HELLENIC PETROLEUM S.A.

Consolidated Financial Statements
in accordance with IFRS as endorsed by the
European Union for the
year ended 31 December 2020

HELLENIC
PETROLEUM

GENERAL COMMERCIAL REGISTRY: 000296601000
COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 8[A] CHIMARRAS STR, 15125 MAROUSI, GREECE

Index to the consolidated financial statements

Company Information

Directors	Ioannis Papathanasiou - Chairman of the Board Andreas Shiamishis - Chief Executive Officer Georgios Alexopoulos - Member Theodoros-Achilleas Vardas - Member Michail Kefalogiannis - Member Alexandros Metaxas - Member Iordanis Aivazis - Member Loukas Papazoglou - Member Alkiviadis-Konstantinos Psarras - Member Theodoros Pantalakis - Member Spiridon Pantelias - Member Georgios Papakonstantinou - Member Konstantinos Papagiannopoulos - Member
Registered Office	8A Chimarras Str GR 151 25 - Marousi
General Commercial Registry	000296601000

These consolidated financial statements constitute an integral part of the Annual Financial Report which can be found at https://www.helpe.gr/en/investor-relations/quarterly-results/annual-interim-financial-reports/ and which incorporates the Independent Auditor’s Report.

(All amounts in Euro thousands unless otherwise stated)

Consolidated Statement of financial position

	Note	As at 31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	3.379.813	3.297.668
Right-of-use assets	**2,7**	235.541	242.934
Intangible assets	**8**	105.841	104.426
Investments in associates and joint ventures	**9**	416.542	384.747
Deferred income tax assets	**19**	72.161	59.358
Investment in equity instruments	**3**	959	1.356
Loans, advances and long term assets	**10**	71.676	55.438
		4.282.533	**4.145.927**
Current assets			
Inventories	**11**	694.410	1.012.802
Trade and other receivables	**12**	544.795	748.153
Income tax receivable	**29**	37.699	91.391
Assets held for sale		2.466	2.520
Derivative financial instruments	**23**	9.945	3.474
Cash and cash equivalents	**13**	1.202.900	1.088.198
		2.492.215	**2.946.538**
Total assets		**6.774.748**	**7.092.465**
EQUITY			
Share capital and share premium	**14**	1.020.081	1.020.081
Reserves	**15**	273.959	276.972
Retained Earnings		492.457	964.972
Equity attributable to the owners of the parent		**1.786.497**	**2.262.025**
Non-controlling interests		62.340	64.548
Total equity		**1.848.837**	**2.326.573**
LIABILITIES			
Non- current liabilities			
Interest bearing loans and borrowings	**17**	2.131.371	1.610.094
Lease liabilities	**2,18**	170.896	169.357
Deferred income tax liabilities	**19**	32.572	213.495
Retirement benefit obligations	**20**	194.887	180.398
Provisions	**21**	39.022	25.625
Other non-current liabilities	**22**	27.957	28.376
		2.596.705	**2.227.345**
Current liabilities			
Trade and other payables	**16**	1.546.844	1.401.732
Derivative financial instruments	**23**	4.635	-
Income tax payable	**29**	1.673	7.147
Interest bearing loans and borrowings	**17**	744.561	1.022.270
Lease liabilities	**2,18**	30.240	30.537
Dividends payable		1.253	76.861
		2.329.206	**2.538.547**
Total liabilities		**4.925.911**	**4.765.892**
Total equity and liabilities		**6.774.748**	**7.092.465**

The notes on pages 9 to 82 are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the board of directors on 25 February 2021.

A. Shiamishis	C. Thomas	S. Papadimitriou
Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of comprehensive income / (loss)

	Note	For the year ended 31 December 2020	31 December 2019
Revenue from contracts with customers	**5**	**5.781.791**	**8.856.965**
Cost of sales	**24**	(5.817.773)	(8.051.806)
Gross profit / (loss)		**(35.982)**	**805.159**
Selling and distribution expenses	**24**	(319.897)	(329.711)
Administrative expenses	**24**	(132.920)	(140.012)
Exploration and development expenses	**25**	(5.526)	(4.843)
Other operating income and other gains	**26**	53.387	34.146
Other operating expense and other losses	**26**	(60.466)	(23.795)
Operating profit / (loss)		**(501.404)**	**340.944**
Finance income	**27**	5.646	5.843
Finance expense	**27**	(109.820)	(146.303)
Lease finance cost	**18,27**	(10.914)	(10.081)
Currency exchange gains / (losses)	**28**	4.950	(1.255)
Share of profit / (loss) of investments in associates and joint ventures	**9**	29.826	17.862
Profit / (loss) before income tax		**(581.716)**	**207.010**
Income tax	**29**	185.101	(43.434)
Profit / (loss) for the year		**(396.615)**	**163.576**
Profit / (loss) attributable to:			
Owners of the parent		(395.827)	160.798
Non-controlling interests		(788)	2.778
		(396.615)	**163.576**
Other comprehensive income / (loss):			
Other comprehensive income / (loss) that will not be reclassified to profit or loss (net of tax):			
Actuarial gains / (losses) on defined benefit pension plans	**20**	(7.381)	(12.369)
Changes in the fair value of equity instruments	**15**	(309)	544
Share of other comprehensive income / (loss) of associates	**15**	1.440	(188)
		(6.250)	(12.013)
Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):			
Fair value gains / (losses) on cash flow hedges	**15**	(22.008)	12.890
Recycling of (gains) / losses on hedges through comprehensive income	**15**	25.077	1.501
Currency translation differences and other movements		145	272
		3.214	14.663
Other comprehensive income / (loss) for the year, net of tax		**(3.036)**	**2.650**
Total comprehensive income / (loss) for the year		**(399.651)**	**166.226**
Total comprehensive income / (loss) attributable to:			
Owners of the parent		(398.840)	163.425
Non-controlling interests		(811)	2.801
		(399.651)	**166.226**
Earnings / (losses) per share (expressed in Euro per share)	**30**	**(1.30)**	**0.53**

