HELLENIC DISTRIBUTIONS S.A.

"HELLENIC DISTRIBUTIONS SA "

GENERAL COMMERCIAL REGISTER NO.: 122793901000

23RD KM ATHENS – LAMIA NATIONAL ROAD, AGIOS STEFANOS, ATTICA GR-14565

Annual Financial Statements

for the fiscal year 1 January – 31 December 2017

prepared in accordance with the International Financial Reporting Standards (IFRS)

It is hereby confirmed that the attached financial statements for the period 1.1.2017-31.12.2017 are those approved by the Company's Board of Directors on 13.06.2018 which were made public by posting them on the internet at www.dutyfreeshops.gr.

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I. Annual Report of the Board of Directors for the year 01.01.2017–31.12.2017

To the Ordinary General Meeting of Shareholders for 2017

The Board of Directors of «HELLENIC DISTRIBUTIONS S.A.» would like to submit the annual financial statements for the period 1.1.2017 to 31.12.2017 for approval. The Board would also like to report on events during that year.

Major events during the previous year

Brief History of the Company
On April 10, 2013 was registered in the General Commercial Registry (GEMI) with the decision number 1174 / 2013-08 / 04/2013 of the Deputy Governor Of Eastern Attica, which approved:

A. The absorption by the limited company under the name HELLENIC DISTRIBUTIONS SOCIETE ANONYME with General Commercial Registry number. 003966601000 and AR.M.A. 46980/04 / B / 00/73 (2004) with the registered office of the Company. Agios Stefanos, Municipality of Dionysos, of the "Travel Trade" sector, by the limited company under the name HELLENIC DISTRIBUTIONS SA TRADING OF TAXED GOODS SOCIETE ANONYME. with GEMI number 122793901000 with headquarters in the UK. Agios Stefanos Municipality of Dionysos, according to the provisions of Cod. Law 2190/1920, as in force, in conjunction with the provisions of Law 1297/1972, the contract No. 3,005 / 27-03-2013 of Athens Notary Eleni Christos Thomopoulou, the 30/09/2012 balance sheet of as well as the 12/11/2012 report by the Certified Auditors Voustouri Panagiotis and Drosos Dimitrios with an Audit Firm. SOEL: 12921 and 31371, respectively, on this accounting statement and the corresponding decisions of the Extraordinary General Meetings of the shareholders of the aforementioned Societe Anonyme companies of 14/03/2013 and 28/02/2013.
B. With Announcement No. 31028 / 10-04-2013 by GEMI. the amendment of the name of the company "HELLENIC DISTRIBUTIONS SOCIETE ANONYME FOR TRADING OF TAXED GOODS SA" to "HELLENIC DISTRIBUTORS SA" has been approved as a consequence of the completion of the above transformation.
The company HELLENIC DISTRIBUTIONS SA is a subsidiary of the company under the heading "DUTY FREE SHOPS SA" The company was established with the number 6.255 / 15-10-2012 of the notary of Athens Maritsa Lempessi, which is its statute, which was registered in the General Commercial Registry on 16-10-2012 with Registration Code 122793901000, which, together with the above-mentioned company's approval and approval of the Articles of Association, was published in the Official Gazette of the Republic of Cyprus (ISSUE S.A. ., EPE & GEMI), which Company operates 2190/1920 "On Sociétés Anonymes" as amended.

Sector Contribution Process
On March 27, 2013, the Company successfully completed the collection of the original Share Capital by € 60,000.00 with cash payments from the sole Shareholder.
On 11 April 2013, the Contributing Company transferred all of the assets of the "Travel" (Assets and Liabilities) to the Acquisition of the Company, based on its assets, which is shown in the balance sheet 30-9-2012 and as this (the property) was formed until the legal end of the absorption. Thus, the Absorbent became the main, nominee, holder and beneficiary of each asset of the above Branch of the Contributing Company.
The share capital of the Absorbing Company is increased due to the absorption, by the amount of the net position of the above Branch of the Contributing Company, as estimated in accordance with article 8 of the Law. 1297/1972 by the Chartered Accountants Auditor. Panayiotis Vroustouris and Dimitrios Drosos who meet the criteria of paragraph 4 of article 9 of the Codified Law 2190/1920. 2190/20 and amounts to six million two hundred and thirty six thousand Euro (6.236.000,00), with the issuance of six million two hundred and thirty six thousand new common bearer shares with a nominal value of Euro (1.00) each. So today the share capital of our company amounts to 6,296,000.00 €.
The company operates where the parent company, due to its specific legal status, cannot be active. Under its Articles of Association, the company may carry out the activities of the parent company, except for the operation of duty-free and duty-free shops. The business activity of the company consists of two main branches, namely first

retail & wholesale of consumer products and secondly staff licensing. In the context of its business development, the company has since its founding carried out two strategic moves:

In May 2005, it entered into contracts with the companies "PHILIP MORRIS WORLD TRADE" and "PAPASTRATOS ABES" for the distribution and promotion in Greece of duty-free cigarettes traded by these companies to shippers, stores of diplomatic and military missions and all kinds of ships.

In February 2014 it entered the coastal area with the operation of retail stores within the ships. We signed relevant cooperation agreements with the two largest shipping companies in the country, ANEK and Attica Group. These ships serve domestic and foreign routes. Our stores offer a full range of goods such as perfumes, clothing, food, tobacco products, alcoholic beverages, mobile phone cards, books, maps, and more.

In April 2017, it increased its participation in the cruise by signing a new private agreement with a foreign shipping company (DIVINE SHIPPING SA). In particular, it has undertaken (exclusively) the supply of duty-free retail outlets within the Celestyal Nefeli. These stores will sell duty-free merchandise to private cruise customers.

A. Report for the fiscal year 01.01.2017 to 31.12.2017

2017 was another difficult year for the Greek economy. The rates of change and the magnitude of economic activity had a negative impact on disposable income for consumption. It is clear that the decline in consumer purchasing power has affected the sizes of all businesses and, of course, our Company.

The Company's revenues from the sale of goods during the year 2017 amounted to € 19.4 million (2016: € 22.9 million). Gross Profits reached € 5.1 million (2016: € 5.7 million).

However, I would like to point out that in a particularly bad period for the Greek economy profits before taxes, depreciation, financial and investment results exceeded 1.9 million compared to 1.8 million in 2016, recording an increase of 5.6%. We also note that EBITDA as a percentage of sales amounted to 10.0% versus 8.0% in 2016.

Cash at end-of-year amounted to € 4.7 million (2016: € 3.3 million).

Branch Network

During 2017, six stores operated at Athens International Airport. The five stores are at the Arrivals section. One is addressed to the general public with confectionery products from the well-known brands TERKENLIS & LEONIDAS. Three of them are exclusively for arriving passengers in the travelers' luggage pick-up area and the fifth is exclusively for the airport's employees. The sixth Swatch store is at the Departures level.

In the rest of Greece Region , there were three retail outlets. A shop in the airports of Thessaloniki and Mykonos and a shop in the port of Patras.

In 2017, the successful activity in the wholesale sector continued, and mainly in the two channels of distribution "internal market" and "cruise". For the first time with the exclusive representation we have with the Bottega Spa House for the distribution of their products all over Greece in restaurants, hotels (HO.RE.CA.) with an increase in sales. For the second channel with the exclusive supply of Duty-Free On-Board Retail Stores

Moreover, during the year, "Hellenic Distributors" continued to operate in the management of stores on board with sales of taxed goods. Our cooperation with the two largest shipping companies in the country, ANEK and ATICA Group, has increased the company's turnover and made it further known to the public. Specifically in the closed year we operated 22 stores within the ships, which had a turnover of € 4.9 million compared to 4.5 million in 2016.

