HELLENIC PETROLEUM S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED

30 SEPTEMBER 2019

HELLENIC
PETROLEUM

CONTENTS

(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Ioannis Papathanasiou - Chairman of the Board (From 7/8/2019) Andreas Shiamishis - Chief Executive Officer (From 7/8/2019) Georgios Alexopoulos - Member Theodoros-Achilleas Vardas - Member Michail Kefalogiannis - Member (From 7/8/2019) Alexandros Metaxas - Member (From 7/8/2019) Iordanis Aivazis - Member (From 7/8/2019) Loukas Papazoglou - Member (From 7/8/2019) Alkiviadis-Konstantinos Psarras - Member (From 7/8/2019) Theodoros Pantalakis - Member Spiridon Pantelias - Member Georgios Papakonstantinou - Member Konstantinos Papagiannopoulos - Member
Other Board Members during the year	Efstathios Tsotsoros - Chairman of the Board & Chief Executive Officer (Until 7/8/2019) Georgios Grigoriou - Member (Until 7/8/2019) Dimitrios Kontofakas - Member (Until 7/8/2019) Vasileios Kounelis - Member (Until 7/8/2019) Loudovikos Kotsonopoulos - Member (Until 7/8/2019) Christos Tsitsikas - Member (Until 7/8/2019)
Registered Office	8A Chimarras Str GR 151 25 - Marousi
General Commercial Registry	000296601000

(All amounts in Euro thousands unless otherwise stated)

II. Interim Condensed Consolidated Statement of Financial Position

		As at	
	Note	**30 September 2019**	**31 December 2018**
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	3.252.412	3.268.928
Right-of-use assets	**2,11**	225.633	-
Intangible assets	**12**	109.774	105.617
Investments in associates and joint ventures		383.207	390.091
Deferred income tax assets		61.600	64.109
Investment in equity instruments	**3**	1.455	634
Loans, advances and long term assets	**2**	56.254	73.922
		4.090.335	**3.903.301**
Current assets			
Inventories	**13**	1.088.501	993.031
Trade and other receivables	**2,14**	830.989	822.805
Assets held for sale		2.581	3.133
Cash and cash equivalents	**15**	902.663	1.275.159
		2.824.734	**3.094.128**
Total assets		**6.915.069**	**6.997.429**
EQUITY			
Share capital and share premium	**16**	1.020.081	1.020.081
Reserves	**17**	258.536	258.527
Retained Earnings		1.063.258	1.052.164
Equity attributable to equity holders of the parent		**2.341.875**	**2.330.772**
Non-controlling interests		63.514	63.959
Total equity		**2.405.389**	**2.394.731**
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	**18**	1.615.278	1.627.171
Lease liabilities	**2**	163.947	-
Deferred income tax liabilities		209.272	185.744
Retirement benefit obligations		177.552	163.514
Provisions		30.455	42.038
Other non-current liabilities		29.066	28.852
		2.225.570	**2.047.319**
Current liabilities			
Trade and other payables	**19**	1.402.867	1.349.153
Derivative financial instruments		10.133	16.387
Income tax payable		46.214	80.171
Interest bearing loans & borrowings	**18**	797.665	1.108.785
Lease liabilities	**2**	26.140	-
Dividends payable		1.091	883
		2.284.110	**2.555.379**
Total liabilities		**4.509.680**	**4.602.698**
Total equity and liabilities		**6.915.069**	**6.997.429**

The notes on pages 8 to 34 are an integral part of these interim condensed consolidated financial statements.

A. Shiamishis	E. Poulitsis	S. Papadimitriou
Chief Executive Officer	Group Financial Controller	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

III. Interim Condensed Consolidated Statement of Comprehensive Income

		For the nine month period ended		For the three month period ended	
	Note	**30 September 2019**	**30 September 2018**	**30 September 2019**	**30 September 2018**
Revenue from contracts with customers	**4**	**6.804.877**	**7.341.129**	**2.348.248**	**2.674.220**
Cost of sales		(6.186.569)	(6.420.913)	(2.149.345)	(2.349.606)
Gross profit		**618.308**	**920.216**	**198.903**	**324.614**
Selling and distribution expenses		(238.828)	(234.407)	(81.394)	(79.945)
Administrative expenses		(102.154)	(104.294)	(36.494)	(37.899)
Exploration and development expenses		(624)	(660)	1.087	(631)
Other operating income and other gains-net	5	14.545	7.176	1.465	2.529
Operating profit		**291.247**	**588.031**	**83.567**	**208.668**
Finance income		4.427	2.783	1.471	1.034
Finance expense		(94.185)	(114.569)	(27.741)	(36.804)
Fiunance expense - lease finance cost		(7.320)	-	(2.615)	-
Currency exchange gain/(loss)	6	833	2.540	90	(1.988)
Share of profit of investments in associates and joint ventures	7	15.012	28.484	567	13.402
Profit before income tax		**210.014**	**507.269**	**55.339**	**184.312**
Income tax expense	8	(42.577)	(147.341)	(9.264)	(49.556)
Profit for the period		**167.437**	**359.928**	**46.075**	**134.756**
Profit attributable to:					
Equity holders of the parent		165.690	356.936	44.367	133.325
Non-controlling interests		1.747	2.992	1.708	1.431
		167.437	359.928	46.075	134.756
Other comprehensive income:					
Other comprehensive income that will not be reclassified to profit or loss (net of tax):					
Actuarial losses on defined benefit pension plans	17	(6.494)	(7.579)	(6.438)	(7.579)
Share of other comprehensive income of associates	17	(41)	-	-	-
Changes in the fair value of equity instruments	17	626	(524)	(74)	(82)
Net other comprehensive income that will not be reclassified to profit or loss (net of tax):		**(5.909)**	**(8.103)**	**(6.512)**	**(7.661)**
Other comprehensive income that may be reclassified subsequently to profit or loss (net of tax):					
Recycling of (gains)/losses on hedges through comprehensive income	17	1.501	(14.920)	-	-
Fair value gains/(losses) on cash flow hedges	17	4.149	21.537	(1.037)	5.281
Currency translation differences and other movements	17	288	(481)	222	(355)
Net other comprehensive income that may be reclassified subsequently to profit or loss (net of tax):		**5.938**	**6.136**	**(815)**	**4.926**
Other comprehensive income for the period, net of tax		**29**	**(1.967)**	**(7.327)**	**(2.735)**
Total comprehensive income for the period		**167.466**	**357.961**	**38.748**	**132.021**
Total comprehensive income attributable to:					
Equity holders of the parent		165.699	354.967	37.021	130.651
Non-controlling interests		1.767	2.994	1.727	1.371
		167.466	**357.961**	**38.748**	**132.021**
Basic and diluted earnings per share (expressed in Euro per share)	**9**	**0,54**	**1,17**	**0,15**	**0,44**

The notes on pages 8 to 34 are an integral part of these interim condensed consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

IV. Interim Condensed Consolidated Statement of Changes in Equity

		Attributable to owners of the Parent					
	Note	**Share Capital**	**Reserves**	**Retained Earnings**	**Total**	**Non-Controling interests**	**Total Equity**
Balance at 31 December 2017 as originally presented		1.020.081	358.056	930.522	2.308.659	62.915	2.371.574
Change in accounting policy (IFRS 9)		-	166	(3.469)	(3.303)	-	(3.303)
Restated total equity as at 1 January 2018		**1.020.081**	**358.222**	**927.053**	**2.305.356**	**62.915**	**2.368.271**
Changes in the fair value of equity instruments	**17**	-	(533)	-	(533)	9	(524)
Currency translation differences and other movements	**17**	-	(473)	-	(473)	(8)	(481)
Actuarial losses on defined benefit pension plans		-	(7.579)	-	(7.579)	-	(7.579)
Fair value gains on cash flow hedges	**17**	-	21.537	-	21.537	-	21.537
Recycling of losses on hedges through comprehensive income	**17**	-	(14.920)		(14.920)	-	(14.920)
Other comprehensive income/ (loss)		-	**(1.968)**	-	**(1.968)**	**1**	**(1.967)**
Profit for the period		-	-	356.936	356.936	2.992	359.928
Total comprehensive income for the period		-	**(1.968)**	**356.936**	**354.968**	**2.993**	**357.961**
Share based payments		-	(73)	(969)	(1.042)	-	(1.042)
Acquisition of treasury shares	**17**	-	(561)	-	(561)	-	(561)
Issue of treasury shares to employees	**17**	-	1.042	-	1.042	-	1.042
Transfer of grant received to tax free reserves		-	80	-	80	-	80
Participation of minority holding in share capital decrease of subsidiary		-	-	-	-	17	17
Tax on intra-group dividends		-	-	(123)	(123)	-	(123)
Dividends to non-controlling interests		-	-	-	-	(2.061)	(2.061)
Dividends		-	(88.335)	11.927	(76.408)	-	(76.408)
Balance at 30 September 2018		**1.020.081**	**268.407**	**1.294.824**	**2.583.312**	**63.864**	**2.647.176**
Balance at 1 January 2019		**1.020.081**	**258.527**	**1.052.164**	**2.330.772**	**63.959**	**2.394.731**
Changes of the fair value of equity investments	**17**	-	611	-	611	15	626
Recycling of loss on hedges through comprehensive income	**17**	-	1.501	-	1.501		1.501
Fair value gains on cash flow hedges	**17**	-	4.149	-	4.149	-	4.149
Share of other comprehensive income of associates			(41)		(41)		(41)
Currency translation differences and other movements	**17**	-	283	-	283	5	288
Actuarial losses on defined benefit pension plans		-	(6.494)	-	(6.494)	-	(6.494)
Other comprehensive income/(loss)		-	**9**	-	**9**	**20**	**29**
Profit for the period		-	-	165.690	165.690	1.747	167.437
Total comprehensive income for the period		-	**9**	**165.690**	**165.699**	**1.767**	**167.466**
Share of acquisition of non-controlling interest in associate	**16**	-	-	(1.314)	(1.314)	-	(1.314)
Share capital issue expenses		-	-	(342)	(342)	-	(342)
Participation of minority shareholders in share capital increase of subsidiary		-	-	-	-	34	34
Tax on intra-group dividends		-	-	(122)	(122)	-	(122)
Dividends to non-controlling interests		-	-	-	-	(2.246)	(2.246)
Dividends		-	-	(152.818)	(152.818)	-	(152.818)
Balance at 30 September 2019		**1.020.081**	**258.536**	**1.063.258**	**2.341.875**	**63.514**	**2.405.389**