The notes on pages 9 to 82 are an integral part of these consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of changes in equity

		Attributable to owners of the Parent					
	Note	**Share Capital**	**Reserves**	**Retained Earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
Balance at 1 January 2019		**1.020.081**	**258.527**	**1.052.164**	**2.330.772**	**63.959**	**2.394.731**
Changes in the fair value of equity instruments	**15**	-	525	-	525	19	544
Currency translation gains / (losses) and other movements	**15**	-	271	-	271	1	272
Actuarial gains / (losses) on defined benefit pension plans	**15**	-	(12.372)	-	(12.372)	3	(12.369)
Recycling of (gains) / losses on hedges through comprehensive income	**15**	-	1.501	-	1.501		1.501
Fair value gains / (losses) on cash flow hedges	**15**	-	12.890	-	12.890	-	12.890
Share of other comprehensive income / (loss) of associates	**15**	-	(188)	-	(188)		(188)
Other comprehensive income / (loss)		**-**	**2.627**	**-**	**2.627**	**23**	**2.650**
Profit / (loss) for the period		-	-	160.798	160.798	2.778	163.576
Total comprehensive income / (loss) for the year		**-**	**2.627**	**160.798**	**163.425**	**2.801**	**166.226**
Share of acquisition of non-controlling interest in associate		-	-	(2.482)	(2.482)	-	(2.482)
Share capital issue expenses		-	-	(342)	(342)	-	(342)
Participation of minority shareholders in share capital increase of subsidiary		-	-	-	-	34	34
Transfers from Reserves to Retained Earnings	**15**	-	15.818	(15.818)	-	-	-
Tax on intra-group dividends		-	-	(122)	(122)	-	(122)
Dividends to non-controlling interests		-	-	-	-	(2.246)	(2.246)
Dividends	**31**	-	-	(229.226)	(229.226)	-	(229.226)
Balance at 31 December 2019		**1.020.081**	**276.972**	**964.972**	**2.262.025**	**64.548**	**2.326.573**
Changes of the fair value of equity investments	**15**	-	(318)	-	(318)	9	(309)
Recycling of (gains) / losses on hedges through comprehensive income	**15**	-	25.077	-	25.077		25.077
Fair value gains / (losses) on cash flow hedges	**15**	-	(22.008)	-	(22.008)	-	(22.008)
Share of other comprehensive income / (loss) of associates	**15**	-	1.440	-	1.440		1.440
Currency translation differences and other movements	**15**	-	190	-	190	(45)	145
Actuarial gains / (losses) on defined benefit pension plans	**15**	-	(7.394)	-	(7.394)	13	(7.381)
Other comprehensive income / (loss)		**-**	**(3.013)**	**-**	**(3.013)**	**(23)**	**(3.036)**
Profit / (loss) for the period		-	-	(395.827)	(395.827)	(788)	(396.615)
Total comprehensive income / (loss) for the period		**-**	**(3.013)**	**(395.827)**	**(398.840)**	**(811)**	**(399.651)**
Share capital issue expenses		-	-	(51)	(51)	-	(51)
Participation of minority shareholders in share capital increase of subsidiary		-	-	-	-	35	35
Tax on intra-group dividends		-	-	(228)	(228)	-	(228)
Dividends to non-controlling interests		-	-	-	-	(1.432)	(1.432)
Dividends	**31**	-	-	(76.409)	(76.409)	-	(76.409)
Balance at 31 December 2020		**1.020.081**	**273.959**	**492.457**	**1.786.497**	**62.340**	**1.848.837**

The notes on pages 9 to 82 are an integral part of these consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of cash flows

		For the year ended	
	Note	**31 December 2020**	**31 December 2019**
Cash flows from operating activities			
Cash generated from operations	**32**	426.399	634.718
Income tax received / (paid)	**29**	23.133	(148.655)
Net cash generated from operating activities		**449.532**	**486.063**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**6,8**	(288.055)	(241.045)
Proceeds from disposal of property, plant and equipment & intangible assets		2.803	1.616
Participation in share capital increase of associates and joint ventures	**9**	-	(10.295)
Purchase of subsidiary, net of cash acquired	**36**	(6.475)	(5.341)
Share capital issue expenses		(51)	-
Grants received		337	439
Interest received	**27**	5.646	5.843
Prepayments for right-of-use assets		(1.035)	(717)
Dividends received	**9**	9.465	30.490
Proceeds from disposal of assets held for sale		-	1.334
Proceeds from disposal of investments in equity instruments		-	19
Net cash (used in) / generated from investing activities		**(277.365)**	**(217.657)**
Cash flows from financing activities			
Interest paid on borrowings		(100.003)	(150.411)
Dividends paid to shareholders of the Company	**31**	(152.647)	(153.248)
Dividends paid to non-controlling interests		(1.401)	(2.246)
Participation of minority shareholders in share capital increase of subsidiary		34	34
Proceeds from borrowings		1.419.247	514.700
Repayments of borrowings		(1.167.609)	(625.581)
Payment of lease liabilities - principal	**18**	(33.563)	(30.712)
Payment of lease liabilities - interest	**18**	(10.914)	(10.081)
Net cash (used in) / generated from financing activities		**(46.856)**	**(457.545)**
Net increase/ (decrease) in cash and cash equivalents		**125.311**	**(189.139)**
Cash and cash equivalents at the beginning of the year	**13**	**1.088.198**	**1.275.159**
Exchange (losses) / gains on cash and cash equivalents		(10.608)	2.179
Net increase / (decrease) in cash and cash equivalents		125.311	(189.139)
Cash and cash equivalents at end of the year	**13**	**1.202.900**	**1.088.198**

The notes on pages 9 to 82 are an integral part of these consolidated financial statements.

