/2018 is presented in the following table.

<i>(In 000's Euros)</i>	<b>GROUP</b>			<b>COMPANY</b>
	Software	Rights	Total	Software
<b>COST</b>				
As at 1 January 2018	34,980	52,481	87,461	11,915
Additions	817	10	827	253
Disposals/Write-off	(199)	0	(199)	0
<b>As at 30 June 2018</b>	<b>35,598</b>	<b>52,491</b>	<b>88,089</b>	<b>12,168</b>
<b>DEPRECIATION</b>				
As at 1 January 2018	28,603	36,843	65,446	11,197
Charge for the period	992	1,604	2,596	154
Disposals/Write-off	(190)	0	(190)	0
<b>As at 30 June 2018</b>	<b>29,405</b>	<b>38,447</b>	<b>67,852</b>	<b>11,351</b>
<b>CARRYING AMOUNT</b>				
As at 31 December 2017	6,377	15,638	22,015	718
<b>As at 30 June 2018</b>	<b>6,193</b>	<b>14,044</b>	<b>20,237</b>	<b>817</b>

## 11. Property, Plant and Equipment

The movement in the **Group's** fixed assets for the period 1/1– 30/6/2018 is presented below:

<b>GROUP</b>					Equipment	<b>Total</b>
	Land and buildings	Plant & machinery / Transportation means	Fixtures and equipment	Assets under construction	under finance lease at cost	
<i>(In 000's Euros)</i>						
<b>COST</b>						
As at 1 January 2018	530,023	1,544,299	86,999	78,603	1,170	2,241,094
Additions	3,579	3,808	3,120	36,536	0	47,043
Disposals/Write-off	(33)	(164)	(488)	0	0	(685)
Transfers	6,324	37,765	1,206	(45,295)	0	0
<b>As at 30 June 2018</b>	<b>539,893</b>	<b>1,585,708</b>	<b>90,837</b>	<b>69,844</b>	<b>1,170</b>	<b>2,287,452</b>
<b>DEPRECIATION</b>						
As at 1 January 2018	159,756	1,001,126	56,026	0	1,155	1,218,063
Additions	5,877	39,398	2,633	0	2	47,910
Disposals/Write-off	(30)	(139)	(439)	0	0	(608)
<b>As at 30 June 2018</b>	<b>165,603</b>	<b>1,040,385</b>	<b>58,220</b>	<b>0</b>	<b>1,157</b>	<b>1,265,365</b>
<b>CARRYING AMOUNT</b>						
As at 31 December 2017	370,267	543,173	30,973	78,603	15	1,023,031
<b>As at 30 June 2018</b>	<b>374,290</b>	<b>545,323</b>	<b>32,617</b>	<b>69,844</b>	<b>13</b>	<b>1,022,087</b>



**Notes to the Condensed Financial Statements (continued)**
**11. Property, Plant and Equipment (continued)**

In addition, the Group's obligations under finance leases are secured by the lessor's title to the leased assets, which have a carrying amount of € 13 thousand (31/12/2017: € 15 thousand).

The movement in the Company's fixed assets for the period 1/1– 30/6/2018 is presented below:

<b>COMPANY</b>	<b>Land and buildings</b>	<b>Plant &amp; machinery / Transportation means</b>	<b>Fixtures and equipment</b>	<b>Assets under construction</b>	<b>Equipment under finance lease at cost</b>	<b>Total</b>
<i>(In 000's Euros)</i>						
<b>COST</b>						
<b>As at 1 January 2018</b>	<b>194,913</b>	<b>1,318,715</b>	<b>24,031</b>	<b>65,771</b>	<b>1,153</b>	<b>1,604,583</b>
Additions	436	799	1,237	27,887	0	30,359
Disposals/Write-off	0	0	(2)	0	0	(2)
Transfers	4,445	33,981	101	(38,527)	0	0
<b>As at 30 June 2018</b>	<b>199,794</b>	<b>1,353,495</b>	<b>25,367</b>	<b>55,131</b>	<b>1,153</b>	<b>1,634,940</b>
<b>DEPRECIATION</b>						
<b>As at 1 January 2018</b>	<b>46,078</b>	<b>857,190</b>	<b>20,397</b>	<b>0</b>	<b>1,153</b>	<b>924,818</b>
Additions	2,247	34,002	586	0	0	36,835
Disposals/Write-off	0	0	(2)	0	0	(2)
<b>As at 30 June 2018</b>	<b>48,325</b>	<b>891,192</b>	<b>20,981</b>	<b>0</b>	<b>1,153</b>	<b>961,651</b>
<b>CARRYING AMOUNT</b>						
<b>As at 31 December 2017</b>	<b>148,835</b>	<b>461,525</b>	<b>3,634</b>	<b>65,771</b>	<b>0</b>	<b>679,765</b>
<b>As at 30 June 2018</b>	<b>151,469</b>	<b>462,303</b>	<b>4,386</b>	<b>55,131</b>	<b>0</b>	<b>673,289</b>