The notes on pages 8 to 34 are an integral part of these interim condensed consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

V. Interim Condensed Consolidated Statement of Cash Flows

	Note	For the nine month period ended 30 September 2019	0 September 2018
Cash flows from operating activities			
Cash generated from operations	**20**	398.880	296.902
Income tax paid		(63.874)	(2.571)
Net cash generated from operating activities		**335.006**	**294.331**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**10,12**	(135.382)	(94.985)
Proceeds from disposal of property, plant and equipment & intangible assets		1.048	227
Participation in share capital increase of associates		(10.292)	-
Purchase of subsidiary, net of cash acquired	**25**	(5.341)	(1.298)
Settlement of consideration of acquisition of further equity interest in subsidiary		-	(16.000)
Sale of subsidiary, net of cash owned		-	-
Grants received		274	80
Interest received		4.427	2.783
Prepayments for right-of-use assets		(432)	-
Dividends received		30.490	24.023
Proceeds from disposal of assets held for sale		1.334	-
Proceeds from disposal of investments in equity instruments		18	263
Net cash used in investing activities		**(113.856)**	**(84.907)**
Cash flows from financing activities			
Interest paid		(87.938)	(99.981)
Dividends paid to shareholders of the Company		(150.077)	(74.480)
Dividends paid to non-controlling interests		(2.246)	(2.061)
Movement in restricted cash	**15**	-	144.445
Acquisition of treasury shares	**17**	-	(561)
Participation of minority shareholders in share capital increase of subsidiary		34	17
Proceeds from borrowings		12.808	408.089
Repayments of borrowings		(346.543)	(409.724)
Payment of lease liabilities		(29.132)	-
Net cash used in financing activities		**(603.094)**	**(34.256)**
Net (decrease)/increase in cash and cash equivalents		**(381.944)**	**175.168**
Cash and cash equivalents at the beginning of the period	**15**	**1.275.159**	**873.261**
Exchange gain on cash and cash equivalents		9.448	3.813
Net (decrease)/increase in cash and cash equivalents		(381.944)	175.168
Cash and cash equivalents at end of the period	**15**	**902.663**	**1.052.242**

The notes on pages 8 to 34 are an integral part of these interim condensed consolidated financial statements.

VI. Notes to the Interim Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

Hellenic Petroleum S.A. ("the Company or "Hellenic Petroleum") is the parent company of Hellenic Petroleum Group (the "Group"). The Group operates in the energy sector predominantly in Greece, South Eastern Europe and the East Mediterranean. The Group's activities include refining and marketing of oil products, production and marketing of petrochemical products and exploration for hydrocarbons. The Group also provides engineering services. Through its investments in DEPA and Elpedison, the Group also operates in the natural gas sector and in the production and trading of electricity power.

The parent company is incorporated in Greece and the address of its registered office is 8A Chimarras Str., Marousi, 151 25. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDRs.

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34 (IAS 34) – *Interim Financial Reporting*, and present the financial position, results of operations and cash flows of the Group on a going concern basis. Management has concluded that the going concern basis of preparation of the condensed consolidated financial statements is appropriate.

The interim condensed consolidated financial statements have been prepared in accordance with the historical cost basis, except for the following:

- financial instruments – some of which are measured at fair value
- defined benefit pension plans – plan assets measured at fair value
- assets held for sale – measured at the lower of carrying value and fair value less cost to sell.

Where necessary and as described in relevant Notes, comparative figures have been reclassified to conform to changes in the presentation of the current period.

These interim condensed consolidated financial statements do not include all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2018, which can be found on the Group's website **www.helpe.gr**.

The interim condensed consolidated financial statements for the nine-month period ended 30 September 2019 have been authorised for issue by the Board of Directors on 5 November 2019.

Accounting policies and the use of estimates

The preparation of the interim condensed consolidated financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial statements are disclosed where considered necessary. Estimates and judgements are discussed in detail in the annual consolidated financial statements for the year ended 31 December 2018, are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

New standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation used in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2018 and have been consistently applied in all periods presented in this report except for the following IFRSs which have been adopted by the Group as of 1 January 2019. The Group applied IFRS 16 (Leases) for the first time as of 1 January 2019, and as required by IAS 34 the nature and effect of the changes are disclosed below. Several other amendments and interpretations apply for the first time in 2019 but do not have a significant impact on the interim condensed consolidated financial statements of the Group for the nine-month period ended 30 September 2019. These are also disclosed below.

(All amounts in Euro thousands unless otherwise stated)

- *IFRS 16 Leases:* IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

  Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

  The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The comparative figures have not been restated. The Group applied the practical expedient to grandfather the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1 January 2019 that were identified as leases in accordance with IAS 17 and IFRIC 4. Furthermore, the Group elected to use the recognition exemptions proposed by the standard for lease contracts that, at the commencement date have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which, the underlying asset is of low value ("low-value assets"). Finally, the Group decided to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease term for similar class of underlying assets in a similar economic environment).

  The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

Assets	
Right-of-use assets	220.875
Property, plant and equipment	(6.259)
Trade and other receivables - prepayments	(37.476)
Total assets	**177.140**
Liabilities	
Lease liabilities	180.198
Borrowings	(3.058)
Total liabilities	**177.140**

a) <u>Nature of the effect of adoption of IFRS 16</u>

The Group has lease contracts for various items of petrol station properties, commercial properties, plant & machinery and motor vehicles. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Trade and other receivables and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under IAS 17 under property plant and equipment and borrowings respectively). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

- Leases previously accounted for as operating leases

  The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for leases of low-value assets. The right-of-use assets were recognized as equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients whereby it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

For the nine-month period ended 30 September 2019 the effect of the application of IFRS 16 in the statement of comprehensive income, is a €30 million positive impact on the earnings before interest, depreciation and amortization and €5 million negative impact on the net income before tax, after taking into account charges for depreciation of right-of-use assets and interest expense arising from the associated liabilities.

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

- Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this re-measurement is disclosed in a line of the right-of-use assets note as modifications.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below five thousand Euros). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

- Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (as a change in business strategy).

In June 2019, the IFRS Interpretations Committee (the “Committee”) issued, among others, a summary of decisions reached in its public meetings to clarify interpretations in respect to IFRS 16 on the following topics:

- Subsurface rights

The Committee concluded that the arrangement, presented in its decision, where a pipeline operator obtains the right to place a pipeline in an underground space constitutes a lease and therefore this arrangement as presented in this decision should be in scope of IFRS 16.

- Lease Term

The Committee issued a tentative decision that in assessing the notion of no more than an insignificant penalty, when establishing the lease term, the analysis should not only capture the termination penalty payment specified in the contract, but use a broader economic consideration of penalty and thus include all kinds of possible economic outflows related to termination of the contract.

The Committee’s final position on the tentative decisions are expected to be published in the second half of 2019. The Group as part of its operations has the right to use coastal areas next to its refineries from the Greek State. The right of use is based on subsequent approval and renewal decisions from the Greek State. In the years subsequent to the approval/renewal the Group makes an estimate of the amounts to be paid for each year of use. The estimate for the nine-month period to 30 September 2019 was €650k.

Upon adoption of IFRS 16, the Group concluded that the above rights of use meet the criteria of an identified asset under IFRS 16, however, even though HELPE continues to use the asset before the official renewal decision of the Greek State, the extension period (lease term) cannot be reliably estimated while the fee payable is variable, although based largely on previous years’ payments.

Due to the timing of the Committee’s decisions, the Group is currently analyzing in more detail the implications of the above-mentioned decisions on the Group’s treatment of the above rights of use the coastal area, especially as regards the period of the lease, which may result in right-of-use assets and lease liabilities presented in the balance sheet to increase. At 30 September 2019, the potential impact of the Committee’s agenda decisions is not reasonably estimable.”

Furthermore, the Group operates a number of underground pipelines within the boundaries of various municipalities, in accordance with relevant laws. As described in note 23 of these financial statements, certain municipalities have proceeded with the imposition of duties and fines relating to the rights of way. The group has appealed against such amounts imposed as described in the note and therefore, does not consider that any of these fall within the scope of IFRS 16.

- *IFRS 9 (Amendment) Prepayment features with negative compensation:* The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income.
- *IAS 28 (Amendments) Long-term Interests in Associates and Joint Ventures:* The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28.
- *IFRIC Interpretation 23: Uncertainty over Income Tax Treatments:* The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances.
- *IAS 19 (Amendments) Plan Amendment, Curtailment or Settlement*: The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements.
- The IASB has issued the *Annual Improvements to IFRSs 2015 – 2017 Cycle*, which is a collection of amendments to IFRSs.