Notes to the 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 with an indefinite corporate life 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.

The consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 25 February 2021. The shareholders of the Company have the power to amend the financial statements after their issuance.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

These consolidated financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as endorsed by the European Union ("EU"), and present the financial position, results of operations and cash flows of the Group on a going concern basis.

In determining the appropriate basis of preparation of the consolidated financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

The Group's business activities, together with factors which the Directors consider are likely to affect its development, financial performance and financial position are set out in the director's report. The material financial and operational risks and uncertainties that may have an impact upon the Group's performance and their mitigation are outlined in note 3 including liquidity risk, market risk, credit risk and capital risk to these consolidated financial statements.

At 31 December 2020, the Group held cash of €1.202 million and has a positive working capital position. Its total loans and borrowings amount to €2.875 million, of which an amount of €745m falls due within the next 12 months. Of its total borrowings, €2.475 million relate to committed term facilities and €400 million to uncommitted facilities repayable on demand. Details of these balances and their maturities are presented in note 17.

Moreover, should further funding be required, the Group can draw from committed term facilities limits € 198 million without further approvals as well as from uncommitted facilities €412 million, subject to approvals from the respective financial institutions. Based on their assessment, taking into account the above and also their financial forecasts over the next 18 months, Management is satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements.

The future financial performance of the Group is dependent upon the wider economic environment in which it operates. The factors that particularly affect the performance of the Group include economic growth and pace of recovery post pandemic, energy transition and associated compliance costs, which together will affect the demand for fuels and benchmark margins which is a key determinant of profitability.

Covid-19 has heightened the inherent uncertainty in the Group's assessment of these factors. During 2020 and in early 2021 worldwide restrictions to mobility have been relaxed and subsequently re-imposed at varying degrees depending on the pandemic information available to governments from time to time. To counter the health and economic aspects of the pandemic, governments have launched mass vaccination schemes currently in progress with the stated aim to cover the entire eligible population. In countries where vaccination population coverage has progressed, early signs are that it positively affected the severity of infections in terms of hospitalizations and symptoms experienced. The effectiveness and pace of vaccination will be the key determinant factor for the recovery of demand for fuels and the restart of the global economy as a whole.

The Group's financial forecasts were modelled over an 18 month period, ending 30 June 2022 and reflect the outcomes that the Directors consider most likely, based on the information available at the date of signing of these consolidated financial statements. This includes the expectation of demand evolution and benchmark refining margins applicable to the Group. The Group financial forecasts have been prepared with consideration to independent third party data which inter-alia include forecasted international commodity prices used in the calculation of benchmarks refining margins and demand evolution. In the 18 months period assessed the Group expects to generate sufficient cash from operations to serve all liabilities as they fall due. Further details on the Group's actions for financing of operations are included in note 3.

Accordingly, the Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. They have formed a judgement that, at the time of approving the consolidated financial statements there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these consolidated financial statements. For this reason, they continue to adopt the going concern basis in the preparation of these consolidated financial statements.

The 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 (Note 3.3 & 23)
- 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

The preparation of 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 consolidated financial statements are disclosed in "Note 4: Critical accounting estimates and judgements". Estimates and judgements 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.

2.1.1 New standards, amendments to standards and interpretations

New and amended standards adopted by the Group.

The accounting principles and calculations used in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2019 and have been consistently applied in all periods presented in this report except for the following IFRS amendments, which have been adopted by the Group as of 1 January 2020. Amendments and interpretations that apply for the first time in 2020 did not have a significant impact on the consolidated financial statements of the Group for the year ended 31 December 2020. These are also disclosed below.

- *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.
- *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.
- *IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments).* 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.
- *IFRS 9, IAS 39 and IFRS 7 (Amendments) "Interest rate benchmark reform":* In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provide temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. Phase two (ED) focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR).

Standards issued but not yet effective and not early adopted

The Group has not early adopted any other of the following standard, interpretation or amendment that has been issued but is not yet effective. In addition, the Group is in the process of assessing the impact of all standards, interpretations and amendments issued but not yet effective, on the consolidated financial statements.

- *IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'* *<u>(effective for annual periods beginning on or after 1 June 2020):</u>* The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:
    - The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
    - Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
    - There is no substantive change to other terms and conditions of the lease.

In February 2021 the IASB issued a proposal to extend the relief period by another year, i.e. to apply the practical expedient on rent concessions to a change in lease payments originally due on or before 30 June 2022 from 30 June 2021.

- *IAS 1 (Amendment) 'Classification of liabilities as current or non-current'* *<u>(effective for annual periods beginning on or after 1 January 2023):</u>* The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The IASB has issued an exposure draft to defer the effective date to 1 January 2023. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. The amendments have not yet been endorsed by the EU.

- *IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'* *<u>(effective for annual periods beginning on or after 1 January 2021).</u>* In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.

- *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.

- *IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)*
  The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:
  - *IFRS 3 Business Combinations (Amendments)* update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - *IAS 16 Property, Plant and Equipment (Amendments)* prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - *IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)* specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.

  - *Annual Improvements 2018-2020* make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

- *IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments):* The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures.

- *IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments):* The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.

  The amendments have not yet been endorsed by the EU.

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

At each reporting period, the Group reassesses whether it exercises control over the investees, in case there are facts and circumstances indicating a change in one of the control elements above. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless there is objective evidence that the asset is impaired. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control over an entity, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates and Equity method

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, investments are initially recognised at cost and their carrying amount is increased or decreased to recognise the investor's share of the profit or loss or share of other comprehensive income of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value. The recoverable amount is the higher of the associate's fair value less costs to sell and its value in use (discounted cash flows expected to be generated based upon management's expectations of future economic and operating conditions).