Within May 2018 the Company has entered into a Memorandum of Understanding (MOU) with the "Hellenic Railways Organisation" (OSE) for an investment project concerning the modernization of an approximately 9.5 km part of the existing railway connecting the Company's refinery in Aghii Theodoroi with the railway station of Corinth Isthmus. More specifically the Company has undertaken the task to turn the currently metric width railway line into a regular width railway line in accordance with the international railway standards. The project estimated at € 13 million will be effected by MOTOR OIL under the technical supervision of OSE staff. Upon completion of the project, the railway line will belong to OSE and form an integral part of the National Railway Infrastructure. The modernization of the railway line is expected to facilitate the transportation of petroleum products to Northern Greece, Balkan countries and Central Europe through the Rail Freight Corridor 7 of which OSE is a member.

**Notes to the Condensed Financial Statements (continued)**
**12. Investments in Subsidiaries and Associates**

Details of the Group's and the Company's subsidiaries and associates are as follows:

<u>Name</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Principal activity</u>	<u>Consolidation Method</u>
AVIN OIL S.A.	Greece, Maroussi of Attika	100%	Petroleum Products	Full
MAKREON S.A.	Greece, Maroussi of Attika	100%	Trading, Transportation, Storage & Agency of Petroleum Products	Full
AVIN AKINITA S.A.	Greece, Maroussi of Attika	100%	Real Estate	Full
CORAL A.E. OIL AND CHEMICALS COMPANY (ex Shell Hellas S.A.)	Greece, Maroussi of Attika	100%	Petroleum Products	Full
ERMIS OIL TRANSPORTATION, EXPLOITATION, TRADING AND SERVICES COMPANY A.E.	Greece, Maroussi of Attika	100%	Petroleum Products	Full
MYRTEA OIL TRADING, STORAGE, AGENCY AND SERVICES COMPANY A.E.	Greece, Maroussi of Attika	100%	Petroleum Products	Full
CORAL PRODUCTS AND TRADING S.A.	Greece, Maroussi of Attika	100%	Petroleum Products	Full
CORAL INNOVATIONS A.E.	Greece, Perissos of Attika	100%	Trading and Services	Full
CORAL A.E. COMMERCIAL AND INDUSTRIAL GAS COMPANY (ex Shell Gas Commercial and Industrial S.A.)	Greece, Aspropyrgos Attika	100%	Liquefied Petroleum Gas	Full
OFC AVIATION FUEL SERVICES S.A.	Greece, Spata of Attika	92.06%	Aviation Fueling Systems	Full
ELECTROPARAGOGI SOUSSAKI S.A.	Greece, Maroussi of Attika	100%	Energy (dormant)	Full
NUR-MOH HELIOTHERMAL S.A.	Greece, Maroussi of Attika	50%	Energy	Equity
M and M GAS Co S.A.	Greece, Maroussi of Attika	50%	Natural Gas	Equity
SHELL & MOH AVIATION FUELS S.A.	Greece, Maroussi of Attika	49%	Aviation Fuels	Equity
RHODES-ALEXANDROUPOLIS PETROLEUM INSTALLATION S.A.	Greece, Maroussi of Attika	37.49%	Aviation Fuels	Equity
KORINTHOS POWER S.A.	Greece, Maroussi of Attika	35%	Energy	Equity
IREON INVESTMENTS LIMITED (ex MOTOR OIL (CYPRUS) LIMITED)	Cyprus, Nicosia	100%	Investments and Commerce	Full
MOTOR OIL TRADING A.E.	Greece, Maroussi of Attika	100%	Petroleum Products	Full
MOTOR OIL MIDDLE EAST DMCC	United Arab Emirates, Dubai	100%	Petroleum Products	Full
BUILDING FACILITY SERVICES S.A.	Greece, Maroussi of Attika	100%	Facilities Management Services	Full
MOTOR OIL FINANCE PLC	United Kingdom, London	100%	Financial Services	Full
L.P.C A.E.	Greece, Aspropirgos Attika	100%	Petroleum Products	Full
ENDIALE S.A (ex ELTEPE S.A.)	Greece, Aspropirgos Attika	100%	Systems of alternative management of Lubricant wastes	Full
KEPED S.A.	Greece, Aspropirgos Attika	100%	Systems of alternative management of Lubricant wastes	Full

**Notes to the Condensed Financial Statements (continued)**
**12. Investments in Subsidiaries and Associates (continued)**