  - *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 the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
  - *IAS 23 Borrowing Costs*: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

Standards issued but not yet effective and not early adopted

The Group has not early adopted any of the following standards, interpretations or amendments that have been issued but are not yet effective. Management is currently assessing the impact of these standards to the consolidated financial statements.

- *IFRS 10 (Amendment) Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture:* The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

- *Conceptual Framework in IFRS standards:* The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.
- *IFRS 3 Business Combinations (Amendments):* The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU.

- *IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)* The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU.

- *IFRS 9, IAS 39 and IFRS 7 (Amendments) "Interest rate benchmark reform"*. The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments have not yet been endorsed by the EU.

3. FINANCIAL RISK MANAGEMENT

The Group's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products; with secondary activities relating to exploration of hydrocarbons and power generation and trading. As such, the Group is exposed to a variety of financial and commodity markets' risks including foreign exchange and commodity price risk, credit risk, liquidity risk, cash flow risk and interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Group's overall risk management policies aim at reducing possible exposure to market volatility and / or mitigating its adverse effects on the financial position of the Group to the extent possible. In general, the key factors that impact the Group's operations are summarised as follows:

Greek Macros: The upward trend of the Greek economy continued in the second quarter of 2019, with GDP growing by 0,8% compared to the corresponding period of 2018 (GDP increase in the first half of 2019 was 1,9%), mainly driven by higher exports of goods and services, private sector investments, as well as increased private consumption. On the other hand, an increase in imports of goods and services, limited a further upward performance.

Total domestic fuels consumption in the first nine months of 2019 increased by 4,1% compared to the previous year, mainly supported by significantly higher demand for heating gasoil, which is attributed to lower temperatures during the first quarter of the year. Net demand for Motor fuels marginally increased by 0,6%, driven by higher auto diesel consumption (+1,8%) and lower gasoline demand (-0,7%).

However, the Greek economy still faces a number of significant challenges, such as the relatively low growth rates and the lower than the investment class Greek government's credit rating. At the same time, there are significant risks and uncertainties coming from the external environment, such as slowdown in global economic activity due to growing trade protectionism and geopolitical tensions. Management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize the impact on the Group’s Greek operations.

United Kingdom’s exit from the European Union: The Group is sourcing funds from international debt capital markets, through Eurobonds, issued by its London based subsidiary, Hellenic Petroleum Finance plc, listed in the Luxembourg stock exchange, for the optimal management of its debt liabilities. It is uncertain, how a potential exit of the UK from the EU, especially if that happens without an agreement (no deal Brexit), will affect existing HPF Eurobonds, as well as the Group’s funding from international debt capital markets. The Group is closely following relevant developments and assessing alternatives in order to maintain its ability to source funding through the international debt capital markets.

Currency: The Group’s business is naturally hedged against a functional currency risk. All petroleum industry transactions are referenced to international benchmark quotes for crude oil and oil products in USD. All international purchases and sales of crude oil and products are conducted in USD and all sales into local markets are either in USD prices or converted to local currency for accounting and settlement reasons using the USD reference on the date of the transaction.

Prices: Commodity price risk management is supervised by a Risk Management Committee, which includes Finance and Trading departments’ Senior Management. Non-commodity price risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies and evaluates financial risks in close co-operation with the Group’s operating units.

Securing continuous crude oil supplies: During the last 2 years crude oil reference prices started recovering, following a 3-year period of contraction (June 2014 – June 2017), averaging $65/bbl in the first nine months of 2019. Nonetheless, the cost of crude, for both sweet and especially sour grades, which represent the key source of feedstock for complex refiners like Hellenic Petroleum, remains at reasonable levels, maintaining the competitive position of Med refiners vs. their global peers. Concerning the USA’s decision for the re-imposition of the nuclear-related sanctions against Iran, Hellenic Petroleum has successfully managed to replace the Iranian oil supply with other alternatives in the region, without any significant effect in the continuity and cost of its operations (Note 19).

Financing of operations: Given financial market developments since 2011, the key priorities of the Group have been the management of the ‘Assets and Liabilities’ maturity profile, funding in accordance with its strategic investment plan and liquidity risk for operations. As a result of these key priority initiatives and in line with its medium-term financing plan, the Group has maintained a mix of long term, medium term and short term credit facilities by taking into consideration bank and debt capital markets’ credit capacity as well as cash flow planning and commercial requirements. Approximately 69% of total debt is financed by medium to long term committed credit lines while the remaining debt is being financed by short term working capital credit facilities. Further details of the relevant loans and refinancing are provided in Note 18, “Interest bearing loans and borrowings”.

Capital management: Another key priority of the Group has been the management of its Assets. Overall the Group has around €4,1 billion of capital employed which is driven from working capital, investment in fixed assets and its investment in the DEPA Group. Current assets are mainly funded with current liabilities (incl. short term bank debt) which are used to finance working capital (inventories and receivables). As a result of the implementation of the Group’s investment plan during the period 2007-2012 and the introduction of IFRS 16 from 1 January 2019, net debt level has increased as of 30 September 2019 to 41% of total capital employed while the remaining 59% is financed through shareholders equity. The Group has started reducing its net debt levels through utilization of the incremental operating cash flows, post completion and operation of the new Elefsina refinery. This has led to lower Debt to Equity ratio, better matched Asset and Liability maturity profiles as well as lower financing costs (Note 18).

(All amounts in Euro thousands unless otherwise stated)

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures that are required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2018.

There have been no changes in the risk management or in any risk management policies since 31 December 2018.

Fair value estimation

The table below analyses financial instruments carried at fair value, categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 September 2019:

	Level 1	Level 2	Level 3	Total balance
Assets				
Investment in equity instruments	1.455	-	-	1.455
	1.455	**-**	**-**	**1.455**
Liabilities				
Derivatives used for hedging	-	10.133	-	10.133
	-	**10.133**	**-**	**10.133**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2018:

	Level 1	Level 2	Level 3	Total balance
Assets				
Investment in equity instruments	634	-	-	634
	634	**-**	**-**	**634**
Liabilities				
Derivatives used for hedging	-	16.387	-	16.387
	-	**16.387**	**-**	**16.387**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency. These financial instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

(All amounts in Euro thousands unless otherwise stated)

- Quoted market prices or dealer quotes for similar instruments.

- The fair value of commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

There were no changes in valuation techniques during the period. There were no transfers between levels during the period.

The fair value of Euro denominated Eurobonds as at 30 September 2019 was €488 million (31 December 2018: €797 million), compared to its book value of €447 million (31 December 2018: €765 million). The fair value of the remaining borrowings approximates their carrying value.

The fair value of the following financial assets and liabilities approximate their carrying amount due to their short-term nature:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

4. ANALYSIS BY OPERATING SEGMENT

All critical operating decisions, are made by the Group's Executive Committee, which reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The committee assesses performance taking into account a number of measures which may vary depending on the nature and evolution of a business segment by taking into account the risk profile, cash flow, product and market considerations. Information provided to the committee is measured in a manner consistent with that of the financial statements.

Financial information regarding the Group's operating segments for the period ended 30 September 2019 is presented below:

For the nine month period ended 30 September 2019	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Total
Gross Sales	5.967.021	2.481.866	-	225.475	3.089	10.070	8.687.521
Inter-segmental Sales	(1.868.580)	(5.090)	-	-	(15)	(8.959)	(1.882.644)
Revenue from contracts with customers	**4.098.441**	**2.476.776**	**-**	**225.475**	**3.074**	**1.111**	**6.804.877**
EBITDA	**284.643**	**114.384**	**(5.023)**	**72.645**	**2.285**	**(5.281)**	**463.653**
Depreciation & Amortisation (PPE & Intangibles)	(110.031)	(29.988)	(379)	(3.402)	(824)	(433)	(145.057)
Depreciation of Right-of-Use assets (*)	(4.885)	(23.032)	(27)	(84)	(8)	686	(27.349)
Operating profit / (loss)	**169.727**	**61.364**	**(5.429)**	**69.159**	**1.453**	**(5.028)**	**291.247**
Currency exchange gains/ (losses)	1.064	(214)	(17)	-	-	-	833
Share of profit/(loss) of investments in associates & joint ventures	1.573	596	-	-	12.838	5	15.012
Finance (expense)/income - net	(37.169)	(11.110)	-	42	(259)	(41.262)	(89.758)
Lease finance cost (*)	(668)	(6.712)	(3)	(5)	(2)	71	(7.320)
Profit / (loss) before income tax	**134.527**	**43.924**	**(5.448)**	**69.196**	**14.030**	**(46.214)**	**210.014**
Income tax expense							(42.577)
Profit for the period							**167.437**
Loss attributable to non-controlling interests							(1.747)
Profit for the period attributable to the owners of the parent							**165.690**

(All amounts in Euro thousands unless otherwise stated)

(*) Comparability to figures as of 30 September 2018 is affected due to the adoption of IFRS 16 as of 1 January 2019 (Note 2).