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures are changed where necessary to ensure consistency with the policies adopted by the Group.

A joint operation arises where the Group has rights to the assets and obligations of the operation. The Group recognizes its share of the assets, obligations, revenue and expenses of the jointly controlled operation, including its share of those held or incurred jointly, in each respective line of its' financial statements.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit of investments in associates and a joint ventures' in the statement of profit or loss.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

The consideration transferred for the acquisition of a subsidiary is the total of the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date and is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss, in accordance with the appropriate IFRS. Amounts classified as equity are not remeasured.

Goodwill (as disclosed in Note 2.10) is initially measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the Group reassesses whether it has correctly identified all of the assets acquired and liabilities assumed and reviews their measurement, before any remaining difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The executive committee is the chief operating decision-maker, who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. The executive committee is comprised of the Chief Executive Officer and eight General Managers of the Group. The Group's key operating segments are disclosed in Note 5.

2.5 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euro, which is the parent entity's functional currency and the presentation currency of the Group. Given that the Group's primary activities are in oil refining and trading, in line with industry practices, most crude oil and oil product trading transactions are based on the international reference prices of crude oil and oil products in US Dollars. Depending on the country of operation, the Group translates this value to the local currency (Euro in most cases) at the time of any transaction.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the statement of comprehensive income. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges.

For transactions that include the receipt or payment of advance consideration in a foreign currency 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.

Foreign exchange gains and losses are presented in the same line as the transaction they relate to in the statement of comprehensive income, except those that relate to borrowings and cash, which are presented in a separate line ("Currency exchange gains/(losses)").

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) *Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recycled to the profit or loss of the statement of comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.6 Assets held for sale

The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

(All amounts in Euro thousands unless otherwise stated)

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets held for sale and their related liabilities are presented separately as current items in the statement of financial position.

2.7 Property, plant and equipment

Property, plant and equipment is comprised mainly of land, buildings, plant & machinery, transportation means and furniture and fixtures. Property, plant and equipment are shown at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss of the statement of comprehensive income as incurred. Refinery turnaround costs that take place periodically are capitalised and charged to profit or loss on a straight line basis until the next scheduled turnaround to the extent that such costs improve either the useful economic life of the equipment or its production capacity.

Assets under construction are assets (mainly related to the refinery units) that are in the process of construction or development, and are carried at cost. Cost includes cost of construction, professional fees and other direct costs. Assets under construction are not depreciated, as the corresponding assets are not yet available for use.

Land is also not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful economic life, as shown on the table below for the main classes of assets:

– Buildings (including petrol stations)	10 – 40 years
– Plant & Machinery	
▪ Specialised industrial installations and Machinery	10 – 35 years
▪ Pipelines	30 – 40 years
▪ Other equipment	5 – 25 years
– Transportation means	
▪ LPG and white products carrier tank trucks	5 – 10 years
▪ Other Motor Vehicles	4 – 10 years
▪ Shipping Vessels	25 – 35 years
– Furniture and fixtures	
▪ Computer hardware	3 – 5 years
▪ Other furniture and fixtures	4 – 10 years

Specialised industrial installations include refinery units, petrochemical plants, tank facilities and petrol stations.

The assets' residual values and estimated useful economic lives are reviewed at the end of each reporting period and adjusted prospectively if appropriate.

If the asset's carrying amount is greater than its estimated recoverable amount then it is written down immediately to its recoverable amount (Note 2.12).

The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss, which is determined by comparing the proceeds with the carrying amount, is included in the consolidated statement of comprehensive income within "Other operating income / (expenses) and other gains / (losses)".

2.8 Leases

2.8.1 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 on their own or together with the Cash Generating Unit to which they belong.

2.8.2 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.

(a) 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 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.

(b) 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).

The IFRS Interpretations Committee (the "Committee") has issued, among others, a summary of decisions reached in its public meetings to clarify interpretations in respect to IFRS 16 on the following topics:

(c) 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. As disclosed in note 7, the Group operates a number of subsurface pipelines within the boundaries of various municipalities, in accordance with relevant laws, without the requirement to pay any compensation for them. As described in note 33 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 believes the outcome will be favourable. The Group considers these do not fall within the scope of IFRS 16 as there is no requirement to pay compensation.

(d) Lease term

The Committee issued a 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 Group applies this decision and uses judgment in estimating the lease term, especially in cases, where the agreements do not provide for a predetermined term, such as rights of use of coastal zones as described in note 7. The Group considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

(e) Lessor accounting

The Group enters into certain sublease agreements with third parties and therefore, acts as an intermediate lessor. In classifying a sublease, the Group acting as the intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows:

(a) if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying paragraph 6 of the standard, the sublease shall be classified as an operating lease.

(b) otherwise, the sublease shall be classified by reference to the right-of- use asset arising from the head lease, rather than by reference to the underlying asset.

The Group has assessed all subleases it enters into based on the above criteria and classifies these as either operating or finance. As at 31 December 2020, all leases where the Group acts as an intermediate lessor assessed and evaluated as operating.

2.9 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are added to the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed as incurred.

2.10 Intangible assets

(a) Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in net value of the net identifiable assets and liabilities of the acquiree at the date of acquisition. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. In the event that the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition is higher than the cost, the excess remaining is recognised immediately in the statement of comprehensive income.