B. Core financial performance indicators of the company

Key financial ratios are presented regarding the financial structure and profitability of the Company, both in the closed year and the previous year.

Ratios of Economic Structure	31.12.2017	31.12.2016
Current assets/ Total assets	**90,09%**	**89,10%**
Total Liabilities / Total Equity and Liabilities	**20,52%**	**31,30%**
Current Assets / Short Term Liabilities	**5,24**	**3,03**
Performance and Efficiency Ratios		
EBIT/ Total Sales	**7,57%**	**5,69%**
Net Borrowing / EBITDA	**0%**	**0%**

Risks and uncertainty

- Currency risk

This risk has two strands:

(a) Risk of diminishing gross profitability due to revaluation of foreign currencies against company functional currencies.

The company is mainly active in the Greek market & very little with European Union countries with transactions in Euro and therefore the currency risk is insignificant.

(b) Risk from the conversion of financial statements denominated in a foreign currency

There is no such case.

- Interest rate risk

This risk arises from bank loans and in particular from the fact that these agreements are expressed in a floating rate linked to the EURIBOR. There is no such risk.

- Credit risk

The company has a reduced concentration of credit risk on the one hand because part of the retail sales are made either in cash or through credit cards and on the other hand in wholesale sales they are mainly made to customers with reduced losses or the related forecasts.

- Liquidity risk

Liquidity risk is nil because of the availability of high cash reserves.

- Capital management

Capital Management aims to enable the company to continue its business in order to provide profits to shareholders and benefits to other stakeholders, while maintaining a capital structure that minimizes capital costs.

The tools of capital management are the dividend policy, the issue or return of capital and the purchase and sale of assets.

A key indicator used in managing funds is the leverage ratio, which is calculated as the net debt divided by the total capital.

Net debt is calculated as total borrowing (including short- and long-term loans) minus cash. The total capital is calculated as the equity shown in the balance sheet plus the net debt.

C. Labor and Environmental Issues

Diversification and equal opportunities policy

The core value of DUFRY Group and, by extension, of HDFS is respect for people. HDFS and its subsidiaries are non-discriminatory on the basis of "protected features". Protected features include gender, disability, race, color, ethnicity, national or ethnic origin, religion or belief, marital status, age, pregnancy and maternity. This policy applies equally to the treatment of our visitors, customers, customers and suppliers by our employees and to the treatment of our employees by these third parties. The company respects the diversity of employees and manages any matter of diversity arising in a fair and sensible manner. Everyone has a duty to act in accordance with this policy and to treat colleagues at all times with dignity. The company does not support any discriminatory practice or behavior.

Respect for employees' rights and trade union freedom.

Since 1980, the "Duty Free Shops" Employees' Association has been working smoothly. The "Duty Free Shops" Employees" Association is the official representative body of employees of the company in which everyone has the right to participate.

Environmental issues

As part of our approach to corporate responsibly, we systematically recognize and prioritize environmental issues that are related to our activities and which may have negative effects on our stakeholders and the broader natural environment, as well as overall Sustainable Development at national level. Continuous improvement of environmental performance, prevention of pollution, application of the precautionary principle and observance of existing legislation are a long-term commitment of the Company's Management. To this end, the Company applies a continuously evolving System of Integrated Management for all its activities, the environment, occupational health and the safety of its operations.

D. Significant transactions between the Company and related parties

As affiliated parties in accordance with IFRS. 24 are understood as subsidiaries, companies with common ownership or management with the company, associates of the company, as well as members of the Board of Directors and the Company's directors. The company obtains goods and services from related parties, while it also supplies goods and services to them. The company's sales to related parties mainly concern sales of goods. Sales to the company relate to sales of goods and services (rental of buildings and communal).

The Company, in its dealings with affiliated parties, applies the Transfer pricing rules according to Law 3728 / 18-12-2008. The transactions that took place during the period under review between the company and its affiliated parties, as defined by IAS. 24 are as follows:

Transactions with Parent Company		
(amount in '000)	**1/1/-31/12/2017**	**1/1-31/12/2016**
Sales of goods	270	491
Sales of services	-	2
Fixed Assets	19	-
Receiving Services	107	16
Purchases of goods	4.276	4.209
Transactions with Other Affiliated Parties		
(amount in '000)	**1/1/-31/12/2017**	**1/1/-31/12/2016**
Sales of goods	75	145
Other revenues	5	9
Receiving Services - Other costs		
Purchases of goods		

E. Significant events after the end of the period and up to the date of preparation of the Report

There are no other events subsequent to the financial statements that require reference from the International Financial Reporting Standards (IFRS).

F. Prospects for 2018

The prospects for the current use of the Greek economy depend on two factors:
A) The increase in unemployment and the reduction of purchasing power within Greece affects our Company's activities.
B) In addition, the prolongation of the uncertainty regarding the outcome of the negotiation of the agreements with the partners, and the assessment of the country by the European Community and the IMF. which has already begun without the foreseeable end result. The outcome of these negotiations will ultimately be the main determinant of the course of the country in the coming years.
A guarantee for optimistic prospects is the size of Dufry, the spread of its activities around the world, the experience and know-how of its executives, which are indisputable. At the same time, Dufry's strategic decision to fully acquire all the shares of our parent company demonstrates the excellent state of the industry in terms of its fundamentals and its outlook.

In early 2018, the company negotiated with a foreign shipping company the supply of retail outlets on board, that would sell duty-free merchandise on cruises. It is estimated that the related activities will further improve the company's results.

The Company's Management will make every effort so that the current economic crisis will affect the Company & its sizes as little as possible and estimates that the current 2018 year will be more difficult than in 2017, but eventually the Company will succeed to stand at 2017 levels, and so in the coming years to shape upward.
Για την Εταιρεία

The Chief Executive Officer
Georgios Velentzas
ID No. AB285760

II. Audit Report prepared by Independent Certified Public Accountant

This report has been translated from the original version in Greek Independent Auditors Report

To the Shareholders of Hellenic Duty Free Shops S.A.

Report on the Audit of the separate and consolidated Financial Statements

Opinion

We have audited the accompanying financial statements of HELLENIC DISTRIBUTION S.A. (the Company), which comprise the statement of financial position as of December 31, 2017, income statement, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.
In our opinion, the accompanying financial statements present fairly in all material respects the financial position of HELLENIC DISTRIBUTION S.A. as at December 31, 2017 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information includes the Board of Directors Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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a) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of article 43a, of the Codified Law 2190/1920 and the content of the Board of Directors' Report is consistent with the accompanying financial statements for the year ended December 31, 2017.

b) Based on the knowledge and understanding concerning HELLENIC DISTRIBUTION S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

Athens, July 16 2018

The Certified Auditor Accountant

Konstantinos Tsekas

S.O.E.L. R.N. 19421

Ernst & Young (Hellas) Certified Auditors Accountants S.A.