Financial information regarding the Group's operating segments for the period ended 30 September 2018 is presented below:

	For the nine month period ended 30 September 2018						
	Refining	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Gross Sales	6.522.633	2.498.455	-	231.039	2.106	9.555	9.263.788
Inter-segmental Sales	(1.909.197)	(5.624)	(0)	(0)	(8)	(7.830)	(1.922.659)
Revenue from contracts with customers	**4.613.436**	**2.492.831**	**(0)**	**231.039**	**2.098**	**1.725**	**7.341.129**
EBITDA	**581.099**	**79.489**	**(5.748)**	**77.645**	**1.593**	**(3.416)**	**730.662**
Depreciation & Amortisation (PPE & Intangibles)	(106.682)	(30.772)	(729)	(3.288)	(567)	(593)	(142.631)
Operating profit / (loss)	**474.417**	**48.717**	**(6.477)**	**74.357**	**1.026**	**(4.009)**	**588.031**
Currency exchange gains/ (losses)	2.653	(110)	(3)	-	-	-	2.540
Share of profit of investments in associates & joint ventures	(1.632)	809	-	-	29.310	(3)	28.484
Finance (expense)/income - net	(72.182)	(13.429)	-	9	(87)	(26.097)	(111.786)
Profit / (loss) before income tax	**403.256**	**35.987**	**(6.480)**	**74.366**	**30.249**	**(30.109)**	**507.269**
Income tax expense							(147.341)
Profit for the period							**359.928**
Profit attributable to non-controlling interests							(2.992)
Profit for the period attributable to the owners of the parent							**356.936**

Inter-segment sales primarily relate to sales from the refining segment to other operating segments.

"Other Segments" include Group entities which provide treasury, consulting and engineering services.

There were no changes in the basis of segmentation or in the basis of measurement of segment profit or loss, as compared to the consolidated annual financial statements for the year ended 31 December 2018.

There has been no material change in the definition of segments or the segmental analysis of total assets or total liabilities from the amounts disclosed in the consolidated annual financial statements for the year ended 31 December 2018.

An analysis of the Group's revenue from contracts with customers by type of market (domestic, aviation & bunkering, exports and international activities) and business unit is presented below:

	For the nine month period ended 30 September 2019						
Revenue from contracts with customers	**Refining**	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Domestic	811.886	1.223.550	-	81.428	3.074	780	2.120.719
Aviation & Bunkering	476.070	600.353	-	-	-	-	1.076.422
Exports	2.480.548	23.577	-	144.047	-	331	2.648.503
International activities	329.937	629.296	-	-	-	-	959.233
Total	**4.098.441**	**2.476.776**	**-**	**225.475**	**3.074**	**1.111**	**6.804.877**

(All amounts in Euro thousands unless otherwise stated)

	For the nine month period ended 30 September 2018						
Revenue from contracts with customers	**Refining**	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Domestic	837.484	1.210.805	-	87.997	2.098	1.588	2.139.971
Aviation & Bunkering	431.305	651.890	-	-	-	-	1.083.195
Exports	3.017.993	21.939	-	143.042	-	137	3.183.110
International activities	326.654	608.198	-	-	-	-	934.852
Total	**4.613.436**	**2.492.831**	**-**	**231.039**	**2.098**	**1.725**	**7.341.129**

5. OTHER OPERATING INCOME / (EXPENSES) AND OTHER GAINS / (LOSSES)

	For the nine month period ended		For the three month period ended	
	30 September 2019	**30 September 2018**	**30 September 2019**	**30 September 2018**
Other operating income				
Income from Grants	777	605	188	213
Services to 3rd Parties - net	3.408	2.911	1.073	923
Rental income - net	6.264	5.835	2.056	2.035
Insurance compensation	269	1.349	-	204
Total other operating income -net	**10.718**	**10.700**	**3.317**	**3.375**
Other gains/(losses)				
Profit/(loss) from the sale of PPE - net	253	65	272	(15)
Amortisation of long-term contracts costs	(1.549)	(1.970)	(1.557)	814
Voluntary retirement scheme cost	-	(364)	-	(41)
Impairment of assets (Notes 10 & 12)	(776)	-	(31)	-
Other operating income/(expenses) - net	5.899	(1.255)	(536)	(1.604)
Total other gains/(losses)	**3.827**	**(3.524)**	**(1.852)**	**(846)**
Total other operating income and other gains - net	**14.545**	**7.176**	**1.465**	**2.529**

Other operating income / (expenses) – net, include income or expenses which do not relate to the trading activities of the Group.

6. CURRENCY EXCHANGE LOSSES

Foreign currency exchange gains of €0,8 million reported for the nine-month period ended 30 September 2019, mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly USD) as well as unrealized exchange gains arising from the valuation of borrowings denominated in foreign currency. The corresponding amount for the for the nine-month period ended 30 September 2018 was a gain of €2,5 million.

7. SHARE OF NET RESULTS OF ASSOCIATES & JOINT VENTURES

The amounts represent the Group's share of the net profit / (losses) from associated companies and joint ventures accounted for on an equity accounting basis, which are analysed as follows:

	For the nine month period ended		For the three month period ended	
	30 September 2019	**30 September 2018**	**30 September 2019**	**30 September 2018**
Public Natural Gas Corporation of Greece (DEPA)	16.774	37.437	(82)	16.460
ELPEDISON B.V.	(3.936)	(8.127)	(313)	(2.078)
DMEP	885	(2.286)	166	(1.861)
Other associates	1.289	1.460	796	881
Total	**15.012**	**28.484**	**567**	**13.402**

The Group consolidates the DEPA Group using the equity method of accounting and the carrying value of the investment in the consolidated financial statements reflects HELPE's 35% share of the net asset value of the DEPA group which as at 30 September 2019 amounts to €337 million (31 December 2018: €348 million). The cost of investment in DEPA in the separate financial statements of HELPE S.A is €237 million.

(All amounts in Euro thousands unless otherwise stated)

Acquisition of non-controlling interest in ELPEDISON SA

On 26 July 2019, ELPEDISON BV acquired the non-controlling interests in ELPEDISON SA of 24,22% and currently owns the 100% of the shares in ELPEDISON SA. The total aggregate consideration for the ordinary share capital acquired amounted to €20 million (Note 25). The acquisition was financed through a share capital increase in ELPEDISON BV with cash injected by the shareholders (Group's share was 10 million).

As at 31 December 2018, the non-controlling interests in the financial statements of Elpedison B.V. stood at €17,373 million. Therefore, the acquisition of the non-controlling interests by Elpedison B.V. resulted in a decrease in total equity attributable to the owners of €2,627 million. In the consolidated financial statements as at 30 September 2019, Group's share of the decrease amounting to €1,314 million is included in Retained Earnings.

8. INCOME TAXES

The tax (charge) / credit relating to components of comprehensive income, is as follows

	For the nine month period ended		For the three month period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
Current tax	(21.623)	(96.513)	(1.762)	(53.525)
Prior year tax	5.014	4.644	(169)	(463)
Tax on reserves	0	(11.927)	0	0
Deferred tax	(25.968)	(43.545)	(7.333)	4.432
Total expense	**(42.577)**	**(147.341)**	**(9.264)**	**(49.556)**

The corporate income tax rate of legal entities in Greece is 28% for 2019 (2018: 29%). According to article 23 of Law 4579/2018, the corporate income tax rate in Greece, currently 28%, is to be reduced as follows: 27% in FY 2020, 26% in FY 2021 and 25% in FY 2022 onwards.

In accordance with the applicable tax provisions, tax audits in Group companies are conducted as follows:

a. Audits by Certified Auditors - Tax Compliance Report

Effective from fiscal years ending 31 December 2011 onwards, Greek companies meeting certain criteria can obtain an "Annual Tax Compliance Report" as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013, as of 2014, from their statutory auditor in respect of compliance with tax law. The issuance of a Tax Compliance Report under certain conditions, substitutes the full tax audit by the tax authorities, however the tax authorities reserve the right of future tax audit.

All Group companies based in Greece have received unqualified Tax Compliance Reports by their respective statutory auditor for fiscal years up to 2018 (inclusive).

b. Audits by Tax Authorities

Income tax years of the parent company and its most significant subsidiaries audited by the tax authorities are set out below:

Company name	**Financial years ended (up to & including)**
HELLENIC PETROLEUM SA	2011
EKO SA	2010
HELLENIC FUELS & LUBRICANTS SA (former HELLENIC FUELS SA)	2011

As explained also in Note 23 and notwithstanding the possibility of future tax audits, the Group's management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognised in the condensed consolidated financial statements as of 30 September 2019 (Note 23).

9. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding the weighted average number of treasury shares (Note 16). As of 31 December 2018 and 30 September 2019, all share options had either been exercised or lapsed and there were no treasury shares. Diluted earnings per share equal basic earnings per share.