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The allocation is made to those CGUs or Groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Goodwill impairment reviews are undertaken annually or more frequently, if events or changes in circumstances indicate a potential impairment. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount (higher of value in use and fair value less costs to sell) of the CGU is less than its carrying amount including goodwill, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(b) Retail Service Stations Usage rights

Retail Service Stations Usage rights represent upfront lump-sum amounts to purchase licenses to operate and control service stations from previous owner of the license. These licenses are not directly linked with a lease agreement and have an indefinite useful economic life. Such payments made to secure branding and future revenues for the Group that were not available in the past and are therefore capitalised in accordance with IAS 38, Intangible Assets.

(c) Licences and rights

Licenses and rights have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is being calculated using the straight-line method to allocate their cost over their estimated useful lives, which usually range from 3 to 25 years.

(d) Computer software

The category computer software include primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (1 to 5 years).

2.11 Exploration for and evaluation of mineral resources

(a) Exploration and evaluation assets

During the exploration period and before a commercially viable discovery, oil and natural gas exploration and evaluation expenditures are expensed. Geological and geophysical costs as well as costs directly associated with an exploration are expensed as incurred. Exploration property leasehold acquisition costs are capitalized within intangible assets and amortised over the period of the licence or in relation to the progress of the activities if there is a substantial difference. Upstream exploration rights are included in licenses and rights in intangible assets.

(b) Development of tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells is capitalized within tangible and intangible assets according to their nature. When development is completed on a specific field, it is transferred to production assets. No depreciation and/or amortisation is charged during development.

(c) Oil and gas production assets

Oil and gas production assets are aggregated exploration and evaluation tangible assets and development expenditures associated with the production of proved reserves. The Group has not recognised any such assets, as it is currently in the first stages of exploration and evaluation.

(d) Depreciation/amortisation

Oil and gas properties/intangible assets are depreciated/amortized using the unit-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

(e) Impairment – exploration and evaluation assets

The exploration property leasehold acquisition costs are tested for impairment whenever facts and circumstances indicate impairment. For the purposes of assessing impairment, the exploration property leasehold acquisition costs subject to testing are grouped with existing cash-generating units (CGUs) of production fields that are located in the same geographical region corresponding to each licence.

(f) Impairment – proved oil and gas properties and intangible assets

Proven oil and gas properties and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.12 Impairment of non-financial assets

The Group assesses, at each reporting date, whether an indication of impairment exists. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.13 Financial assets

2.13.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.26 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

• Financial assets at amortised cost (debt instruments)

• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

• Financial assets at fair value through profit or loss

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period, otherwise they are classified as non-current. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

(b) Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met: a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(c) Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the profit or loss of the statement of comprehensive income, when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

2.13.2 Derecognition and impairment

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

• Disclosures for significant estimates and assumptions Note 4

• Trade receivables Note 12

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.13.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Derivative financial instruments and hedging activities

As part of its risk management policy, the Group utilizes currency and commodity derivatives to mitigate the impact of volatility in commodity prices and foreign exchange rates. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in fair values of the derivative financial instruments are recognised at each reporting date either in the statement of comprehensive income or in other comprehensive income, depending on whether the derivative is designated as a hedging instrument. If so, the nature of the item being hedged is also disclosed. The Group designates certain derivatives as either:

(a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.

The documentation also includes both at hedge inception and on an ongoing basis how it will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. The instruments used for this risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

Cash flow hedges

The effective portion of changes in the fair value of these derivatives is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income within "Other operating income / (expenses) and other gains / (losses)". Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects profit or loss (i.e. when the forecast transaction being hedged takes place) within cost of sales.

When a hedging instrument expires or is sold, or a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the derivative is de-designated and the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income within "Other operating income / (expenses) and other gains / (losses)".

Derivatives at fair value through profit or loss

Derivatives that do not qualify for hedge accounting are classified as derivatives at fair value through profit or loss. Changes in the fair value of the derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of comprehensive income.

2.15 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants related to Property, Plant and Equipment received by the Group are initially recorded as deferred government grants and included in "Other non-current liabilities". Subsequently, they are credited to the statement of comprehensive income over the useful lives of the related assets in direct relationship to the depreciation charged on such assets.

2.16 Inventories

Inventories comprise crude oil and other raw materials, refined and semi-finished products, petrochemicals, merchandise, consumables and other spare parts.

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the monthly weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It does not include borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, where applicable. Spare parts consumed within a year are carried as inventory and recognized in cost of sales in the statement of comprehensive income when consumed.

2.17 Trade receivables

Trade receivables, which generally have 20-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables include bills of exchange and promissory notes from customers.

For trade receivables, which are not in default the Group applies the simplified approach, in accordance with IFRS 9 and calculates ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. On the other hand, trade receivables in default are assessed on a case by case basis. The amount of the provision is recognised in the statement of comprehensive income and is included in "Selling and distribution expenses".

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less.

Cash pledged as collateral is included in "Trade and other receivables".

2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised to profit or loss of the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in the statement of comprehensive income as finance costs or other operating income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

In cases where an existing borrowing of the Group is renegotiated, this might result in modification or an exchange of borrowings with the lenders that could be carried out in a number of ways. Whether a modification or exchange of borrowings represents a settlement of the original debt, or merely a renegotiation of that debt, determines the accounting treatment that should be applied by the borrower. When the terms of the existing borrowings are substantially different from the terms of the modified or exchanged borrowings, such a modification or exchange is treated as an extinguishment of the original borrowing and the recognition of a new liability any difference in the respective carrying amount, is recognized in the statement of comprehensive income.

The Group considers the terms to be substantially different if either the discounted present value of the future cash flows under the new terms, including any costs or fees incurred, using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original borrowing or there is a substantial change in the terms from a qualitative perspective. Qualitative factors may include:

- the currency in which the borrowing is denominated
- the interest rate (that is fixed versus floating rate)
- changes in covenants

2.21 Current and deferred income tax

The tax expense or credit for the period comprises current and deferred tax. The income tax expense or credit for the period, is the tax estimated on the current period’s taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, as well as additional taxes for prior years. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group’s subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Any interest and penalties arising on uncertain tax positions are considered as part of income tax.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction does not affect either accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those deductible temporary differences and losses.