8B Chimarras St., Maroussi

151 25, Greece

Company SOEL R.N. 107

III. Annual Financial Statements

1. 1. Statement of financial position

(Amounts in σε € '000)	Note	31/12/2017	31/12/2016
Assets			
Non-current assets			
Tangible assets	4	255	365
Intangible assets	5	0	14
Deferred tax assets	14	219	221
Other long-term assets	6	899	1016
		1.373	**1.616**
Current assets			
Inventories	7	2.143	3.771
Customers & other trade receivables	8	3.265	3.662
Other receivables	8	2.401	2.535
Cash and cash equivalents	9	4.667	3.269
		12.476	**13.237**
Assets		**13.849**	**14.853**
Equity and Liabilities			
Equity			
Share capital	11	6.296	6.296
Other reserves		191	151
Retained earnings		4.520	3.650
Equity		**11.007**	**10.097**
Long-term liabilities			
Staff termination liabilities	10	460	384
Total long-term liabilities		**460**	**384**
Short-term liabilities			
Suppliers and other liabilities	12	2.374	3.995
Current tax liabilities	13	8	377
Total short-term liabilities		**2.382**	**4.372**
Total liabilities		**2.842**	**4.756**
Equity and Liabilities		**13.849**	**14.853**

2. 2. Statement of Comprehensive Income

(Amounts in € '000)	Note	1/1-31/12/2017	1/1-31/12/2016
Sales	3,15	**19.400**	**22.851**
Cost of Goods Sold	3,16	(14.348)	(17.120)
Gross profit		**5.052**	**5.731**
Other sales income / expenses	17	2.286	1.741
Staff expenses	18	(5.000)	(5.199)
Overheads	19	(397)	(448)
Earnings before taxes, financial and investment results and depreciation (EBITDA)		**1.941**	**1.825**
Depreciation	20	(100)	(110)
Other operating results	21	(373)	(440)
Earnings before interest and financial results (EBIT)		**1.468**	**1.275**
Financial income	22	13	19
Financial Expenses	22	(1)	(2)
Foreign exchange differences		(6)	8
Earnings before tax (EBT)		**1.474**	**1.300**
Income tax	13	(559)	(477)
Earnings net of tax		**915**	**823**
Other comprehensive income / (losses):			
Actuarial gains/(losses) in equity	10	(7)	(5)
Deferred income tax	14	2	2
Net other income/(expenses) for year not recycled in income statement in subsequent periods		(5)	(3)
Total comprehensive income / (losses) net of tax		**910**	**820**
Consolidated comprehensive income attributable to:			
Company shareholders		**910**	**820**
Earnings per share (in €)	23	0,14	0,13

3 Statement of changes in equity

3.1 Statement of changes in equity

	Share capital	Other reserves	Results carried forward	Total equity attributable to Company shareholders
Balance as at 2016	**6.296**	**113**	**2.868**	**9.277**
Earnings net of tax	-	-	823	**823**
Actuarial gains/(losses) in equity	-	(5)	-	**(5)**
Transfer to reserves	-	2	-	**2**
Consolidated comprehensive income net of tax	**-**	**(3)**	**823**	**820**
Share capital increase	-	-	-	**-**
Transfer to reserves	-	41	(41)	**-**
	-	**41**	**(41)**	**-**
Balance as at 2016	**6.296**	**151**	**3.650**	**10.097**
Balance as at 2017	**6.296**	**151**	**3.650**	**10.097**
Earnings net of tax	-	-	915	**915**
Actuarial gains/(losses) in equity	-	(7)	-	**(7)**
Income tax relating to comprehensive income items	-	2	-	**2**
Cumulative total revenue after tax	**-**	**(5)**	**915**	**910**
Share capital increase	-	-	-	**-**
Capital increase expenses	-	-	-	**-**
Transfer to reserves	-	45	(45)	**-**
Adjustments in fair value of assets and liabilities	-	-	-	**-**
		45	**(45)**	
Balance as at 2017	**6.296**	**191**	**4.520**	**11.007**

4 Cash Flow Statement

(Amounts in € '000)	Note.	1/1/2017-31/12/2017	1/1/2016-31/12/2016
Operational activities			
Earnings / (losses) before tax		**1.474**	**1.300**
Adjustments to reconcile net flows from operating activities			
Depreciation and impairment of Tangible Assets	20	100	110
Staff leaving compensation provisions	10	16	116
Provision for bad debt	8	-	(16)
Reversal of inventory obsolescence provisions	7	40	224
Financial income	22	(13)	(19)
Financial expenses	22	1	2
Losses / (gains) on impairment / sale of fixed assets		25	
Losses/(gains) from foreign exchange differences			(8)
Operating profit before changes in working capital		**1.643**	**1.709**
(Increase) / Decrease in:			
Inventories	7	1.588	326
Customers and other receivables	8	531	(993)
Increase / (Decrease) in:			
Suppliers and other short-term liabilities	12	(1.621)	(940)
Changes in Working Capital		**498**	**(1.607)**
Taxes paid	13	(924)	(413)
Payments for staff compensation	10	-	(134)
Interest paid		(1)	(2)
(Increase)/decrease in other long-term receivables	6	170	(100)
Total inflows from operating activities		**1.386**	**(547)**
Investing Activities			
Purchases of tangible assets	4	(38)	(8)
Additions of intangible assets	5		
Proceeds on sale of intangible and tangible assets	4	37	
Interest and related income collected	22	13	19
Total net outflows from investing activities		**12**	**11**
Net (decrease) / increase in cash assets		**1.398**	**(536)**
Cash assets at start of year		**3.269**	**3.805**
Cash assets at end of year		**4.667**	**3.269**

IV. Notes to the Annual Financial Statements

1. 1. General Information

"HELLENIC DISTRIBUTIONS SA" is a limited company registered in Greece in the Register of Sociétés Anonymes with the number GEMI 122793901000 and its registered office is at Ag. Stephano Attica. The Company is active in the areas of retail travel trade and specifically where the parent company, due to its specific legal status, can not be active. Also, according to its Articles of Association, it may carry out the activities of the parent company other than the operation of duty-free and duty-free shops. The business activity of the company consists of two main branches, namely first retail & wholesale of consumer products and secondly staff licensing.

These financial statements are included in the financial statements of "Duty Free Shops" and cover the period from 1 January 2017 to 31 December 2017, have been approved by the Board of Directors. of the Company on 13 June 2018.

1.1 Major Events of the Closing Period

The Company continued its operations during the current fiscal year, in a very difficult period of the economy. As a result, sales fell short of the year 2016. The main causes of this decline are:

• the decrease in the purchasing power of consumers due to the current state of the Greek economy

• the imposition of "capital controls" which further reduced consumer liquidity.

However, the Company's management managed to significantly increase both the EBITDA and pre-tax results, despite the decrease in sales. This was done through systematic monitoring of costs and further reductions.

2 Major accounting policies

2.1 Basis of preparation of the financial statements

The financial statements of "HELLENIC DISTRIBUTIONS SA" as at December 31, 2017, covering the whole of the year 2017, have been prepared based on the historical cost principle as modified by the revaluation of specific assets and liabilities at current values, going concern and comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and their interpretations as they are The accompanying financial statements are prepared at the request of CL. 2190/1920 as in force.

The preparation of financial statements in accordance with IFRS requires the use of accounting estimates and judgment of management in the application of the Group's accounting policies. Significant assumptions by the management for the application of the company's accounting policies have been identified where appropriate.

The presentation currency is the Euro and all amounts are in thousand Euros unless otherwise stated.

2.2 New Standards & Interpretations

If the adoption of a standard or an interpretation has had an impact on the company's financial statements or operations, this effect is described below:

A) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those adopted in the previous financial year except for the following standards that the Company adopted on 1 January 2017.

- **IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)**
  The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined versus separate assessment. The Amendments were not applicable for the Group/Company

- **IAS 7: Disclosure Initiative (Amendments)**
  The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. The Company's Management estimates that there is no impact on the financial statements.

- **The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The following annual improvement has not yet been endorsed by the EU The Company's Management estimates that there is no impact on the financial statements.