	For the nine month period ended		For the three month period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,54**	**1,17**	**0,15**	**0,44**
Net income attributable to ordinary shares (Euro in thousands)	165.690	356.936	44.367	133.325
Weighted average number of ordinary shares	305.635.185	305.626.333	305.635.185	305.635.030

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Transportation means	Furniture and fixtures	Assets Under Con-struction	Total
Cost							
As at 1 January 2018	**312.868**	**909.409**	**4.708.733**	**96.556**	**181.388**	**102.131**	**6.311.085**
Additions	2.166	3.455	8.843	1.974	6.041	67.312	89.791
Capitalised projects	1.231	8.292	66.666	64	624	(76.877)	-
Disposals	(71)	(3.214)	(4.547)	(144)	(307)	-	(8.283)
Impairment/write off	(18)	(1.789)	(1.038)	(65)	(111)	(918)	(3.939)
Currency translation effects	22	195	201	-	12	(4)	426
Transfers and other movements	(231)	(4.519)	2.681	123	1.051	(1.595)	(2.490)
As at 30 September 2018	**315.967**	**911.829**	**4.781.539**	**98.508**	**188.698**	**90.049**	**6.386.590**
Accumulated Depreciation							
As at 1 January 2018	**-**	**467.548**	**2.319.571**	**61.948**	**150.125**	**-**	**2.999.192**
Charge for the period	-	20.850	105.714	3.194	6.558	-	136.316
Disposals	-	(3.191)	(4.504)	(142)	(284)	-	(8.121)
Currency translation effects	-	142	230	(1)	13	-	384
Transfers and other movements	-	(939)	1.943	123	(1.262)	-	(135)
As at 30 September 2018	**-**	**484.410**	**2.422.954**	**65.122**	**155.150**	**-**	**3.127.636**
Net Book Value at 30 September 2018	**315.967**	**427.419**	**2.358.585**	**33.386**	**33.548**	**90.049**	**3.258.954**
Cost							
As at 1 January 2019	**314.960**	**918.298**	**4.820.343**	**92.319**	**193.750**	**92.143**	**6.431.813**
Additions	1.700	1.817	12.562	75	5.923	110.118	132.195
Capitalised projects	-	4.394	39.279	132	479	(44.284)	-
Disposals	(96)	(194)	(8.148)	(3.429)	(1.207)	-	(13.074)
Impairment/write off	-	(3.399)	(1.487)	(21)	(197)	(692)	(5.796)
Currency translation effects	127	206	30	-	1	(48)	316
Transfers and other movements	(4.943)	(2.727)	95	2.969	(846)	(5.209)	(10.661)
As at 30 September 2019	**311.748**	**918.395**	**4.862.674**	**92.045**	**197.903**	**152.028**	**6.534.793**
Accumulated Depreciation							
As at 1 January 2019	**-**	**489.551**	**2.452.564**	**63.222**	**157.548**	**-**	**3.162.885**
Charge for the period	-	20.761	108.794	2.636	6.924	-	139.115
Disposals	-	(153)	(7.851)	(3.139)	(1.155)	-	(12.298)
Impairment/write off	-	(3.339)	(1.478)	(21)	(197)	-	(5.035)
Currency translation effects	-	74	6	-	-	-	80
Transfers and other movements	-	(1.809)	(734)	886	(709)	-	(2.366)
As at 30 September 2019	**-**	**505.085**	**2.551.301**	**63.584**	**162.411**	**-**	**3.282.381**
Net Book Value at 30 September 2019	**311.748**	**413.310**	**2.311.373**	**28.461**	**35.492**	**152.028**	**3.252.412**

'Transfers and other movements' primarily comprise the transfer of finance leases balances (Cost of € 10,4 million and Accumulated Depreciation of € 4,1 million) to right-of-use assets based on the implementation of the IFRS 16 as from 1 January 2019. Furthermore, 'Transfers and other movements' also include the transfer of computer software development costs (Cost of € 2,9 million) to intangible assets (Note 12) and the transfer of spare parts for the refinery units between inventories and fixed assets.

(All amounts in Euro thousands unless otherwise stated)

11. RIGHT-OF-USE ASSETS

	Petrol station properties	Commercial Properties	Plant & Machinery	Motor Vehicles	Total
Cost					
As at 1 January 2019	**189.950**	**22.419**	**6.325**	**6.275**	**224.969**
Additions	9.421	119	144	13.344	23.028
Derecognition	(481)	-	-	(4)	(484)
Modification	6.453	2.308	13	757	9.531
Currency translation effects	31	-	-	1	32
As at 30 September 2019	**205.374**	**24.847**	**6.482**	**20.374**	**257.076**
Accumulated Depreciation					
As at 1 January 2019	**4.094**	**-**	**-**	**-**	**4.094**
Charge for the period	19.160	4.466	848	2.874	27.348
As at 30 September 2019	**23.254**	**4.466**	**848**	**2.874**	**31.442**
Net Book Value at 30 September 2019	**182.120**	**20.380**	**5.634**	**17.499**	**225.633**

12. INTANGIBLE ASSETS

	Goodwill	Retail Service Station Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2018	**133.914**	**51.241**	**111.527**	**38.075**	**74.603**	**409.360**
Additions	-	993	1.693	3.616	37	6.339
Write offs fully depreciated	-	-	-	-	-	-
Impairment		(106)	-	(1.654)	-	(1.760)
Disposals	-	-	-	-	-	-
Currency translation effects	-	-	1	-	2	3
Other movements	-	-	755	(1.064)	-	(309)
As at 30 September 2018	**133.914**	**52.128**	**113.976**	**38.973**	**74.642**	**413.633**
Accumulated Amortisation						
As at 1 January 2018	**71.829**	**34.834**	**101.407**	**31.224**	**64.382**	**303.676**
Charge for the period	-	1.832	3.463	1.011	9	6.315
Impairment	-	(106)	-	(1.359)	-	(1.465)
Other movements	-	-	(14)	(1.187)	(46)	(1.247)
As at 30 September 2018	**71.829**	**36.560**	**104.856**	**29.689**	**64.345**	**307.279**
Net Book Value at 30 September 2018	**62.085**	**15.568**	**9.120**	**9.284**	**10.297**	**106.354**
Cost						
As at 1 January 2019	**133.914**	**53.858**	**114.992**	**38.807**	**74.806**	**416.377**
Additions	4.674	320	2.029	100	68	7.190
Disposals	-	(39)	(52)	-	-	(90)
Currency translation effects	-	-	3	-	25	28
Other movements	-	-	2.914	5	-	2.919
As at 30 September 2019	**138.588**	**54.139**	**119.886**	**38.911**	**74.899**	**426.424**
Accumulated Amortisation						
As at 1 January 2019	**71.829**	**37.701**	**107.180**	**29.689**	**64.361**	**310.760**
Charge for the period	-	1.599	3.542	464	337	5.942
Impairment	-	-	-	15	-	15
Disposals	-	(20)	(52)	-	-	(72)
Currency translation effects	-	-	2	-	-	2
Other movements	-	-	-	3	-	3
As at 30 September 2019	**71.829**	**39.279**	**110.672**	**30.172**	**64.698**	**316.650**
Net Book Value at 30 September 2019	**66.759**	**14.860**	**9.214**	**8.740**	**10.201**	**109.774**

(All amounts in Euro thousands unless otherwise stated)

'Licenses and Rights' include net exploration license costs relating to the exploration & production hydrocarbons' concessions in Greece. Goodwill addition of € 4,7 million relates to acquisition of a subsidiary (Note 25). 'Other movements' in computer software include the transfer of computer software development costs from assets under construction to intangible assets (Note 10).

13. INVENTORIES

	As at	
	30 September 2019	**31 December 2018**
Crude oil	349.939	328.482
Refined products and semi-finished products	643.194	572.461
Petrochemicals	26.778	24.400
Consumable materials and other spare parts	99.883	97.518
- Less: Provision for consumables and spare parts	(31.293)	(29.830)
Total	**1.088.501**	**993.031**

The cost of inventories recognised as an expense and included in Cost of sales amounted to €5,5 billion (30 September 2018: €5,7 billion). As at 30 September 2019, the Group wrote down inventories to their net realisable value, recording a loss of € 2,0 million (30 September 2018: loss of €31 thousand) included in Cost of Sales in the statement of comprehensive income).

Under IEA and EU regulations, Greece is obliged to hold crude oil and refined product stocks in order to fulfil the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002. This responsibility is passed on to all companies, including Hellenic Petroleum S.A., which import and sell in the domestic market and who have the responsibility to maintain and finance the appropriate stock levels. Such stocks are part of the operating stocks and are valued on the same basis.

14. TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2019	**31 December 2018**
Trade receivables	770.497	756.135
- Less: Provision for impairment of receivables	(249.003)	(258.333)
Trade receivables net	**521.494**	**497.802**
Other receivables	318.946	338.857
- Less: Provision for impairment of receivables	(43.398)	(42.304)
Other receivables net	**275.548**	**296.553**
Deferred charges and prepayments	33.947	28.450
Total	**830.989**	**822.805**

As part of its working capital management the Group utilises factoring facilities to accelerate the collection of cash from its customers in Greece. Non-recourse factoring, is excluded from balances shown above, since all risks and rewards of the relevant invoices have been transferred to the factoring institution.

Other receivables include balances in respect of advances to suppliers, advances to personnel, VAT claimed, income taxes withheld, and taxes paid as a result of taxes assessed by the tax authorities following tax audits of previous years and for which the Company has started legal proceedings and disputed the relevant amounts. The Group expects to recover these amounts but the the timing of the finalization of these disputes cannot be estimated and the Group has classified the amounts as current assets. This balance as at 30 September 2019 also includes an amount of €54 million (31 December 2018: €54 million) of VAT approved refunds which has been withheld by the customs

(All amounts in Euro thousands unless otherwise stated)

office due to a dispute relating to stock shortages. The Group has filed a specific legal objection and claim against this action and expects to fully recover this amount following the conclusion of the relevant legal proceedings (Note 23).
The Group recognized impairment losses on trade and other receivables, included in the statement of comprehensive income, amounting to €7,3 million and €7,5 million for the nine months ended 30 September 2019 and 2018, respectively.