<u>Name</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Principal activity</u>	<u>Consolidation Method</u>
ELTEPE J.V.	Greece, Aspropirgos Attika	100%	Collection and Trading of used Lubricants	Full
ARCELIA HOLDINGS LTD	Cyprus, Nicosia	100%	Holding Company	Full
BULVARIA OOD	Bulgaria, Sofia	100%	Lubricants Trading	Full
CYROM	Romania, Ilfov-Glina	100%	Lubricants Trading	Full
CYCLON LUBRICANTS DOO BEOGRAD	Serbia, Belgrade	100%	Lubricants Trading	Full
CYTOP A.E.	Greece, Aspropirgos Attika	100%	Collection and Trading of used Lubricants	Full
AL DERRAA AL AFRIQUE JV	Libya, Tripoli	60%	Collection and Trading of used Lubricants	Full
MOTOR OIL VEGAS UPSTREAM Ltd	Cyprus, Nicosia	65%	Crude oil research, exploration and trading (upstream)	Full
MV UPSTREAM TANZANIA Ltd	Cyprus, Nicosia	65%	Crude oil research, exploration and trading (upstream)	Full
MVU BRAZOS CORP.	USA, Delaware	65%	Crude oil research, exploration and trading (upstream)	Full
DIORIGA GAS A.E.	Greece, Maroussi of Attika	100%	Natural Gas	Full
MEDPROFILE LTD	Cyprus, Nicosia	75%	Holding Company	Full
CORAL ENERGY PRODUCTS (CYPRUS) LTD	Cyprus, Nicosia	75%	Petroleum Products	Full
CORINTHIAN OIL LTD	United Kingdom, London	100%	Petroleum Products	Full
VEGAS WEST OBAYED LTD	Cyprus, Nicosia	65%	Crude oil research, exploration and trading (upstream)	Full
MEDSYMPAN LTD	Cyprus, Nicosia	100%	Holding Company	Full
CORAL SRB DOO BEOGRAD	Serbia, Beograd	100%	Petroleum Products	Full
CORAL-FUELS DOEL SKOPJE	FYROM., Skopje	100%	Petroleum Products	Full
CORAL MONTENEGRO DOO PODGORICA	Montenegro, Podgorica	100%	Petroleum Products	Full
CORAL GAS CYPRUS LTD	Cyprus, Nicosia	100%	Liquefied Petroleum Gas	Full
IREON VENTURES LTD	Cyprus, Nicosia	100%	Holding Company	Full

**Notes to the Condensed Financial Statements (continued)**
**12. Investments in Subsidiaries and Associates (continued)**

Investments in subsidiaries and associates are as follows:

<u>Name</u> (In 000's Euros)	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/6/2018</u>	<u>31/12/2017</u>	<u>30/6/2018</u>	<u>31/12/2017</u>
AVIN OIL S.A.	0	0	53,013	53,013
MAKREON S.A.	0	0	0	0
AVIN AKINITA S.A.	0	0	0	0
CORAL A.E. OIL AND CHEMICALS COMPANY (ex Shell Hellas S.A.)	0	0	63,141	63,141
ERMIS OIL TRANSPORTATION, EXPLOITATION, TRADING AND SERVICES COMPANY A.E.	0	0	0	0
MYRTEA OIL TRADING, STORAGE, AGENCY AND SERVICES COMPANY A.E.	0	0	0	0
CORAL PRODUCTS AND TRADING	0	0	0	0
CORAL INNOVATIONS A.E.	0	0	0	0
CORAL A.E. COMMERCIAL AND INDUSTRIAL GAS COMPANY (ex Shell Gas Commercial and Industrial S.A.)	0	0	26,585	26,585
OFC AVIATION FUEL SERVICES S.A.	0	0	4,195	4,195
ELECTROPARAGOGI SOUSSAKI S.A.	0	0	244	244
NUR-MOH HELIOTHERMAL S.A.	191	195	348	338
M and M GAS Co S.A.	1,269	1,247	1,000	1,000
SHELL & MOH AVIATION FUELS A.E.	6,250	6,848	0	0
RHODES-ALEXANDROUPOLIS PETROLEUM INSTALLATION S.A.	939	877	0	0
KORINTHOS POWER S.A.	36,914	39,540	22,411	22,411
IREON INVESTMENTS LIMITED (ex MOTOR OIL (CYPRUS) LIMITED)	0	0	300	300
MOTOR OIL TRADING A.E.	0	0	0	0
MOTOR OIL MIDDLE EAST DMCC	0	0	0	0
BUILDING FACILITY SERVICES S.A.	0	0	600	600
MOTOR OIL FINANCE PLC	0	0	61	61
ENDIALE S.A (ex ELTEPE S.A.)	0	0	0	0
KEPED S.A.	0	0	0	0
L.P.C. S.A.	0	0	11,827	11,827
ELTEPE J.V.	0	0	0	0
ARCELIA HOLDINGS LTD	0	0	0	0
BULVARIA OOD	0	0	0	0
CYROM	0	0	0	0
CYCLON LUBRICANTS DOO BEOGRAD	0	0	0	0
CYTOP A.E.	0	0	0	0
AL DERRA AL AFRIQUE JV	0	0	0	0
MOTOR OIL VEGAS UPSTREAM Ltd	0	0	10,402	10,400
MV UPSTREAM TANZANIA Ltd	0	0	0	0
MVU BRAZOS CORP.	0	0	0	0
DIORIGA GAS A.E.	0	0	0	0
CORINTHIAN OIL LTD	0	0	0	0