Deferred income tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

2.22 Employee benefits

(a) *Pension obligations*

The Group participates in various pension schemes. The payments are determined by the local legislation and the funds' regulations. The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate State pension fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Defined benefit pension plan

Where applicable, under local labor laws, employees and workers are entitled to termination payments in the event of retirement with the amount of payment varying in relation to the employee's or worker's compensation and length of service. This program is considered as a defined benefit plan.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognized in the consolidated statement of profit or loss in employee benefit expense (except where included in the cost of an asset) reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss of the statement of comprehensive income.

Defined contribution plans

The Group's employees are covered by one of several Greek State sponsored pension funds which relates to the private sector and provides pension and pharmaceutical benefits. Each employee is required to contribute a portion of their monthly salary to the funds, with the Group also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. As such, the Group has no legal or constructive obligation to pay future benefits under this plan.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Share-based compensation

Employees of the Group may receive remuneration in the form of share based payments as part of a share option plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

At each reporting period end, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company may issue new shares. In that case, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The Group has no share-based compensation schemes in force for 2019 and for 2020.

(d) Short-term paid absences

The Group recognises the expected cost of short-term employee benefits in the form of paid absences in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences.

2.23 Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.24 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

No provisions are recognized for possible future obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or for present obligations if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. For such cases the Group discloses a contingent liability.

2.25 Environmental liabilities

The Group has an environmental policy which complies with existing legislation and any obligations resulting from its environmental and operational licences. In order to comply with all rules and regulations, the Group has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements. The above mentioned expenses are estimated based on the relevant environmental studies.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognised is the best estimate of the expenditure required. If the effect of the time value of money is material, the amount recognised is the present value of the estimated future expenditure.

The obligation of the Group to meet its CO2 emission targets is treated as follows: European ETS register allocates emission rights to refineries annually. Allowances received or purchased are recognised at cost. A provision is recognized for the net obligation payable for the emission quantities that exceed the pre-allocated allowances, after taking into account any purchases of emission certifications. The provision recognised is measured at the amount that it is expected to cost the entity to settle the obligation net of any certificates purchased. This will be the market price at the balance sheet date of the allowances required to cover any emissions deficit made to date.

2.26 Revenue recognition

Revenue from contracts with customers

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Control over goods sold and services rendered is transferred to the customer upon delivery of the respective products or service respectively. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Payment terms vary in line with the type of sales transactions and depend mainly on the products sold or services rendered, the distribution channels as well as each customer's specifics.

The Group assesses whether it acts as a principal or agent in each of its revenue arrangements. The Group has concluded that in all sales transactions it acts as a principal.

Revenue is recognised as follows:

Sales of goods – wholesale & retail

Revenue is recognized when a contractual promise to a customer (performance obligation) is fulfilled by transferring the promised goods (which is when the customer obtains control over the promised goods). If a contract contains more than one performance obligation, the total transaction price of the contract is allocated among the individual, separate performance obligations based on their relative standalone selling prices. The amount of revenue recognized is the amount allocated to the satisfied performance obligation based on the consideration that the Group expects to receive in accordance with the terms of the contracts with the customers.

Provision of services

For sales of services, revenue is recognised in the accounting period in which the services are rendered, as the customer obtains control over the promised services, by reference to stage of completion of each specific performance obligation and assessed on the basis of the actual service provided (using appraisals of the results achieved and milestones reached), as a proportion of the total services to be provided.

Variable consideration

If the consideration in a contract includes a variable amount, the Group recognizes this amount as revenue only to the extent that it is highly probable that a significant reversal will not occur in the future.

Volume discounts

The Group provides volume discounts to customers based on thresholds specified in the respective contracts. Options for volume related discounts are assessed by the Group to determine whether they constitute a material right that the customer would not receive without entering into that contract. For all such options that are considered as material rights, the Group assesses the likelihood of its exercise and then the portion of the transaction price allocated to the option is deferred and recognized when it is either exercised or lapsed.

The Group has concluded that volume discounts constitute a material right which should be recognized over time up to the point it is either exercised or lapsed. All such discounts are accrued within the financial year.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.27 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared and appropriately authorised or approved by the Company's Shareholders' General Meeting. Interim dividends proposed by the Board of Directors are recognized as liabilities upon proposal

2.28 Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of the loss allowance determined in accordance with IFRS 9 requirements and the amount initially recognized, less when appropriate, the cumulative amount of income.

2.29 Changes in accounting policies

The Group adopted the amendments described in paragraph 2.1.1 for the first time for the annual reporting period commencing 1 January 2020.

2.30 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

3 Financial risk management

3.1 Financial risk factors

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: During 2020, the coronavirus pandemic affected significantly the global and Greek economy and disrupted the global financial stability. The growth prospects (which were positive during the first two months of the year) were reversed and the Greek economy was led into a deep recession.

GDP increased by 2,3% in the third quarter of 2020 compared to the previous quarter (GPD decreased by 11,7% as compared to the corresponding period in 2019) reflecting the impact of the pandemic and the containment measures imposed by the Greek government. The increase in GDP during the third quarter was driven mainly by an increase in private consumption and imports partially offset by a drop in exports and investment.

Total domestic fuels consumption for the year decreased by 7,6% compared to 2019 (total demand for motor fuels decreased by 12,3%) mainly affected by lower demand for gasoline and auto diesel, as a result of mobility restrictions to counter the effects of the coronavirus outbreak partly offset by the increased demand for heating gasoil.