15. CASH AND CASH EQUIVALENTS

	As at	
	30 September 2019	**31 December 2018**
Cash at Bank and in Hand	902.663	1.275.159
Cash and Cash Equivalents	**902.663**	**1.275.159**

Restatement

During the year, the Group reconsidered the presentation of restricted cash balances and now includes such balances in the caption “Trade and other receivables”. Previously, such balances were included in the caption “Cash, cash equivalents and restricted cash”. Following the reconsideration, an adjustment was applied retrospectively to the 2018 figures by reclassifying an amount of € 1,2 million from “Cash, cash equivalents and restricted cash” to “Trade and other receivables”.

The balance of US Dollars included in Cash at bank as at 30 September 2019 was $648 million (euro equivalent €595 million). The respective amount for the period ended 31 December 2018 was $891 million (euro equivalent €779 million).

16. SHARE CAPITAL AND SHARE PREMIUM

	Number of Shares (authorised and issued)	**Share Capital**	**Share premium**	**Total**
As at 1 January & 31 December 2018	305.635.185	666.285	353.796	1.020.081
As at 30 September 2019	**305.635.185**	**666.285**	**353.796**	**1.020.081**

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2,18 (31 December 2018: €2,18).

Share options

During the Annual General Meeting (AGM) of Hellenic Petroleum S.A. held on 25 May 2005, a share option scheme was approved, with the intention of linking the number of share options granted to Management with the results and performance of the Company. Subsequent AGMs have approved and granted the share options. At the 2014 and 2015 AGM’s, the shareholders approved several changes to the share option program incorporating recent tax changes, without altering the net effect in terms of benefit to the participants.

As of 31 December 2018, all share options were either exercised or lapsed:

	As at			
	30 September 2019		**31 December 2018**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
Balance at the beginning of the period (1 January)	**-**	**-**	**4,52**	**185.633**
Exercised	-	-	4,52	(172.383)
Lapsed	-	-	4,52	(13.250)
Balance at the end of the period	**-**	**-**	**-**	**-**

(All amounts in Euro thousands unless otherwise stated)

17. RESERVES

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax-free & Incentive Law reserves	Other Reserves	Treasury Shares	Total
Balance at 31 December 2017 as originally presented	**118.668**	**86.495**	**8.175**	**94**	**164.982**	**(19.827)**	**(531)**	**358.056**
Change in accounting policy (IFRS 9)	-	-	-	-	-	166	-	166
Restated total equity as at 1 January 2018	**118.668**	**86.495**	**8.175**	**94**	**164.982**	**(19.661)**	**(531)**	**358.222**
Changes in the fair value of equity instruments	-	-	-	-	-	(533)	-	(533)
Fair value gains on cash flow hedges	-	-	21.537	-	-	-	-	21.537
Currency translation differences and other movements	-	-	-	-	-	(473)	-	(473)
Recycling of losses on hedges through comprehensive income	-	-	(14.920)	-	-	-	-	(14.920)
Actuarial losses on defined benefit pension plans	-	-	-	-	-	(7.579)	-	(7.579)
Share-based payments	-	-	-	(73)	-	-	-	(73)
Acquisition of treasury shares	-	-	-	-	-	-	(561)	(561)
Issue of treasury shares to employees	-	-	-	-	-	-	1.042	1.042
Transfer of grant received to tax free reserves	-	-	-	-	80	-	-	80
Transfers of tax on reserves distributed to retained earnings	-	-	-	-	(11.927)	-	-	(11.927)
Dividends	-	-	-	-	(76.408)	-	-	(76.408)
Balance at 30 September 2018	**118.668**	**86.495**	**14.792**	**21**	**76.727**	**(28.246)**	**(50)**	**268.407**
Balance at 1 January 2019	**144.838**	**86.495**	**(11.751)**	**1**	**71.335**	**(32.391)**	**-**	**258.527**
Changes in the fair value of equity instruments	-	-	-	-	-	611	-	611
Recycling of loss on hedges through comprehensive income	-	-	1.501	-	-	-	-	1.501
Actuarial losses on defined benefit pension plans	-	-	-	-	-	(6.494)	-	(6.494)
Fair value gains on cash flow hedges	-	-	4.149	-	-	-	-	4.149
Currency translation differences and other movements	-	-	-	-	-	283	-	283
Share of other comprehensive loss of associates	-	-	-	-	-	(41)		(41)
As at 30 September 2019	**144.838**	**86.495**	**(6.101)**	**1**	**71.335**	**(38.032)**	**-**	**258.536**

Statutory reserves
Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of outstanding share capital. This reserve cannot be distributed during the existence of the corporation but can be used to offset accumulated losses.

Special reserves
Special reserves primarily relate to reserves arising from tax revaluations which have been included in the holding company accounts in accordance with the relevant legislation in prior years.

Tax and Incentive Law reserves

These reserves relate to retained earnings that have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes and include reserves relating to investments under incentive laws. These reserves will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital under certain conditions.

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Other reserves

Other reserves are almost entirely comprised of actuarial losses.

Other reserves include:

(i) Actuarial gains / (losses) on defined benefit plans resulting from a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

(ii) Changes in the fair value of investments that are classified as investments in equity instruments.

(iii) Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in other reserves. The cumulative amount is reclassified to the profit or loss when the net investment is disposed of.

Treasury Shares

Treasury shares were held regarding the Share Option Plan. Treasury shares are recognised on a first-in-first out method.

18. INTEREST BEARING LOANS AND BORROWINGS

	As at	
	30 September 2019	**31 December 2018**
Non-current interest bearing loans and borrowings		
Bank borrowings	1.167.845	1.178.075
Eurobonds	447.433	446.715
Finance leases	-	2.381
Total non-current interest bearing loans and borrowings	**1.615.278**	**1.627.171**
Current interest bearing loans and borrowings		
Short term bank borrowings	753.221	745.278
Eurobonds	-	318.386
Current portion of long-term bank borrowings	44.444	44.444
Finance leases - current portion	-	677
Total current interest bearing loans and borrowings	**797.665**	**1.108.785**
Total interest bearing loans and borrowings	**2.412.943**	**2.735.956**

The Group has centralized treasury operations which coordinate and control the funding and cash management activities of all group companies. Within this framework, Hellenic Petroleum Finance plc (HPF) was established in November 2005 in the U.K. as a wholly-owned subsidiary of Hellenic Petroleum S.A. to act as the central treasury vehicle of the Hellenic Petroleum Group.

Borrowings of the Group by maturity as at 30 September 2019 and 31 December 2018 are summarised in the table below (amounts in € million).

	Company	**Maturity**	**Balance as at 30 September 2019**	**Balance as at 31 December 2018**
1. Bond loan € 400 million	HP SA	Jun 2023	393	392
2. Bond loan € 400 million	HP SA	Nov 2020	224	223
3. Bond loan € 300 million	HP SA	Feb 2021	298	297
4. Bond loan $ 250 million	HP SA	Jun 2021	164	155
5. European Investment Bank ("EIB") Term loan	HP SA	Jun 2022	133	156
6. Eurobond €325m	HPF Plc	Jul 2019	-	318
7. Eurobond €450m	HPF Plc	Oct 2021	447	447
8. Bilateral lines	Various	Various	753	745
9. Finance leases	Various	Various	-	3
Total			**2.413**	**2.736**

No loans were in default as at 30 September 2019 (none as at 31 December 2018).

Significant movements in borrowings for the nine-month period ended 30 September 2019 are as follows:

EIB Term loans

Total repayments on both loans up to 30 September 2019 amounted to € 267 million (€22 million paid during 2019).

Eurobond €325m

In July 2014 the Group issued a €325 million five-year Eurobond, with a 5,25% annual coupon, maturing in July 2019. The Notes, which were issued by Hellenic Petroleum Finance Plc and are guaranteed by Hellenic Petroleum

(All amounts in Euro thousands unless otherwise stated)

S.A., are listed on the Luxembourg Stock Exchange. In early July 2019 Hellenic Petroleum Finance repaid the outstanding amount €319.8 million of the €325 Eurobond upon maturity.

Bilateral lines

The Group companies have credit facilities with various banks to finance general corporate needs which are being renewed in accordance with the Group's finance needs. The facilities are mainly comprised of short-term loans of the parent company. During the first quarter of 2019, the Group achieved significant improvements in cost, which were further improved in the second and third quarters of 2019.

Finance leases

From 1 January 2019, following the adoption of IFRS 16, liabilities relating to finance leases, previously included within borrowings, are now presented within lease liabilities.

No other significant movements occurred in borrowings during the nine-month period ended 30 September 2019.

Certain medium-term credit facility agreements that the Group has concluded, include financial covenants, mainly for the maintenance of certain ratios such as: "Consolidated Net Debt/ Consolidated Adjusted EBITDA", "Consolidated Adjusted EBITDA/ Consolidated Net Interest" and "Consolidated Net Debt/ Consolidated Net Worth". Management monitors the performance of the Group to ensure compliance with the above covenants.

19. TRADE AND OTHER PAYABLES

	As at	
	30 September 2019	**31 December 2018**
Trade payables	1.206.718	1.137.603
Accrued expenses	140.101	138.022
Other payables	56.048	73.528
Total	**1.402.867**	**1.349.153**

Trade payables comprise amounts payable or accrued in respect of supplies of crude oil, products, and services. Trade payables, as at 30 September 2019 and 31 December 2018, include amounts in respect of crude oil imports from Iran, which were received between December 2011 and March 2012 as part of a long-term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes through the international banking system between January and June 2012, it was not possible to do so. In the period from 16 January 2016 up to 8 May 2018, when sanctions were suspended, the Group successfully made several payments against a significant part of these amounts. Following the re-imposition of relevant sanctions by the United States, no deliveries of Iranian crude oil or payments have taken place since 8 May 2018.