**Notes to the Condensed Financial Statements (continued)**
**12. Investments in Subsidiaries and Associates (continued)**

<u>Name</u> (In 000's Euros)	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31/3/2018</u>	<u>31/12/2017</u>	<u>31/3/2018</u>	<u>31/12/2017</u>
MEDPROFILE LTD	0	0	0	0
CORAL ENERGY PRODUCTS (CYPRUS) LTD	0	0	0	0
VEGAS WEST OBAYED LTD	0	0	0	0
MEDSYMPAN LTD	0	0	0	0
CORAL SRB DOO BEOGRAD	0	0	0	0
CORAL-FUELS DOEL SKOPJE	0	0	0	0
CORAL MONTENEGRO DOO PODGORICA	0	0	0	0
CORAL GAS CYPRUS LTD	0	0	0	0
<b>Total</b>	<b>45,563</b>	<b>48,707</b>	<b>194,127</b>	<b>194,115</b>

**13. Other Financial Assets**

<u>Name</u>	<u>Place of incorporation</u>	<u>Proportion of ownership interest</u>	<u>Cost</u> (In 000's Euros)	<u>Principal activity</u>
HELLENIC ASSOCIATION OF INDEPENDENT POWER COMPANIES	Athens	16.67%	10	Promotion of Electric Power Issues
ATHENS AIRPORT FUEL PIPELINE CO. S.A.	Athens	16%	927	Aviation Fueling Systems
VIPANOT	Athens	12.83%	64	Establishment of Industrial Park
HELLAS DIRECT	Cyprus	1.16%	500	Insurance Company
<b>Total</b>			<b>1,501</b>	

Within 2017 the Group acquired 212,766 shares of “HD INSURANCE LIMITED” that represents 1.16% of its share capital at a cost of € 500,000.

“HELLENIC ASSOCIATION OF INDEPENDENT POWER COMPANIES” (civil non-profit organization), “ATHENS AIRPORT FUEL PIPELINE CO. S.A.”, “VIPANOT” and “HELLAS DIRECT” are stated at cost as significant influence is not exercised on them.

**14. Borrowings**

<u>(In 000's Euros)</u>	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/6/2018</u>	<u>31/12/2017</u>	<u>30/6/2018</u>	<u>31/12/2017</u>
Borrowings	932,279	1,002,510	207,841	325,552
Borrowings from subsidiaries	0	0	379,696	343,750
Finance leases	13	14	0	0
Less: Bond loan expenses *	(7,675)	(8,459)	(921)	(1,927)
<b>Total Borrowings</b>	<b>924,617</b>	<b>994,065</b>	<b>586,616</b>	<b>667,375</b>

**Notes to the Condensed Financial Statements (continued)**
**14. Borrowings (continued)**

The borrowings are repayable as follows:

<i>(In 000's Euros)</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/6/2018</b>	<b>31/12/2017</b>	<b>30/6/2018</b>	<b>31/12/2017</b>
On demand or within one year	139,620	188,417	41,732	83,692
In the second year	144,638	229,544	36,507	33,806
From the third to fifth year inclusive	588,034	484,563	449,298	451,804
After five years	60,000	100,000	60,000	100,000
Less: Bond loan expenses *	(7,675)	(8,459)	(921)	(1,927)
<b>Total Borrowings</b>	<b>924,617</b>	<b>994,065</b>	<b>586,616</b>	<b>667,375</b>
Less: Amount payable within 12 months (shown under current liabilities)	139,620	188,417	41,732	83,692
Amount payable after 12 months	784,997	805,648	544,884	583,683

\*The bond loan expenses relating to the loan will be amortised over the number of years remaining to loan maturity.

Analysis of borrowings by currency on 30/6/2018 and 31/12/2017:

<i>(In 000's Euros)</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/6/2018</b>	<b>31/12/2017</b>	<b>30/6/2018</b>	<b>31/12/2017</b>
<b>Loans' currency</b>				
EURO	782,239	890,723	444,233	564,033
U.S. DOLLARS	142,378	103,342	142,383	103,342
<b>Total</b>	<b>924,617</b>	<b>994,065</b>	<b>586,616</b>	<b>667,375</b>

The Group's management considers that the carrying amount of the Group's borrowings approximates their fair value.