  - *IFRS 12 Disclosure of Interests in Other Entities: The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.*

B) Standards issues but not yet applicable to the current accounting period, which the Company has not adopted ahead of schedule

- **IFRS 9 Financial Instruments: Classification and Measurement**
  The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The Company's Management estimates that there is no impact on the financial statements.

- **IFRS 15 Revenue from Contracts with Customers**
  The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The Company's Management estimates that there is no impact on the financial statements. The Company carried out an initial assessment of the impact of IFRS 15 and then carried out a detailed analysis of the differences by revenue category between the new standard and the existing accounting policies, which was completed in 2017. Based on the above analysis, no significant differences were found current accounting policies. As a result, the new standard is not expected to have a significant impact on the Company's financial statements in its application.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**
  The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

- **IFRS 16: Leases**
  The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The Company's management estimates that the standard will mainly affect the accounting for the Company's operating leases. However, the Company has not yet determined to what extent these commitments will lead to the recognition of an asset and a liability for future payments, and how this will affect the Company's profit and the cash flow classification. This is due to the fact that some of the leases can be covered by the exception for short and low value leases and some leases may concern arrangements that will not be considered as leases under IFRS 16. The Company expects to complete the Impact Assessment by the implementation of the new standard in the coming months.

- **Amendment in IFRS 10 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 The Company's Management estimates that there is no impact on the financial statements.

- **IAS 19: Changes, Cuts or Settlement of a Defined Benefit Scheme (Amendments)**
  The amendments are effective for annual periods beginning on or after January 1, 2019, while earlier application is permitted. 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 change, curtailment or settlement of the defined benefit plan is made. The amendments also clarify how the application of asset asset ceiling requirements is affected by the accounting treatment of a change, curtailment or settlement of the defined benefit plan. The amendments have not yet been adopted by the European Union. The Company's Management will assess the effect of these changes in the financial statements.

- **IFRS 2: Classification and measurement of share-based payment entitlements (Amendments)**
  The amendments are effective for annual periods beginning on or after 1 January 2018 and early adoption is permitted. The amendments provide requirements for the accounting treatment (a) of the effects of vesting conditions and non-vesting conditions on the measurement of share-based payment and cash-settled transactions; (b) share-based payment obligations (c) the accounting treatment of changes in share-based

payment terms and conditions that differentiates the classification of a transaction from The Company's Management estimates that there is no impact on the financial statements.

- **IAS 40: Transfers to Investment Property (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU. The Company's Management estimates that there is no impact on the financial statements.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**
  The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. 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. These Amendments have not yet been endorsed by the EU. The Company's Management estimates that there is no impact on the financial statements.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**
  The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. 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. These Amendments have not yet been endorsed by the EU. The Company's Management estimates that there is no impact on the financial statements.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**
  The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU. The Company's Management estimates that there is no impact on the financial statements.

  The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. These annual improvements have not yet been endorsed by the EU The Company's Management estimates that there is no impact on the financial statements.

- **IFRS 1 First-time Adoption of International Financial Reporting Standards***:* This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for First time adopters.
- **IAS 28 Investments in Associates and Joint Ventures:** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**
The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. 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. This Interpretation has not yet been endorsed by the EU. The Company's Management estimates that there is no impact on the financial statements.

- **The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. The Company's Management estimates that there is no impact on the financial statements

- ***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.

2.3 Summary of significant accounting policies

2.3.1 Property, plant and equipment

Fixed assets are reported in the financial statements at their acquisition cost or deemed cost as determined on a fair value basis at the transition dates, minus the accumulated depreciation and, secondly, any accumulated depreciation of the asset. Cost of acquisition includes all directly attributable costs for the acquisition of assets.

Subsequent expenditure is recognized as an increase in the carrying amount of the tangible fixed assets or as a separate asset only to the extent that those expenses increase the future economic benefits expected to flow from the use of the asset and their cost can be measured reliably. Repairs and maintenance costs are recognized in the income statement when incurred.

Depreciation of other tangible assets (other than land that is not depreciated) is calculated using the straight-line method over their useful lives, which is as follows:

Category of Fixed Asset	Years of Useful Life
Buildings and installations in third-party property	10
Furniture and mechanical equipment	5-Окт
Cars & Vehicles	8-Окт
Computers	5

The residual values and useful lives of tangible assets are subject to review at each balance sheet date. When the carrying values of tangible assets exceed their recoverable amount, the difference (impairment) is recognized immediately as an expense in the income statement.

On the sale of tangible assets, the differences between the consideration received and their book value are recorded as gains or losses in the income statement. Repairs and maintenance are recorded in expenses of the period in question.

Self-constructed tangible assets constitute an addition to the cost of acquisition of tangible assets at values that include the direct payroll cost of the personnel involved in the construction (corresponding employer's contributions), the cost of consumed materials and other general costs.

2.3.2 Other Intangible Assets

Licenses acquired in software are capitalized on the basis of the costs incurred για την απόκτηση και την installation of this software. Expenditure related to the maintenance of the electronic software is recognized in the expenses of the period in which they are incurred. Expenses that are capitalized are depreciated using the straight-line method over their estimated useful lives.

2.3.3 Impairment of Assets

Intangible assets that have an indefinite useful life and are not depreciated are subject to impairment testing at least annually. Assets subject to amortization are tested for impairment when there is evidence that their carrying amount will not be recovered. The recoverable amount is the highest value between the fair value less costs to sell and the asset's value in use. Use value is determined by discounting future flows at the appropriate discount rate. If the recoverable amount is less than the net book value, then the net book value is reduced to the recoverable amount.

Impairment losses are recognized as expenses in the income statement in the period in which they arise unless the asset has been revalued, in which case the impairment loss reduces the corresponding revaluation reserve. When an impairment loss is reversed in a subsequent period, the carrying amount of the asset is increased to the amount of the revised estimate of the recoverable amount to the extent that the new amortized cost does not exceed the net book value that would have been determined had the loss not been recorded impairment in prior years. The reversal of the impairment is recognized in income unless the asset has been revalued, so reversal of the impairment loss increases the corresponding revaluation reserve.

For the purpose of estimating impairment losses, assets are classified as the smallest possible cash-generating unit.

2.4 Financial Assets

2.4.1 Initial Recognition

Financial assets are recognized in the group's balance sheet once the group becomes part of the parties to the financial instrument.

The Company's financial assets are classified in the following asset classes:

• Requirements from commercial activities

• Sight and time deposits

Financial assets are divided into different categories by the management according to their characteristics and the purpose for which they are acquired.

The category in which each financial instrument is classified is different from the others, since depending on the category in which it is registered, different rules apply to its valuation and to the manner in which each identified result is recognized either in the income statement or directly in equity. Financial assets are recognized using the trade date accounting.

2.5 Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is estimated on the basis of the current sales prices of the stocks within the normal activity deducted and any selling expenses where applicable.

2.6 Receivables from trading activities and other receivables

Receivables are non-derivative financial assets with fixed and determinable payments and which do not have a stock market price in an active market. They are created when the company provides money, products or services directly to a debtor without commercial intent. They are measured at amortized cost using the effective interest method minus any impairment provision. Any change in the value of receivables is recognized in profit or loss when the receivables are derecognised or impaired, as well as the application of the effective interest rate method.

Receivables from trading activities are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest method. Appropriate provisions for estimated irrecoverable amounts are recognized in the income statement when there is objective evidence that the asset is impaired. The recognized provision is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the effective interest rate prevailing at the time of initial recognition. For some receivables, an impairment test is performed for each individual receivable (for example, for each client separately) where the recovery of the receivable is lagged at the date of the financial statements or where objective evidence indicates the need for impairment. The remaining receivables are grouped and tested for impairment as a whole. The amount of the impairment loss is the difference between the carrying amount of the receivables and the estimated future cash flows. The amount of the impairment loss is recognized as an expense in the income statement.