Accrued expenses mainly relate to accrued interest, payroll related accruals and accruals for operating expenses not yet invoiced.

Other payables include amounts in respect of payroll related liabilities, social security obligations and sundry taxes.

(All amounts in Euro thousands unless otherwise stated)

20. CASH GENERATED FROM OPERATIONS

		For the nine month period ended	
	Note	**30 September 2019**	**30 September 2018**
Profit before tax		**210.014**	**507.269**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	**10,11**	167.225	139.428
Amortisation and impairment of intangible assets	**12**	5.957	6.315
Amortisation of grants	**5**	(777)	(605)
Finance costs - net		97.078	111.786
Share of operating profit of associates	**7**	(15.011)	(28.484)
Provisions for expenses and valuation charges		21.907	59.664
Foreign exchange gains	**6**	(833)	(2.540)
Amortisation of long-term contracts costs	**5**	(1.549)	1.970
Gain on assets held for sale		(782)	-
Gain on sales of property, plant and equipment	**5**	(253)	(65)
		482.976	**794.738**
Changes in working capital			
Increase in inventories		(96.759)	(156.964)
Increase in trade and other receivables		(19.489)	(156.804)
Increase/(decrease) in trade and other payables		32.152	(184.068)
		(84.096)	**(497.836)**
Net cash generated from operating activities		**398.880**	**296.902**

21. RELATED PARTY TRANSACTIONS

The interim condensed consolidated statement of comprehensive income includes transactions between the Group and related parties. Such transactions mainly comprise sales and purchases of goods and services in the ordinary course of business.

Transactions have been carried out with the following related parties:

a) Associates and joint ventures of the Group which are consolidated under the equity method:
- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- Public Gas Corporation of Greece S.A. (DEPA)
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A.
- D.M.E.P. HOLDCO

(All amounts in Euro thousands unless otherwise stated)

	For the nine month period ended	
	30 September 2019	**30 September 2018**
Sales of goods and services to related parties		
Associates	263.875	505.169
Joint ventures	774	522
Total	**264.649**	**505.691**
Purchases of goods and services from related parties		
Associates	319.374	591.100
Joint ventures	26.431	13.809
Total	**345.805**	**604.909**

	As at	
	30 September 2019	**31 December 2018**
Balances due to related parties		
Associates	11.637	11.912
Joint ventures	10	1.387
Total	**11.647**	**13.299**
Balances due from related parties		
Associates	23.267	36.041
Joint ventures	2.571	150
Total	**25.838**	**36.191**

Hellenic Petroleum S.A. has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to Elpedison B.V. The outstanding amount of these as at 30 September 2019 was €109 million (31 December 2018: €83 million) (See also Note 25).

b) Government related entities which are under common control with the Group due to the shareholding and control rights of the Hellenic State and with which the Group has material transactions or balances are:

- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Road Transport S.A.
- Hellenic Gas Transmission System Operator S.A.

During the nine-month period ended 30 September 2019, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €240 million (30 September 2018: €268 million)
- Purchases of goods and services amounted to €52 million (30 September 2018: €38 million)
- Receivable balances of €65 million (31 December 2018: €41 million)
- Payable balances of €15 million (31 December 2018: €11 million).

c) Key management includes directors (Executive and Non-Executive Members of the board of Hellenic Petroleum S.A.) and General Managers. The compensation paid or payable for the nine-month period ended 30 September 2019 to the aforementioned key management amounted as follows:

(All amounts in Euro thousands unless otherwise stated)

	For the nine month period ended	
	30 September 2019	**30 September 2018**
Short-term employee benefits	3.683	3.575
Post-employment benefits	122	116
Termination benefits	280	920
Total	**4.085**	**4.611**

d) The Group participates in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece:

- Edison International SpA (Greece, Patraikos Gulf).
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Total E&P Greece B.V and Edison International SpA (Greece, Block 2).

22. COMMITMENTS

Significant contractual commitments of the Group mainly relate to improvements in refining assets and amount to €35 million as at 30 September 2019 (31 December 2018: €21,7 million).

23. CONTINGENCIES AND LITIGATION

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business, the most significant of which are disclosed below:

(a) Business issues

(i) Unresolved legal claims

The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information and the opinion of legal counsel, management believes the final outcome will not have a significant effect on the Group’s operating results or financial position, over and above provisions already reflected in the consolidated financial statements.

Municipalities

During the two preceding years, a number of Municipalities proceeded with the imposition of duties and fines relating to the rights of way occupied by underground pipelines operated by the Group within the boundaries of each respective municipality. As at 30 September 2019, the total amounts imposed amount to € 26,5 million. In order to appeal against these, and in accordance with legislation, the Group has paid an amount of € 14 million which is included in Other Receivables in the Financial Statements (31 December 2018: € 6,4 million).

The Group has exercised all available legal recourse relating to these cases and Group Management have assessed that it is most probable that the outcome of all appeals will be favourable. Therefore, the Group has not raised a provision with regards to these cases.

Competition commission

In 2008, the Competition Commission (CC) imposed a penalty to BP Hellas S.A. (BP) amounting to € 30,066,585. On 24.12.2008, BP appealed against the CC Decision before the Athens Appellate Administrative Court and obtained suspension of enforcement for the amount of €28 million. Said Court, by virtue of Decision No. 1494/2011 sustained the appeal and cancelled the penalty. On 26.10.2011 the CC appealed against the above Decision before the Supreme Administrative Court (Conseil d’ Etat), which recently rendered its Decision No. 1770/2019, by virtue of which it has sustained the appeal of the CC and annulled the Decision of the Appellate Court, before which the case will be tried anew. The Supreme Court Decision is not yet available, as it is not yet transcribed into an official transcript.

In view of the above, a definitive opinion on the outcome of the new trial before the Appellate Court cannot be formed. The Group's legal advisors firm view since the beginning of the Court proceedings in 2008 is that the Company did not violate Law 703/1977 and it is believed that their view still remains unchanged.
Therefore, Group management believes that there is sufficient defense against the above penalty of the CC, which will be ultimately cancelled and no probable loss is expected to arise for the Company. Therefore, no provision has been made in the financial statements in relation to this claim.

(ii) Guarantees

The parent Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 30 September 2019 was the equivalent of €665 million (31 December 2018: €969 million). Out of these, €556 million (31 December 2018: €886 million) are included in consolidated borrowings of the Group and are presented as such in the consolidated financial statements.

(iii) International operations

The Group's international operations face a number of legal issues related to changes in local permits and tax regulations, however it is considered that they do not present any material impact on the consolidated financial statements. Such cases include a dispute in connection with the local tank depots of Jugopetrol AD in Montenegro, as well as the re-opening of the Commission for the Protection of Competition in Cyprus' investigation against the Petroleum companies operating there (wholesale), for the period from 1 October 2004 to 22 December 2006. On 15 November 2017 the Commission for the Protection of Competition in Cyprus imposed a fine amounting to €5 million against Hellenic Petroleum Cyprus Ltd. Pertinent legal actions, have commenced on 30 December 2017 and are in progress. The likelihood for an outflow of resources is assessed as remote. Management believes that no additional material liabilities will arise as a result of these cases over and above those recognised in the consolidated financial statements.

(b) Taxation and customs

The tax framework and practices in Greece, which determine the tax base for the transactions of the Group's main entities, may result in inherent uncertainties, due to its complexity and it being subject to changes and alternative interpretation by relevant authorities at different points in time and across different entities. As a result, there may be types of expenses or treatments for which a company may be assessed on a different basis than the one adopted during preparation of its tax return and the financial statements. Based on past experience tax audits were carried out by tax authorities on average 5-7 years after the filing of the tax return. In addition, where a tax audit results in a different assessment to the one adopted by the Group entity, and for which the Group after consideration, disagrees with, the process for resolving the issue is usually through a court of law proceeding, which has many stages and can take a considerable number of years to reach its final and irrevocable ruling. For an entity to engage in this process, a minimum down payment of 50% of the total tax and surcharges assessed is required.

All of the above result in inherent difficulties in the determination and accounting of tax liabilities. As a result, management aims to determine its policy based on specific legislation available at the time of accounting for a transaction, obtain specialist legal and tax advice on individual cases and utilise prior tax audits experience and rulings, including relevant court decisions. This process ensures that the financial statements reflect any material tax and customs liabilities as accurately and completely as possible.

(i) Open tax years – Litigation tax cases

As disclosed in Note 8, tax audits for the Group's most important Greek legal entities have been completed by the Tax Authorities as follows:

- Hellenic Petroleum S.A. has been audited up to and including the financial year ended 31 December 2011. The Tax audit reports for years ended 31 December 2010 and 31 December 2011 were received in December 2017 and they are subject to legal dispute by the Company. In summary, the reports assess additional taxes of € 22,5 million and penalties of €23,5 million, for items relating to stamp duty, various non-deductible expenses and other income tax adjustments. Following a detailed review of the Tax Audit Report, the Company has disputed the additional taxes imposed (which are over and above the amounts already included in the Companies' normal tax returns) and proceeded with all possible legal means and actions to appeal against these additional taxes and surcharges imposed.

Even though the Company disputed the additional taxes and surcharges imposed, it was obliged to pay 50% of the assessed amounts (taxes and surcharges) to the Tax Authorities in order to appeal the results of the tax audits. This was paid within the applicable deadline, while the remaining amounts have been fully offset by the Authorities, with tax and other State receivables of the Company, within 2018. These amounts are included in the Trade and Other Receivables, as the Company assesses that it will succeed in its appeals. As far as surcharges are concerned, the report has assessed amounts at 120% of the original tax instead of the applicable 50%; this is also legally challenged by the Company.