The Group has the following borrowings:

i) "Motor Oil" has been granted the following loans:

On 10 April 2017 the 100% subsidiary "Motor Oil Finance plc" concluded with the issue of a bond loan of EURO 350 million Senior Notes due 2022 at a coupon of 3.250% per annum and at an issue price of 99.433% of their nominal value. The net proceeds excluding bank commissions were € 343,750 thousand and have been used to redeem all of the € 350 million at a coupon of 5.125% Senior Notes due 2019, issued also by "Motor Oil Finance plc".

On 21/11/2014 the Company was granted a bond loan of € 135,000 thousand that expires on 21/11/2018. The purpose of this loan is the re-financing of existing bank loans. The balance as at 30/6/2018 is € 15,000 thousand.

On 16/6/2015 the Company was granted a bond loan of € 2,472 thousand. It will be repayable in semi-annual installments commencing on 16/12/2015 and up to 16/6/2019. The balance as at 30/6/2018 is € 618 thousand.

On 23/1/2017 the Company was granted a bond loan of € 75,000 thousand that expires on 31/1/2020, for the refinancing/repayment of existing loans and the financing of other corporate needs. The balance as at 30/6/2018 is € 25,000 thousand.

On 10/2/2017 the Company was granted a bond loan of € 75,000 thousand, that was raised to € 100,000 thousand on 24/11/2017 and that expires on 28/7/2026, for the refinancing/repayment of existing loans and the financing of other corporate needs. The balance as at 30/6/2018 is € 60,000 thousand.

**Notes to the Condensed Financial Statements (continued)**

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**14. Borrowings (continued)**

On 15/6/2017 the Company was granted a bond loan of \$ 125,000 thousand. The purpose of this loan is the re-financing of existing bank loans to long term. It will be repayable in annual installments that will end up on 15/6/2022. The balance as at 30/6/2018 is \$ 125,000 thousand.

On 16/5/2018 the Company, through the 100% subsidiary “Motor Oil Finance plc”, was granted a bond loan of \$ 41,906 thousand. The settlement of this loan is in semi-annual instalments commencing on 28/3/2019 and up to 29/03/2021. The balance as at 30/6/2018 is \$ 41,906 thousand.

Total short-term loans, (including short-term portion of long-term loans), with duration up to one-year amount to € 41,732 thousand.

- ii) “**Avin Oil S.A.**” was granted a bond loan of € 110,000 thousand on 1/8/2014. The purpose of this loan is the partial re-financing of existing bank loans. The duration of this loan is 5 years.

Total short-term loans, (including short-term portion of long-term loans) with duration up to one year, amount to € 30,800 thousand.

- iii) “**OFC Aviation Fuel Services S.A.**” has been granted a bond loan of nominal value € 16,400 thousand. It is repayable in quarterly instalments and based on the up-to-date drawdowns and repayments (including short-term portion of long-term loan) it amounts to € 838 thousand as at 30/6/2018. The maturity of this loan is on December 2018.

- iv) “**Coral A.E.**” on 9/5/2018 concluded with the issue of a bond loan of € 90.000 thousand at a coupon of 3% per annum, that is traded in Athens Stock Exchange. Purpose of this loan is the refinancing of existing loans. The loan is due on 23/05/2022.

Also, Coral has been granted a bond loan amounting to € 120,000 thousand, granted on 28/9/2015 in order to refinance respective existing loans. It is repayable in annual installments commencing on 28/9/2017 and up to 28/9/2019. The balance of this loan on 30/6/2018 is € 25,000 thousand. Also, on 30/5/2013 Coral A.E. was granted a bond loan of € 20,000 thousand to refinance respective existing loans. The settlement of this loan is in semi-annual instalments commencing on 31/5/2016 and up to 30/11/2017. The company has reached an agreement for the extension of the repayment of the remaining balance of the loan (€ 12,000 thousand) up to 30/11/2021.

Total short-term loans, (including short-term portion of long-term loans) with duration up to one-year amount to € 59,422 thousand.

- v) “**L.P.C. S.A.**” has been granted a bond loan amounting to € 18,000 thousand, issued on 31/5/2016 in order to refinance respective existing loans. It is repayable in 3 years in annual installments commencing on 31/5/2017, with 2 years’ extension option. Total short-term loans (including short-term portion of long-term loans) with duration up to one year, amount to € 2,041 thousand.

The interest rate of the above borrowings is LIBOR/EURIBOR+SPREAD.

**15. Share Capital**

Share capital as at 30/6/2018 was € 83,088 thousand (31/12/2017: € 83,088 thousand) consists of 110,782,980 registered shares of par value € 0.75 each (31/12/2017: € 0.75 each).