The outbreak of Covid – 19 is expected to continue to have a negative impact on the Greek and global economy during 2021, affecting the public debt and unemployment rate as well as the non-performing loans and the investments. The containment measures imposed by the Greek government due to the outbreak of Covid -19 also had a significant impact on demand and private consumption. 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.

Covid -19: On 11 March 2020, the World Health Organisation declared the Coronavirus Covid -19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments took increasingly stringent steps to help contain and delay the spread of the virus, which have slowed down the economies worldwide, causing considerable global disruption in business activities and everyday life.

Many countries, including Greece, adopted extraordinary and economically costly containment measures, including requiring companies to limit or even suspend normal business operations. Governments also implemented restrictions on travelling as well as strict quarantine measures. Industries such as tourism, hospitality and entertainment are expected to be mostly disrupted directly by these measures. Other industries such as manufacturing and financial services are expected to be indirectly affected.

The strict containment measures gradually relaxed during May leading to a partial recovery of the domestic demand during the summer. However, following a steady increase of infections during summer and especially since August, the Greek Government reintroduced measures and restrictions to contain the spread of the coronavirus. Despite the measures taken during the previous months, in the final months of the year the situation in the country deteriorated further with a considerable rise in the number of infections and new virus variants emerging, and the government announced even more strict measures, including lockdowns, in order to control the spread of the pandemic and ensure public health.

The decline in crude oil prices during the second quarter of the year, the sustained drop in refining margins throughout the year and the fluctuations in demand stemming from mobility restrictions, have affected the financial results of the Group resulting in declined profitability and high inventory valuation losses. However, the above have not altered the Group's strategic orientation or targets and the current operations are largely unaffected.

The Group immediately responded to the outbreak of the pandemic and since the end of February took various initiatives to this end primarily focusing on ensuring the health and safety of its employees and all of its stakeholders, as well as the smooth operation of its activities and continuing to supply our markets.

These initiatives include:

- Adopting a timely and successful new remote working model (teleworking) where possible, remotely supporting information systems and modifying shift programs.
- Utilizing digital technology and upgrading teleworking infrastructures.
- Drafting a Policy addressing how to prevent and manage issues arising from the Covid-19 pandemic, including detailed prevention guidelines and testing response under various scenarios, planning for and implementing procedures for handling any suspected Covid 19 cases.
- Continuously keeping employees up to date, along with ongoing health support (medical network, psychological support line).
- Regular disinfection in all workplaces and appropriate disposal of personal protection equipment (PPE).

The evolution of the pandemic, in Greece and globally, is expected to affect the financial results and financial position for at least 2021. While a strong global economic recovery in 2021 remains very likely, the impact on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management will continue to monitor the situation closely and will assess any potential further impact on the Group's financial position and performance, including the recoverable amount of its investments, in case the period of disruption becomes prolonged

United Kingdom's exit from the European Union("EU"): 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. The exit of the UK from the EU and the subsequent agreement governing the relevant matters, did not have an impact in the existing HPF Eurobonds or in the Group's funding from 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. As a result, the Group's operations are mainly exposed to the risk of fluctuating the dollar exchange rate against the euro. The strengthening of the US Dollar against the Euro has a positive effect on the Group's financial results while in the opposite event, both the financial results and balance sheet items (inventory, investments, receivables, liabilities in US dollar) would be valued at lower levels.

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. During the year ended on 31 December 2020, the Group entered into certain derivatives to hedge cash flows related to purchases and sales of crude oil and petroleum products. The Group has also entered into a derivative transaction to hedge the cash flow risk arising from the re-acquisition of the CO_2 certificates disposed in December 2020, in time to fulfill its obligation as part of the EUA scheme (Notes 16 & 23).

Securing continuous crude oil supplies: The developments in the global and regional crude oil markets during 2020 (outbreak of Covid 19 and the containment measures imposed by the majority of the countries worldwide) resulted in a significant decrease in the cost of raw material for the Group. Average international crude oil reference prices in 2020 decreased by about 34% compared to average prices in 2019. These developments led to lower cost of crude, which is the source of feedstock for the refineries. The Group was able to take advantage of this development and diversify its crude basket. In the context of the above the Group was able to capture opportunities in contango trades for crude and products by utilizing its available storage capacity. The oil sector is anticipated to gradually recover during 2021, especially as the distribution of vaccines is expected to play an important role. However, the new virus variants, the delays in the commencement of vaccination programs and the potential that the vaccines could be less effective than expected, pose major risks to the expected recovery.

Financing of operations: The key priorities of the Group are the management of the 'Assets and Liabilities' maturity profile, funding in accordance with its strategic investment plan and the liquidity risk management for its operational needs. As a result of these key priority initiatives and in line with its medium term financing plan, the Group has maintained a mix of committed long term credit facilities and uncommitted short term credit facilities by taking into consideration bank and debt capital markets' credit capacity as well as cash flow planning and commercial requirements. As of 31 December 2020, approximately 86% of total debt (about 70% as of 31 December 2019), is financed by long-term committed credit lines while the remaining debt is being financed by short term credit facilities (bilateral lines).

Term loans

In December 2020, Hellenic Petroleum S.A. refinanced a €400 million syndicated bond loan with a new facility of the same principal amount maturing in 2 years which has a 1 year extension option.

In November 2020, Hellenic Petroleum S.A. issued a €400 million revolving bond loan facility with a tenor of 2 years and a 1 year extension option. The facility was used to finance the voluntary early prepayment of the $250 million Bond Loan facility maturing in June 2021 and to refinance part of short term uncommitted credit facilities by medium term committed facilities, in line with the Group's liquidity risk management strategy.

In September 2020, Hellenic Petroleum S.A. issued a new €100 million revolving bond loan facility with a tenor of 2 years.