Receivables are included in current assets, except for those that expire after twelve months after the balance sheet date. These are classified as non-current assets. The balance sheet is classified as trade and other receivables.

2.7 Cash Equivalents

Cash and cash equivalents include cash in the bank and the fund as well as short-term high liquidity investments such as repos and bank deposits with maturity less than three months.

For the preparation of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding outstanding bank overdrafts.

2.8 Share Capital

Common shares are classified as equity. Direct costs for the issue of shares, after the deduction of the relevant income tax, are reduced to the proceeds of the issue. Direct costs associated with the issue of shares for the acquisition of business are included in the acquisition cost of the business acquired. The cost of acquiring treasury shares, reduced by income tax (if applicable), is deducted from the Group's own funds until the own shares are sold or canceled. Any gain or loss on the sale of treasury shares net of other costs directly attributable to the transaction and income tax, if any, appears as a reserve in equity.

2.9 Income Taxation

2.9.1 Current Income Taxation

The current tax claim / liability includes those liabilities or receivables from tax authorities that are related to the current reporting period and which have not been paid up to the balance sheet date. They are calculated according to the tax rates and tax laws that apply also to the taxable profits of each fiscal year. All changes in current tax assets or liabilities are recognized as tax expense in the income statement.

2.9.2 Deferred Income Tax

Deferred income tax is calculated using the liability method that focuses on temporary differences. This includes comparing the book value of the receivables and payables of the consolidated financial statements with their respective tax bases.

Deferred tax assets are recognized to the extent that they are likely to be offset against future income taxes.

The Company recognizes a previously unrecognized deferred tax asset to the extent that a future taxable profit is probable.

The deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of all or part of that deferred tax asset to be realized.

Deferred tax liabilities are recognized for all taxable temporary differences. Tax losses that can be carried forward to subsequent periods are recognized as deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset or liability will be settled, taking into account the tax rates (and tax laws) that have entered into force or are effective at the date of Balance Sheet.

Changes in deferred tax assets or liabilities are recognized as a component of income tax in the income statement except for those that arise from specific changes in assets or liabilities that are recognized directly in the group's equity and have the effect of a change in deferred tax assets or liabilities is charged / credited against the related equity account.

2.10 Retirement benefits and short-term employee benefits

2.10.1 Short Term Benefits

Short-term employee benefits (other than termination benefits) in cash and in kind are recognized as an expense when they accrue. Any unpaid amount is recognized as a liability, and if the amount already paid exceeds the amount of benefits, the enterprise recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction in future payments or on return.

2.10.2 Post – Employment Benefits

The company has both defined benefit plans and defined contribution plans.

2.10.2.1 Defined contribution plans

The company's employees are mainly covered by the main State Insurance Institution (EFKA) that provides pension and healthcare benefits. Every employee is required to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the group. On retirement, the pension fund is responsible for paying employees' retirement benefits. Consequently, the Group has no legal or constructive obligation to pay future benefits under this plan.

Based on the defined contribution plan, the liability of the company (legal or constructive) is limited to the amount agreed to contribute to the body (eg fund) managing the contributions and grants the benefits. The amount of benefits to be received by the employee is therefore determined by the amount paid by the group (or the employee) and by the investment paid by those contributions. The contribution payable by the company to a defined contribution plan is recognized as a liability after the deduction of the consideration paid and the corresponding expense.

2.10.2.2 Defined benefit plans: Staff termination liabilities

Retirement benefit obligations are calculated at the discounted value of future benefits accrued at the end of the year based on the employee's entitlement to retirement benefits over the expected working life. The above liabilities are calculated based on the financial and actuarial assumptions detailed in Note 13 and are determined using the actuarial valuation method of the estimated units of liability. The net retirement costs of the period are included in the payroll cost in the attached result statements.

The liability for retirement indemnity is recognized in the statement of financial position and is the present value of future cash outflows using a discount rate of interest rates of high quality corporate bonds or sovereign bonds that have a duration similar to that of the liability.

Past service cost is recognized in the income statement at the earliest between:
-Date of making the modification or curtailment and
-Date recognition by the Company and the Group of restructuring costs.

Financial cost is determined by applying the discount rate used to measure the defined benefit obligation (or requirement). The Company and the Group recognize the following changes in the defined benefit obligation in payroll expenses and finance charges:
-A service cost consisting of current service cost and past service cost, gains and losses from cuts and unusual changes to the defined benefit plan,
- Net financial expense or revenue.

Revaluations that consist of actuarial gains or losses are recognized immediately in the statement of financial position with the corresponding charge or credit of the retained earnings through the other comprehensive income for the period. Revaluations are not reclassified to profit or loss in subsequent periods.

2.11 Other provisions

Provisions are recognized when a present obligation is likely to lead to an outflow of financial resources for the company and can be reliably estimated. The timing or amount of outflow may be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has arisen from events of the past. Each formed provision is used only for the expenses for which it was initially formed. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provisions are measured at the expected cost that is required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present commitment. When the effect of the time value of money is significant, the amount of the provision is the present value of the expenses that are expected to be required to settle the liability.

When the discount method is used, the book value of a provision increases in each period so that it reflects over time. This increase is recognized as a financial expense in the income statement. When there is a number of similar commitments, the probability that an outflow will be required for settlement is determined taking into account the category of commitments as a whole. A provision is recognized even if the probability of outflow for an item included in the commitment category is low. If it is no longer possible for an outflow of resources embodying economic benefits to be required to settle the obligation, the provision is reversed.

2.12 Contingent Liabilities

Provisions are recognized when the Company has a present legal or institutional obligation arising from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation and if a reliable estimate of the liability amount can be made. Provisions are reviewed at the date of each statement of financial position and are adjusted to reflect the present value of the expected outflow of the liability.

If the effect of the time value of money is significant, provisions are calculated by discounting expected future cash flows at a pre-tax rate that reflects the current market estimates of the time value of money and, where appropriate, the risks associated with specifically with the obligation.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources embodying economic benefits is minimal. Contingent receivables are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

2.13 Contingent assets

Possible inflows of financial benefits to the company that do not yet meet the criteria of an asset are considered as contingent assets and disclosed in the notes to the financial statements.

2.14 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the relevant amounts can be measured reliably. Revenue is net of value added tax, rebates and rebates. Revenues between Group companies consolidated by the full consolidation method are eliminated in full. Revenue recognition is as follows:

- **Sales of Goods**: Revenue is recognized when the material risks and rewards resulting from the ownership of the goods have been transferred to the buyer and the collection of the receivable is reasonably assured. Wholesale sales of goods are mainly made on credit.
- **Service Provision**: Revenue from service contracts at a predetermined price is recognized based on the stage of completion of the service at the balance sheet date. In accordance with this method, revenue is recognized on the basis of the proportion of services rendered up to the date of the financial statements in relation to all the services to be performed. When the outcome of a transaction related to a service provision can not reasonably be estimated, revenue is recognized only to the extent that the recognized expenses are recoverable. In cases where initial estimates of revenue, costs or degree of integration change, these changes may result in increases or decreases in estimated earnings or expenditures and are reflected in the income statement.
- **Dividends**: Dividends are recognized as income when the right to receive them is established.
- **Interest income**: Interest income is recognized on a time proportion basis using the effective interest rate.
- **Income from Rents**: Revenues from Rents of Buildings are accounted for on the basis of the employee, in accordance with the provisions of relevant agreements.