**Notes to the Condensed Financial Statements (continued)**

## 16. Reserves

Reserves of the Group and the Company as at 30/6/2018 are € 85,196 thousand and € 54,559 thousand respectively (31/12/2017: € 84,500 thousand and € 54,559 thousand respectively) and were so formed as follows:

### GROUP

<i>(In 000's Euros)</i>	Legal	Share Premium	Special	Tax-free	Foreign currency, translation reserve	Total
<b>Balance as at 31 December 2017</b>	<b>33,963</b>	<b>17,931</b>	<b>25,015</b>	<b>8,413</b>	<b>(822)</b>	<b>84,500</b>
Other	34	0	0	253	409	696
<b>Balance as at 30 June 2018</b>	<b>33,997</b>	<b>17,931</b>	<b>25,015</b>	<b>8,666</b>	<b>(413)</b>	<b>85,196</b>

### COMPANY

<i>(In 000's Euros)</i>	Legal	Special	Tax-free	Total
<b>Balance as at 31 December 2017</b>	<b>30,942</b>	<b>18,130</b>	<b>5,487</b>	<b>54,559</b>
<b>Balance as at 30 June 2018</b>	<b>30,942</b>	<b>18,130</b>	<b>5,487</b>	<b>54,559</b>

## 17. Retained Earnings

<i>(In 000's Euros)</i>	<u>GROUP</u>	<u>COMPANY</u>
<b>Balance as at 1 January 2018</b>	<b>844,303</b>	<b>744,190</b>
Effect of change in accounting policies (adoption of IFRS 9) (note 2a)	(12,536)	(229)
<b>Adjusted balance as at 1 January 2018</b>	<b>831,767</b>	<b>743,961</b>
Profit for the period	148,759	137,313
Other Comprehensive Income	145	0
Acquisition of Subsidiary's Minority Interest	38	0
Dividends	(110,783)	(110,783)
Transfer to Reserves	(696)	0
<b>Balance as at 30 June 2018</b>	<b>869,230</b>	<b>770,491</b>

## 18. Establishment/Acquisition of Subsidiaries

### 18.1 "IREON VENTURES LTD"

On April 2018 "IREON INVESTMENTS LTD", 100% subsidiary of "Motor Oil (HELLAS) SA" based in Cyprus, established 100% owned "IREON VENTURES LTD", a holding company with registered office in Nicosia, Cyprus with an initial share capital of € 1,000.

### 18.2 "NRG TRADING HOUSE ΕΝΕΡΓΕΙΑΚΗ Α.Ε."

Within June 2018 the Company has entered into a share sale and purchase agreement for the acquisition of a 90% stake of the company "NRG TRADING HOUSE S.A." with registered offices in Maroussi, Greece which engages in the energy sector as electrical energy supplier. The agreement is subject to the approval of the relevant regulatory authorities. Following the conclusion of the acquisition of this stake the Group will expand its activities through the entry in the electric power market.

**Notes to the Condensed Financial Statements (continued)**

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**19. Contingent Liabilities/Commitments**

There are legal claims by third parties against the Group amounting to approximately € 15.5 million (Company: approximately € 11.7 million). There are also legal claims of the Group against third parties amounting to approximately € 19.9 million (Company: approximately € 0.1 million). No provision has been made as all above cases concern legal claims where the final outcome cannot be currently estimated.

The Company and, consequently, the Group in order to complete its investments and its construction commitments, has entered into relevant contracts with construction companies, the non-executed part of which, as at 31/3/2018, amounts to approximately € 6.8 million.

The Group companies have entered into contracts to purchase and sell crude oil and fuels, at current prices in line with the international market effective prices at the time the transaction takes place.

The bank accounts of the subsidiary “OFC AVIATION FUEL SERVICES S.A.” are pledged as collateral for its bond loan repayment.

The total amount of letters of guarantee given as security for Group companies’ liabilities as at 30/6/2018, amounted to € 112,998 thousand. The respective amount as at 31/12/2017 was € 123,307 thousand.

The total amount of letters of guarantee given as security for the Company’s liabilities as at 30/6/2018, amounted to € 12,115 thousand. The respective amount as at 31/12/2017 was € 19,795 thousand.

**Companies with Un-audited Fiscal Years**

The tax authorities have not performed a tax audit on “CYTOP SA” for the fiscal years 2012 up to and including 2014 as well as for “KEPED SA” and “ELTEPE SA” for the fiscal years 2012 up to and including 2016. Thus the tax liabilities for those companies have not yet finalized. At a future tax audit, it is probable for the tax authorities to impose additional tax which cannot be estimated at this point of time. The Group though estimates that this will not have a material impact on the financial position of the Group.