At present, an audit for the year ended 31 December 2012 is in progress.

The two main retail subsidiaries in Greece, which merged during 2016, have been audited as follows:

- Former Hellenic Fuels S.A. has been audited up to and including the financial year ended 31 December 2011, with ongoing audits for subsequent years up to and including 31 December 2013. The most recent Tax audit reports for 2010 and 2011 were delivered in December 2017, and assess additional taxes of € 1,6 million and surcharges of € 1,9 million for similar reasons as Hellenic Petroleum. The process followed is identical to the one described above for Hellenic Petroleum and the subsidiary has already proceeded with the relevant legal actions.
  Following the court hearing, in Q3 2019, the relevant Decisions were issued. With regards to the Stamp duty cases amounting at € 3,4 million, the decisions were in favor of the company and the relevant amounts will be refunded to the company, whereas for the Real Estate tax dispute of 2010 amounting at € 100 thousand, which was not in favor, the company will continue the legal procedure.

- EKO S.A. has been audited up to and including 31 December 2010 with ongoing audit for the fiscal year 2012. The most recent Tax audit reports for 2008, 2009 and 2010 were delivered in February 2018 and assess additional stamp duty of € 4,1 million and surcharges of € 3,5 million. The process followed is identical to the one described above for Hellenic Petroleum and the subsidiary has already proceeded with the relevant legal actions.

  Even though the Companies dispute the additional taxes and surcharges imposed, they were obliged to pay 50% of the assessed amounts (taxes and surcharges) to the Tax Authorities in order to appeal the results of the tax audits. These were paid within the applicable deadlines, while the remaining amounts have been fully offset by the Authorities, with tax and other State receivables of the Companies, within 2018. The amounts paid and/or offset are included in the Trade and Other Receivables, as the Group assesses that it will succeed in its appeals.
  Management believes that no additional material liability will arise either as a result of open tax years or from the outcome of current litigation cases over and above the tax liabilities and provisions already recognized in the consolidated financial statements as at 30 September 2019. The Company has recorded down payments made for taxes and penalties assessed in previous disputes with the tax authorities in other receivables (Note 14), to the extent that the Company has assessed that the amounts will be ultimately recoverable.

It is noted that for financial years ending 31 December 2011 up to and including 31 December 2018, the Group's Greek legal entities obtained unqualified "Annual Tax Compliance Reports" from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013.

(ii) Assessments of customs and fines

Customs and stock shortages

In 2008, Customs authorities assessed additional customs duties and penalties amounting to approximately €40 million for alleged "stock shortages" during the years 2001-2005. The Company has duly filed contestations before the Administrative Court of First Instance, and Management believes that this case will have a positive outcome when the legal procedure will be concluded.

Notwithstanding the filing of the above contestations, the Customs office withheld an amount of €54 million (full payment plus surcharges) of established VAT refunds (Note 14), an action against which the Company filed two

Contestations before the Administrative Courts of Athens and Piraeus. The Administrative Court of Athens ruled that the withholding effected by the Tax Office was unlawful.

The Company considers that the above amounts will be recovered.

Customs – other

As at 30 September 2019 there are pending litigation claims that have been filed against the Group by the State, concerning customs violations that have been carried out by petrol stations dealers and whereby the Group is considered to be jointly liable. Furthermore, a number of decisions have been issued by the Supreme Administrative Court in similar cases, which either reject the Group's appeals, or accept the State's appeals and redirect them to the Administrative Appeals Court. The total amounts imposed amount to € 13,9 million of which € 11,7 million have been paid and recognized in Other Receivables in the Financial Statements (31 December 2018: € 11,7 million).

With regards to EKO S.A.'s cases, the Group has filed an appeal to the European Court of Human Rights as it assesses that the above Court decisions contradict the provisions of the European Convention on Human Rights.

In this context, Group Management assesses that the probability of a favourable outcome from the European Courts is likely, which may as a result change the Supreme Administrative Court's position, which will subsequently result in a favourable outcome for the Group. For the reasons mentioned above, the Group has not raised a provision with regards to these cases.

24. DIVIDENDS

On 28 February 2019, the BoD proposed to the AGM the distribution of a final dividend of €0,50 per share for the year ended 2018, which was approved by the AGM on 7 June 2019. The above dividend includes a special dividend of €0,25 per share relating to distribution of part of the proceeds from the sale of the Group's share in DESFA. The total final dividend for 2018, amounts to €152,814 million and is included in the Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2019. The whole amount was paid in July 2019.

At its meeting held on 5 November 2019, the Board of Directors decided to distribute an interim dividend of €0,25 per share for the financial year 2019. The dividend amounts to a total of €76,409 million.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend or an additional special dividend during 2019.

(All amounts in Euro thousands unless otherwise stated)

25. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND ASSOCIATES INCLUDED IN THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	EFFECTIVE PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
HELLENIC FUELS AND LUBRICANTS INDUSTRIAL AND COMMERCIAL S.A	Marketing	GREECE	100,00%	FULL
EKOTA KO S.A.	Marketing	GREECE	49,00%	FULL
EKO KALYPSO M.E.P.E.	Marketing	GREECE	100,00%	FULL
EKO ATHINA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO ARTEMIS MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO DIMITRA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO IRA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO AFRODITI MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO BULGARIA EAD	Marketing	BULGARIA	100,00%	FULL
EKO SERBIA AD	Marketing	SERBIA	100,00%	FULL
HELLENIC PETROLEUM INTERNATIONAL S.A.	Holding	AUSTRIA	100,00%	FULL
HELLENIC PETROLEUM CYPRUS LTD	Marketing	U.K	100,00%	FULL
R.A.M.OIL Cyprus LTD	Marketing	CYPRUS	100,00%	FULL
YUGEN LTD	Marketing	CYPRUS	100,00%	FULL
HELPE COMPANY HOLDING LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
JUGOPETROL AD	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	100,00%	FULL
VARDAX S.A	Pipeline	GREECE	80,00%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	81,51%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
POSEIDON MARITIME COMPANY	Vessel owning / Petrochemicals	GREECE	100,00%	FULL
APOLLON MARITIME COMPANY	Vessel owning / Refining	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
HELLENIC PETROLEUM R.E.S S.A.	Energy	GREECE	100,00%	FULL
HELPE-LARCO ENERGIAKI SERVION S.A.	Energy	GREECE	51,00%	FULL
HELPE-LARCO ENERGIAKI KOKKINOU S.A.	Energy	GREECE	51,00%	FULL
ENERGIAKI PYLOY METHONIS S.A.	Energy	GREECE	100,00%	FULL
ATEN ENERGY S.A.	Energy	GREECE	100,00%	FULL
HELPE E&P HOLDINGS S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE ARTA PREVEZA SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE NW PELOPONISSOS SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE WEST KERKYRA SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE SEA OF THRACE SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE PATRAIKOS S.A.	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE UPSTREAM S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
SUPERLUBE LTD	Lubricants	CYPRUS	100,00%	FULL
BLUE CIRCLE ENGINEERING LIMITED	Marketing	CYPRUS	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	33,33%	EQUITY
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
E.A.K.A.A S.A.	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A	Pipeline	GREECE	25,00%	EQUITY
DMEP HOLDCO LTD	Trade of crude/products	U.K	48,00%	EQUITY

- On 15 January 2019, HELLENIC PETROLEUM CYPRUS HOLDING LTD signed the share purchase agreement for the acquisition of the 100% of the total issued share capital of BLUE CIRCLE ENGINEERING LIMITED, a company that specializes on the use of LPG as a source of energy, as well as distributing of LPG throughout Cyprus. Transaction was completed on 31 May 2019 and the total aggregate consideration for the ordinary share capital acquired was €6,9 million, comprising an immediate cash consideration of €5,7 million (€5,3 million net of cash acquired), an amount of €0,55 million which was settled within the third quarter of 2019 and a contingent consideration of €0,65 million subject to the satisfaction of specific terms of the agreement. Provisional goodwill of €4,7 million was recognised in the transaction (Note 12).

- On 26 July 2019, ELPEDISON BV acquired the non-controlling interest in ELPEDISON SA of 24,22% and currently owns the 100% of the shares in ELPEDISON SA. The total aggregate consideration for the ordinary share capital acquired amounted to €20 million (Note 7).

26. EVENTS OCCURING AFTER THE REPORTING PERIOD

On 4 October 2019, HELLENIC PETROLEUM FINANCE PLC (“HPF”), a wholly owned subsidiary of the Company, successfully priced the issue (the “Issue”) of a new 5-year, €500 million Eurobond, fully guaranteed by the Company, with an annual fixed coupon of 2% and an offering price of 99.41 (the “New Notes”), which are listed in the Luxembourg Stock Exchange. At the same time, HPF successfully completed a tender offer process for the €450 million, 4,875% October 2021 bond (the “2021 bond”). Specifically, HPF purchased back in cash an aggregate nominal amount of Notes equal to €248m at price of 109,25 per cent excluding any interest accrued to the date of the tender and the bond holders acquired an equal nominal amount of the new bond. As a result, a significant part of the demand for the Issue (€248 million) came from existing bondholders of the 2021 bond who participated in the tender offer process.

No other events took place after the end of the reporting period and up to the date of the publication of the consolidated financial statements.