2.15 Leases

The assessment of whether an agreement contains a lease element is made at the start of the agreement, taking into account all available data and particular circumstances prevailing

2.15.1 Financial Leases

Ownership of a leased asset is transferred to the lessee if substantially all the risks and rewards associated with the leased asset are transferred to it, independent of the legal form of the contract. At the commencement of the lease the asset is recognized at its fair value or, if lower, at the present value of the minimum lease payments, including additional payments if any, covered by the lessee. A corresponding amount is recognized as a liability under the finance lease regardless of whether some of the lease payments are paid in advance at the start of the lease.
Subsequent accounting treatment of assets acquired under finance leases, eg. the method of depreciation used and the determination of its useful life is the same as that applied to comparable assets acquired outside the lease. The accounting treatment of the corresponding liability relates to its gradual decrease, based on minimum lease payments minus financial charges, which are recognized as an expense in finance costs. Financial charges are spread over the lease term and represent a fixed interest rate on the outstanding balance of the liability.

2.15.2 Operating Leases

All other leases are treated as operating leases. Payments in operating leases are recognized as an expense in the income statement using the straight-line method (associate income and expense). Related costs, such as maintenance and insurance, are recognized as an expense when incurred.

3 Segmental Reporting

For administrative purposes, the Company is organized into two main business activities: a) Airports and Wholesale and b) Ship Stores. In accordance with IFRS 8 - Operating Segments, management monitors the operating results of separate business segments for decision-making on resource allocation and performance appraisal. Sector performance evaluation is based on operating results that are corrected by deleting intra-group transactions.

The Company's results per segment are analyzed as follows:

(Amounts in € '000)			
1/1-31/12/2017	**AIRPORT & WHOLESALE SALES**	**SHIPS**	**TOTAL**
Sales	14.540	4.860	19.400
Marketing revenues	-	-	-
Cost of Goods Sold	(11.140)	(3.208)	(14.348)
Gross profit	**3.400**	**1.652**	**5.052**
Earnings before taxes, financial and investment results and depreciation (EBIT))	**1.322**	**146**	**1.468**

(Amounts in € '000)			
1/1-31/12/2016	**AIRPORT & WHOLESALE SALES**	**SHIPS**	**TOTAL**
Sales	18.363	4.488	**22.851**
Marketing revenues	-	-	-
Cost of Goods Sold	(14.170)	(2.950)	(17.120)
Gross profit	**4.193**	**1.538**	**5.731**
Earnings before taxes, financial and investment results and depreciation (EBIT))	**1.194**	**81**	**1.275**

4 Property, plant and equipment

Changes in the tangible fixed assets of the Company are described below:

Amounts in € '000	Buildings – facilities	Machinery - mechanical equipment	Transportation Equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition cost						
Opening balance as at 01.01.2016	**199**	**34**	**57**	**477**	**-**	**767**
Additions	6	-	-	3	-	**9**
Sales – Decreases	(17)	-	-	-	-	**(17)**
Transport	(38)	-	-	38	-	**-**
Balance as at 31.12.2016	**150**	**34**	**57**	**518**	**-**	**759**
Opening balance 01.01.2017	**150**	**34**	**57**	**518**	**-**	**759**
Additions	8	-	-	19	11	**38**
Sales – Decreases	(1)	(2)	(5)	(88)	-	**(96)**
Transport	-	-	-	-	-	**-**
Balance as at 31.12.2017	**157**	**32**	**52**	**449**	**11**	**701**
Accumulated depreciation						
Opening balance as at 01.01.2016	**50**	**10**	**9**	**252**	**-**	**321**
Depreciation for the year	14	3	6	52	-	**75**
Decreases in depreciation	(2)	-	-	-	-	**(2)**
Transport	-	-	-	-	-	-
Balance as at 31.12.2016	**62**	**13**	**15**	**304**	**-**	**394**
Opening balance as at 01.01.2017	**62**	**13**	**15**	**304**	**-**	**394**
Depreciation for the year	22	3	5	55	-	**85**
Decreases in depreciation	-	(1)	(2)	(30)	-	**(33)**
Transport	-	-	-	-	-	-
Balance as at 31.12.2017	**84**	**15**	**18**	**329**	**-**	**446**
Carried value on 31.12.2016	**88**	**21**	**42**	**214**	**-**	**365**
Carried value on 31.12.2017	**73**	**17**	**34**	**120**	**11**	**255**

Depreciation charged to profit or loss is disclosed in note 20. There are no mortgages and any pre-charges, or any other weights, on fixed assets against borrowings.

5 Intangible assets

(Amounts in € '000)	Software Applications
Acquisition cost	
Opening Balance as at 01.01.2016	**103**
Additions	-
Balance as at 31.12.2016	**103**
Opening balance as at 01.01.2017	**103**
Additions	-
Balance as at 31.12.2017	**103**
Accumulated depreciation	
Opening balance as at 01.01.2016	**68**
Depreciation for the year	20
Balance as at 31.12.2016	**88**
Opening balance as at 01.01.2017	**88**
Depreciation for the year	15
Balance as at 31.12.2017	**103**
Carried value on 31.12.2016	**15**
Carried value on 31.12.2017	**-**

Depreciation charged to profit or loss is presented in note 20.

6 Other long-term financial receivables

(Amounts in '000) Other Long –Term Assets	Note	31/12/2017	31/12/2016
Rent guarantees		353	699
Other guarantees		5	5
Checks receivable more than 1 year		175	-
Long-term receivable from provision for staff on loan		366	312
		899	**1.016**

The Company has recognized in its Financial Statements the related provision for compensation of its personnel, which it rents through. For these staff, on the basis of the signed agreements, the compensation is borne by the supplier to whom it is granted. For this reason the Company has entered an equivalent long-term claim for the relevant amount. The assumptions underlying the provision are presented in note 10.

7 Inventories

(Amounts in '000) **Inventories**	**31/12/2017**	**31/12/2016**
Merchandise	2.465	3.488
Packaging materials	2	15
Advances for purchase of goods	-	632
Less: Provisions for financially obsolete and damaged merchandise	(324)	(364)
Total	**2.143**	**3.771**

Inventories are measured at the lower of cost and net realizable value, as provided by IAS. 2.

8 Trade receivables and other current assets

(Amounts in '000) **Trade receivables**	**31/12/2017**	**31/12/2016**
Trade receivables (customers)	2.145	2.533
Trade receivables (related parties)	247	264
Cheques receivable (post-dated)	1.281	1.273
Provision for bad debt	(408)	(408)
Σύνολο	**3.265**	**3.662**

(Amounts in '000) **Other current assets**	**31/12/2017**	**31/12/2016**
Employee & Other Sales Requirements	2.174	1.988
Pre-paid expenses	33	3
Advances to staff	1	4
Receivables from the State	1	11
Other receivables	162	475
Delivery discounts / purchase discounts	30	54
	2.401	**2.535**

The provision for bad and doubtful debts was created by the individual examination of the ability to repay the balance for each client - debtor, taking into account the age of the debtor.