The tax audit for fiscal years 2009 and 2010 for CORAL GAS AEBEY has been completed based on temporary tax audit reports and there are no material additional taxes expected for those years upon the finalization of the tax audits. For the fiscal years 2011, 2012, 2013, 2014, 2015 and 2016 MOH group companies that were obliged for a tax compliance audit by the statutory auditors, have been audited by the appointed statutory auditors in accordance with L2190/1920, art. 82 of L 2238/1994 and art. 65A of L4174/13 and have issued the relevant Tax Compliance Certificates. In any case and according to Circ.1006/05.01.2016 these companies for which a Tax Compliance Certificate has been issued are not excluded from a further tax audit by the relevant tax authorities. Therefore, the tax authorities may perform a tax audit as well within the eligible deadlines. However, the group’s management believes that the outcome of such future audits, should these be performed, will not have a material impact on the financial position of the Group or the Company.

Up to the date of approval of these financial statements, the group companies’ tax audit, by the statutory auditors, for the fiscal year 2017 is in progress. However, it is not expected that material liabilities will arise from this tax audit.

**Notes to the Condensed Financial Statements (continued)**

## 20. Related Party Transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Details of transactions between the Company and its subsidiaries and other related parties are set below:

<b><u>GROUP</u></b>				
<i>(In 000's Euros)</i>	<b><u>Income</u></b>	<b><u>Expenses</u></b>	<b><u>Receivables</u></b>	<b><u>Payables</u></b>
Associates	<b>147,157</b>	<b>698</b>	<b>39,445</b>	<b>98</b>
<b><u>COMPANY</u></b>				
<i>(In 000's Euros)</i>	<b><u>Income</u></b>	<b><u>Expenses</u></b>	<b><u>Receivables</u></b>	<b><u>Payables</u></b>
Subsidiaries	789,122	172,771	71,153	453,763
Associates	144,910	495	38,979	2
<b>Total</b>	<b>934,032</b>	<b>173,266</b>	<b>110,132</b>	<b>453,765</b>

Sales of goods to related parties were made on an arm's length basis.

No provision has been made for doubtful debts in respect of the amounts due from related parties.

### Compensation of key management personnel

The remuneration of directors and other members of key management for the Group for the period 1/1–30/6/2018 and 1/1–30/6/2017 amounted to € 4,155 thousand and € 3,834 thousand respectively. (Company: 1/1–30/6/2018: € 1,365 thousand, 1/1–30/6/2017: € 991 thousand)

The remuneration of members of the Board of Directors are proposed and approved by the Annual General Assembly Meeting of the shareholders.

Other short-term benefits granted to key management for the Group for the period 1/1–30/6/2018 amounted to € 193 thousand and 1/1–30/6/2017 amounted to € 173 thousand respectively. (Company: 1/1–30/6/2018: € 32 thousand, 1/1–30/6/2017: € 35 thousand)

There are no leaving indemnities paid to key management for the Group and the Company for the period 1/1–30/6/2018 as well as for the comparative last year period.

### Directors' Transactions

There are no other transactions, receivables and/or payables between Group companies and key management personnel.

**Notes to the Condensed Financial Statements (continued)**

## 21. Management of Financial Risks

The Group's management has assessed the impacts on the management of financial risks that may arise due to the challenges of the general business environment in Greece. In general, as it is further discussed in the management of each financial risk below, the management of the Group does not consider that any negative developments in the Greek economy in connection with the capital controls of the Greek banks may materially affect the normal course of business of the Group and the Company.

### a. Capital risk management

The Group manages its capital to ensure that Group companies will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group's management monitors the capital structure on a frequent basis.

As a part of this monitoring, the management reviews the cost of capital and the risks associated with each class of capital. The Group's intention is to balance its overall capital structure through the payment of dividends, as well as the issue of new debt or the redemption of existing debt. The Group through its 100% subsidiary "Motor Oil Finance plc" that is based in London, has already issued, since 2014, bond loans through the offering of Senior Notes bearing a fixed rate coupon and also maintains access at the international money markets broadening materially its financing alternatives. A possible exit of Great Britain from EU (Brexit) is not expected to have any impact in this subsidiary or in the Group.

### Gearing Ratio

The Group's management reviews the capital structure on a frequent basis. As part of this review, the cost of capital is calculated and the risks associated with each class of capital are assessed.

The gearing ratio at the period end was as follows:

<i>(In 000's Euros)</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/6/2018</b>	<b>31/12/2017</b>	<b>30/6/2018</b>	<b>31/12/2017</b>
Bank loans	924,617	994,065	586,616	667,375
Cash and cash equivalents	(758,368)	(714,026)	(678,057)	(638,815)
<b>Net debt</b>	<b>166,249</b>	<b>280,039</b>	<b>(91,441)</b>	<b>28,560</b>
<b>Equity</b>	<b>1,043,605</b>	<b>1,018,883</b>	<b>908,138</b>	<b>881,837</b>
<b>Net debt to equity ratio</b>	<b>0.16</b>	<b>0.27</b>	<b>(0.10)</b>	<b>0.03</b>

### b. Financial risk management

The Group's Treasury department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Treasury department reports on a frequent basis to the Group's management that monitors risks and policies implemented to mitigate risk exposures.

**Notes to the Condensed Financial Statements (continued)**

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**21. Management of Financial Risks (continued)****c. Market risk**

Due to the nature of its activities, the Group is exposed primarily to the financial risks of changes in foreign currency exchange rates (see (d) below), interest rates (see (e) below) and to the volatility of oil prices mainly due to the obligation to maintain certain level of inventories. The Company, in order to avoid significant fluctuations in the inventories valuation is trying, as a policy, to keep the inventories at the lowest possible levels. Furthermore, any change in the pertaining refinery margin, denominated in USD, affects the Company's gross margin. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures these risks. Considering the conditions in the oil refining and trading sector, as well as the negative economic environment in general, we consider the course of the Group and the Company as satisfactory. The Group also through its subsidiaries in the Middle East, Great Britain, Cyprus and the Balkans, aims to exploit its endeavors at international level and to further strengthen its already solid exporting orientation. Moreover, the instability in the domestic market, in connection with the capital controls, is not expected to create problems to the normal course of business of the Company, which due to its strong exporting orientation generates adequate cash flows to cover the necessary imports of crude oil for the refinery activities. Furthermore, crude oil prices are determined in the international markets and are not affected so by any domestic market turbulences.

**d. Foreign currency risk**

Due to the use of the international Platt's prices in USD for oil purchases/sales, exposures to exchange rate fluctuations may arise for the Company's profit margins. The Company minimises foreign currency risks through physical hedging, mostly by monitoring assets and liabilities in foreign currencies.

**e. Interest rate risk**

The Group has access to various major domestic and international financial markets and manages to have borrowings with competitive interest rates and terms. Hence, the operating expenses and cash flows from financing activities are not materially affected by interest rate fluctuations.

**f. Credit risk**

The Group's credit risk is primarily attributable to its trade and other receivables.

The Group's trade receivables are characterized by a high degree of concentration, due to a limited number of customers comprising the clientele of the parent Company. Most of the customers are international well-known oil companies. Consequently, the credit risk is limited to a great extent. The Group companies have signed contracts with their clients, based on the course of the international oil prices. In addition, the Group, as a policy, obtains letters of guarantee from its clients in order to secure its receivables, which as at 30/6/2018 amounted to Euro 27.3 million. As far as receivables of the subsidiaries "Avin Oil S.A.", "CORAL A.E.", "CORAL GAS A.E.B.E.Y." and "L.P.C. S.A." are concerned, these are spread in a wide range of customers and consequently there is no material concentration and the credit risk is limited. The Group manages its domestic credit policy in a way to limit accordingly the credit days granted in the local market, in order to minimise any probable domestic credit risk.

**g. Liquidity risk**

Liquidity risk is managed through the proper combination of cash and cash equivalents and available bank loan facilities. In order to address such risks, the Group's management monitors the balance of cash and cash equivalents and ensures available bank loans facilities, maintaining also increased cash balances. Moreover, the major part of the Group's borrowings is long term borrowings which facilitates liquidity management.

As at today the Company has available total credit facilities of approximately € 1 billion of which € 587 million have been withdrawn and total available bank Letter of Credit facilities up to approximately € 400 million.

**Going Concern**

The Group's management considers that the Company and the Group have adequate resources that ensure the smooth continuance of the business of the Company and the Group as a "Going Concern" in the foreseeable future.

## **22. Events after the Reporting Period**

Within July 2018 the Company proceeded with the acquisition of installations with a cost of € 12.6 mil. consisting of approx. 85.6 thous. square meters land, buildings and equipment next to the refinery in Aghii Theodoroi. This acquisition will optimize the refinery's operation and storage capacity as well as its expansion capabilities. Besides the above, there are no events that could have a material impact on the Group's and Company's financial structure or operations that have occurred since 1/7/2018 up to the date of issue of these financial statements.

## TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

### Report on Review of Interim Financial Information

To the Shareholders of MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.

#### Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of MOTOR OIL (HELLAS) CORINTH REFINERIES S.A., as of June 30, 2018 and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and selective explanatory notes which comprise the interim financial information, which represents an integral part of the six month financial report as provided by Law 3556/2007. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

#### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as they have been transposed in Greek Legislation and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

#### Report on Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency in the content of the management half year financial report provided by article 5 of Law 3556/2007 when compared to the accompanying interim condensed financial information.

Athens, August 29, 2018

The Certified Public Accountant

#### Tilemachos Ch. Georgopoulos

Reg. No. SOEL: 19271

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