Below is an analysis of the maturity of the balances of trade receivables and other receivables

	Receivables due but not impaired					
	0 - 3 months	3 - 6 months	6-12 months μήνες	> year	Receivables not due and not impaired	**Total**
Maturity of Commercial Requirements (Amounts in'000)						
2017	2.914	266	102	436	1.948	**5.666**
2016	1.078	366	632	187	3.934	**6.197**

9 Cash and Cash Equivalents

(Amounts in '000) **Cash and Cash Equivalents**	**31/12/2017**	**31/12/2016**
Cash on hand	52	65
Cash at Banks and time deposits	4.545	3.165
Claims from Banks-Credit Card Clearance	70	39
Total	**4.667**	**3.269**

10 Staff Retirement Liabilities

	All employees	Employees hired out	All employees	Employees hired out
Amounts in ('000)	**01.01. - 31.12.2017**	**01.01. - 31.12.2017**	**01.01. - 31.12.2016**	**01.01. - 31.12.2016**
Amounts recognised in the balance sheet				
Present value of liabilities	460	366	384	312
Net liability recognised in balance sheet	**460**	**366**	**384**	**312**
Ποσά αναγνωρισμένα στο λογαριασμό αποτελεσμάτων				
Amounts recognised in income statement	36	30	35	28
Cost of current employment	7	6	8	6
Net interest on liability / (assets)	8	0	-	-
Recognition of past service cost	69	69	156	46
Total expenses in income statement	**120**	**105**	**199**	**80**
Μεταβολή στην παρούσα αξία της υποχρέωσης				
Change in net value of liability	384	312	347	265
Present value of liability at start of period	36	30	35	28
Cost of current employment	7	6	8	6
Cost of interest	-89	-89	-193	-58
Benefits paid by employer	69	69	156	46
Cost of cutbacks / settlements / termination of service	8	0	-	-
Past service cost during the period	7	6	39	33
Actuarial losses / (gains) – financial assumptions	19	16	-	-
Actuarial losses / (gains) – demographic assumptions	19	16	-8	-8
Actuarial losses / (gains) – experience from period	**460**	**366**	**384**	**312**
Adjustments				
Adjustments to liabilities from changes in hypotheses	26	22	39	33
Empirical adjustments to liabilities	19	16	-8	-8
Total Actuarial gains/(losses) in equity	**45**	**38**	**31**	**25**
Total amount recognised in equity	**45**	**38**	**31**	**25**
Changes in net liability recognised in the balance sheet				
Net liability at the beginning of the year	384	312	347	265
Benefits paid by employer	-89	-89	-193	-58
Total expense recognised in income statement	120	105	199	80
Total amount recognised in equity	45	38	31	25
Net liability at end of period	**460**	**366**	**384**	**312**
Cash flows				
Expected benefits from plan over next year	5	-	4	-
Actuarial assumptions				
Discount Rate	1,67%	1,67%	1,79%	1,79%
Future salary increases	0,00%	0,00%	0,00%	0,00%
Duration of liabilities	18,07	18,98	18,94	19,75

11 Equity attributable to Group – Company shareholders

The initial share capital of the Company is set at SIXTY THOUSAND EUROS (60,000 €), divided into 60,000 SOVEREIGN SHARES, with a nominal value of one EURO (1 €) each.
By decision dated 14.3.2013 of the Extraordinary General Meeting of the Company's Shareholders, the share capital of the Company was increased by the amount of SIX MILLION TWO HUNDRED THIRTY SIX THOUSAND EUROS (€ 6.236.000) with the absorption according to the provisions of the Law no. 1297/1972 of the travel trade branch of the company under the name "HELLENIC DISTRIBUTIONS SA".
Following the above, the share capital of the Company amounts to six million two hundred and ninety six thousand Euro (€ 6,296,000), divided into 6,296,000 registered bearer shares of a par value of Euro 1 each and fully paid.

The other reserves mainly concern the negative impact of the capital contribution amounting to € 63 thousand on the formation of a regular reserve for the years 2013, 2014, 2015, 2016 and 2017 of € 67 thousand, € 61 thousand, € 26 thousand € 41 thousand and € 45 thousand respectively, as well as to the actuarial gains and losses of the respective fiscal years net of tax.

12 Trade and Other Liabilities

(Amounts in € '000)		
Trade and other liabilities	**31/12/2017**	**31/12/2016**
Εμπορικές Υποχρεώσεις	1.088	2.768
Επιταγές πληρωτέες -Γραμμάτια & υποσχ.πληρ.	-	-
Εμπορικές Υποχρεώσεις	**1.088**	**2.768**
Rent liabilities	139	516
Other liabilities	487	287
liabilitis of staff costs	382	211
Other tax liabilities	278	213
Other liabilities	**1.286**	**1.227**
Total trade and other liabilities	**2.374**	**3.995**

13 Income Tax

Under tax law for 2016 and 2017, the tax rate was 29%. The expense / (benefit) for income tax shown in the accompanying financial statements is analyzed as follows:

(ποσά σε '000) **(Amounts in € '000)**	**31/12/2017**	**31/12/2016**
Income tax	**555**	**544**
Cost of current income tax and other taxes	4	(67)
Deferred income tax cost/(gain)	**559**	**477**
Total		

The Company's final cash flow statement for the year 2017 will be reduced by offsetting an advance for the year 2017 amounting to € 535 thousand.

The agreement of the provision for the amount of income taxes determined by the application of the Greek tax rate to pre-tax profits is summarized as follows:

(ποσά σε '000)		
Income Tax	**1/1-31/12/2017**	**1/1-31/12/2016**
Earnings / Losses before tax	**1.474**	**1.300**
Current tax rate	**29%**	**29%**
Corresponding tax	427	377
Effect of change tax rate from 26% to 29%	-	-
Expenditure not deductible for purpose of calculating income tax	41	15
Dividends bonus in the form of staff earnings on which tax has not been calculated, but withheld in liquidation	91	85
Total	**559**	**477**

The Greek tax legislation and the relevant provisions are subject to interpretations by the tax authorities. Income tax returns are filed on a yearly basis but the profits or losses reported for tax purposes remain temporary until the tax authorities review the tax returns and taxpayers' books, at which time the tax liabilities will be settled. Tax losses to the extent recognized by the tax authorities may be used to offset the profits of the five subsequent fiscal years that follow their intended use.

Tax Compliance Report:

From 2011 onwards, Greek Societes Anonymes and Limited Liability Companies whose annual financial statements are audited by a statutory auditor or an audit firm in accordance with the provisions of Laws 2190/1920 and 3190/1955 respectively are obliged to receive the "Annual Certificate" provided for in paragraph 5 of Article 82 of Law 2238/1994, which is issued following a tax audit carried out by the same statutory auditor or an audit firm that controls the annual financial statements. Upon completion of the tax audit, the Statutory Auditor or Audit Office issues the Company a "Tax Compliance Report" and then the Auditor or audit firm submits it electronically to the Ministry of Finance within ten days of the final date of approval of the financial statements of the company General Assembly of the Shareholders. The Ministry of Finance will select a sample of at least 9% of companies to be audited by the competent audit services of the Ministry. This audit should be completed no later than eighteen months from the date of submission of the "Tax Compliance Report" to the Ministry of Finance
The tax audit for the year 2013 was carried out by the statutory auditors under paragraph 5 no. 82 of Law 2238/1994 and for the years 2014, 2015 and 2016 according to the provisions of article 65 a of Law 41174/2013 and a Tax compliance report was issued without reservation. The tax audit for the year 2017 is already carried out by statutory auditors. This control is in progress and the relevant tax certificate is to be issued after the publication of the financial statements for the year 2017. Upon completion of the tax audit, the Company's management does not expect to incur significant tax liabilities other than those recorded and presented in the financial statements .

14 Deferred Income Tax

Deferred taxes relate to the temporary differences between the carrying amounts and the tax bases of assets and liabilities and are calculated using the adopted tax rates.

(Amounts in € '000)	31/12/2017	31/12/2016
Starting balance (net deferred tax asset/liability)	221	152
(Debit) / Credit in the Income Statement	(4)	67
Direct entry in other comprehensive income	2	2
Closing balance (net deferred tax asset)	**219**	**221**

Deferred tax assets and liabilities recognized in the accompanying financial statements and income statement are analyzed as follows

	Statement of Financial Position	
(Amounts in € '000)	**31/12/2017**	**31/12/2016**
Deferred tax assets		
Property, plant and equipment	11	9
Intangible assets	9	11
Staff leaving compensation	37	30
Provisions	193	202
Gross deferred tax assets	**250**	**252**
Deferred tax liabilities		
Other	31	31
Gross deferred tax liabilities	**31**	**31**
Deferred tax assets (net)	**219**	**221**

(Amounts in € '000)	Income Statement 01/01/2017-31/12/2017	01/01/2016-31/12/2016
Deferred tax assets		
Property, plant and equipment	2	4
Intangible assets	(2)	(2)
Staff leaving compensation	5	5
Provisions	(9)	68
Deferred tax liabilities		
Staff leaving compensation		
Other	-	(8)
(Cost)/gain of deferred income tax in income statement	**(4)**	**67**
Amounts entered direct in other comprehensive income		
Actuarial (gains)/losses	**2**	**2**

15 Sales

Ανάλυση του κύκλου εργασιών ανά λειτουργικό τομέα εμφανίζεται στην παρ. 3 των σημειώσεων των χρηματοοικονομικών καταστάσεων. Στον παρακάτω πίνακα εμφανίζεται η ανάλυση των πωλήσεων ανά κατηγορία αγοράς:

(Amounts in € '000) Sales	1/1-31/12/2017	1/1-31/12/2016
Duty Free Sales	7.250	8.428
Taxed Sales	12.150	14.423
Total	**19.400**	**22.851**

16 Cost of Goods Sold

(Amounts in € '000) Cost of Goods Sold	1/1-31/12/2017	1/1-31/12/2016
Cost of merchandise	14.221	16.808
Merchandise valuation differences	65	247
Transportation costs & duties	62	65
Total	**14.348**	**17.120**

17 Other Selling Income and Expenses

(Amounts in € '000)	1/1-31/12/2017	1/1-31/12/2016
Concession Fees	(1.549)	(2.251)
Advertising commissions and expenses	(59)	(66)
Credit card commission	(39)	(48)
Packaging materials	(47)	(69)
Other	(6)	(11)
Selling Expenses	**(1.700)**	**(2.445)**
Promotional and other revenues	3.906	3.999
Other	80	187
Selling Income	**3.986**	**4.186**
Total	**2.286**	**1.741**

18 Personnel Expenses

(Amounts in € '000) **Personnel Expenses**	1/1-31/12/2017	1/1-31/12/2016
Salaries	3.940	4.107
Social Security Contributions	929	970
Retirement compensation	103	93
Other personnel benefits and expenses	28	29
Total	**5.000**	**5.199**

19 General Expenses

(Amounts in € '000) **Overheads**	1/1-31/12/2017	1/1-31/12/2016
Repairs, maintenance and building utilities	127	133
Fees for legal and consulting services	72	63
Travel, car and PR costs	63	74
Bank expenses	55	72
Insurance	9	27
Other office expenses	42	47
Taxes & Duties	29	32
Total	**397**	**448**

20 Depreciation

(Amounts in € '000) Depreciation	1/1-31/12/2017	1/1-31/12/2016
Depreciation of tangible assets	85	74
Impairment of tangible assets	-	15
Depreciation of intangible assets	15	21
Total	**100**	**110**

21 Other operating results

(Amounts in € '000) Other operating income	1/1-31/12/2017	1/1-31/12/2016
Other extraordinary income	5	13
Revenue From prior Period	7	2
Total	**12**	**15**
(Amounts in € '000) Other operating expenses	**1/1-31/12/2017**	**1/1-31/12/2016**
(Losses) / gains on impairment / sale of fixed assets	25	-
Other extraordinary expenses	9	50
Distribution of earnings to staff	318	314
Personnel restructuring costs	-	85
Write off accounts receivable	33	6
Total	**385**	**455**
Other operating results	**373**	**440**

22 Financial expenses and income

(Amounts in € '000) Financial income	1/1- 31/12/2017	1/1- 31/12/2016
Interest on cash assets	13	19
Total	**13**	**19**

(Amounts in € '000) Financial expenses	1/1- 31/12/2017	1/1- 31/12/2016
Other Financial Expenses	(1)	(2)
Total	**(1)**	**(2)**

23 Earnings per Share

(Amounts in € '000) Earnings per Share	1/1-31/12/2017	1/1-31/12/2016
Net profit	910	820
Allocated to:		
Parent Company shareholders	910	820
Weighted average number of shares	6.296	6.296
Σύνολο	**0,14**	**0,13**

24 Transactions and Balances with Related Parties

The following transactions relate to transactions with related parties, as defined by IAS. 24.

Transactions with Parent Company (ποσά σε '000)	1/1/-31/12/2017	1/1/-31/12/2016
Sales of goods	270	491
Sales of Services	-	2
Sales of fixed assets	19	-
Receipt of services	107	16
Purchases of goods	4.276	4.209

Transactions with Other Related Parties (Amounts in € '000)	1/1/-31/12/2017	1/1/-31/12/2016
Sales of goods	75	145
Other Revenues	5	9
Receipt of services – other expenses	0	0
Purchases of goods	0	0

Closing balance (Amounts in € '000)	31/12/2017	31/12/2016
Parent Company		
Receivables	0	633
Liabilities	192	0
From other related parties		
Receivables	247	264
Liabilities	0	0
From senior executives		
Receivables	0	0
Liabilities	0	0

Management fees for the fiscal years 2017 and 2016 amounted to € 318 thousand and 314 thousand respectively.

25 Contingent Liabilities and Liens

The Company has been given letters of guarantee to third parties of € 3.1 million to secure contingent liabilities to those parties that are not reflected in the financial statements. They mainly refer to letters of guarantee to customs to ensure payment of the EFK.

26 Number of Staff Employed

	31/12/2017	31/12/2016
Permanent staff	147	143
Seasonal staff	7	7
Total	**154**	**150**

27 Financial risk management

27.1 Liquidity Risk

Prudent liquidity risk management requires (a) sufficient cash collateral and (b) availability of funding through sufficient credit lines. The Treasury Department prepares statements of expected cash flows that are reviewed by Management for the purpose of better planning of liquidity management.
In spite of the financial crisis and the reduction of liquidity at a global level, the Company, with the support of the Group, maintains high liquidity and ensures the further strengthening of its liquidity through the successful management of stocks and the containment of expenses.

Hierarchy of Fair Value

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments by valuation technique:

- Level 1 - Recognized (uncorrected) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lower-level inflow that is relevant to measuring the fair value is directly or indirectly observable
- Level 3 - Valuation techniques for which the lower level input that is relevant to measuring the fair value is not observable

The amounts presented in the statement of financial position for cash and cash equivalents, receivables and short-term liabilities approximate their respective fair values due to the short-term maturity of these financial instruments.

28 Events occurring after the Balance Sheet Date

There are no other events subsequent to the financial statements, which concern either the Group or the Company, to which reference is made by the International Financial Reporting Standards (IFRS).

CHAIRMAN OF THE BOARD	VICE-CHAIRMAN OF THE BOARD
GEORGIOS KOUTSOLIOUTSOS	JULIAN DIAZ GONZALEZ
ID Card No. AB593469	Passport No PAB 191985
C.E.O	C.F.O
GEORGIOS VELENTZAS	MARIA IOANNIDOU
ID Card No. AB285760	ID Card No Φ045430

CHIEF ACCOUNTANT

FOTIS FOTOPOULOS

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