In April 2020, in line with the Group's liquidity risk management strategy to increase the amount of its committed medium term credit term facilities in view of the Covid-19 crisis, Hellenic Petroleum S.A. issued a new €100 million bond loan facility, with a tenor of 18 months.

In January 2015, Hellenic Petroleum S.A. issued a €200 million revolving bond loan facility with a tenor of 3 years. The facility was refinanced in February 2018 for an increased amount of €300 million and a tenor of 3 years. The facility was refinanced prior to its maturity date in December 2020 for an increased principal amount of €400 million and a tenor of 3 years, in light with the Group's liquidity risk management strategy to convert part of its short term uncommitted credit facilities to committed medium term facilities.

In May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment programme related to the upgrade of the Elefsina Refinery. Both loans had a maturity of twelve years and a 3 year grace period as well as similar terms and conditions. Facility B was credit enhanced by a commercial bank guarantee until February 2018 (this is normal lending practice for EIB particularly during the construction phase of large projects). Total repayments on both loans up to 31 December 2020 amounted to €333 million (€44 million paid during 2020).

Eurobonds

In October 2019, HPF issued a €500 million five-year 2% Eurobond guaranteed by Hellenic Petroleum S.A. with the issue price being 99.41 per cent. of the principal amount. The notes mature in October 2024. Part of the proceeds of the issue were used for the partial prepayment of the €450 million Eurobond maturing in October 2021 through a tender offer process which was completed in October 2019 during which notes of nominal value of €248.4 million were accepted. On October 5th, 2020, HPF, successfully priced €99.9 million of new notes principal amount, with a yield of 2.42%. These form a single series with HPF's existing notes due October 2024 and were offered through a private placement. The issue of the new notes was subscribed by selected institutional investors, with the European Bank for Reconstruction and Development participating at 75% of the issue.

In October 2016, Hellenic Petroleum Finance PLC ("HPF") issued a €375 million 5 year 4.875% Eurobond guaranteed by Hellenic Petroleum S.A. with the issue price being 99.453 per cent. of the principal amount. The proceeds of the issue were used to repay existing financial indebtedness including a partial prepayment of a €500 million Eurobond maturing in May 2017. The latter was effected via a tender offer process where notes of nominal value of €225 million were accepted. In July 2017 Hellenic Petroleum issued a notional amount of €74.53 million of notes guaranteed by Hellenic Petroleum S.A. maturing in October 2021 which were consolidated and form a single series with the €375 million 4.875% guaranteed notes as per above. The notes were partially prepaid in October 2019 with the proceeds of a new Eurobond issue of €500 million 5 year Eurobond as detailed below.

Other

In December 2020, Hellenic Petroleum S.A. increased the principal amount of one of its short term bilateral facilities by €42.5 million to €75 million.

In April 2020, Hellenic Petroleum S.A. concluded a new €100 million bilateral credit facility in line with its liquidity risk management strategy.

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 and ensures compliance with the above covenants.

Additional information is disclosed in paragraph (c) Liquidity risk below and Note 17.

Capital management: Another key priority of the Group has been the management of its Assets. Overall the Group has approximately €3.5 billion of capital employed which is driven from working capital, investment in fixed assets and its investment in its associates and joint ventures. 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, net debt level, excluding leases has increased to 48% of total capital employed while the remaining 52% is financed through shareholders equity. In the medium term the Group's intention is to reduce its net debt levels through the utilization of the incremental operating cashflows. This is expected to lead to lower Debt to Equity ratio, better matched Asset and Liability maturity profiles as well as lower financing costs.

(a) Market risk

(i) Foreign exchange risk

As explained in note 2.5 "Foreign currency translation", the parent company's functional currency and presentation currency of the Group is the Euro. However, in line with industry practice in all international crude oil and oil trading transactions, underlying commodity prices are based on international reference prices quoted in US dollars.

Foreign currency exchange risk arises on three types of exposure:

- **Financial position translation risk:** Most of the inventory held by the Group is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the statement of financial position. In order to manage this risk, a significant part of the Group's payables (sourcing of crude oil and petroleum products) is denominated in USD resulting to an offsetting impact to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark-to-market valuation of USD-denominated debt liabilities leads to a reported foreign exchange loss, with no compensating benefit as stocks continue to be included in the statement of financial position at cost. It is estimated that at 31 December 2020 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax results would have been approximately €10 million lower, as a result of foreign exchange gains on translation of US dollar-denominated receivables, payables, cash and borrowings.

- **Gross Margin transactions and translation risk:** The fact that most of the transactions in crude oil and oil products are based on international Platt's USD prices leads to exposure in terms of the Gross Margin translated in Euro. Market volatility had an adverse impact on the cost of mitigating this exposure; as a result, the Group did not actively hedge material amounts of the Gross margin exposure. This exposure is linearly related to the Gross margin of the Group in that the appreciation/ depreciation of Euro vs. USD leads to a respective translation loss/ (gain) on the period results.

- **Local subsidiaries exposure:** Where the Group operates in non-Euro markets there is an additional exposure in terms of cross currency translation between USD (price base), Euro reporting currency and local currency. Where possible the Group seeks to manage this exposure by transferring the exposure for pooling at Group levels. Although material for local subsidiaries' operations, the overall exposure is not considered material for the Group.

(ii) Commodity price risk

The Group's primary activity as a refiner involves exposure to commodity prices. Changes in current or forward absolute price levels vs acquisition costs affect the value of inventory while exposure to refining margins (combination of crude oil and product prices) affect the future cash flows of the business.

In the case of price risk, the level of exposure is determined by the amount of priced inventory carried at the end of the reporting period. In periods of sharp price decline, as Group policy is to report its inventory at the lower of historical cost and net realisable value, results are affected by the reduction in the carrying value of the inventory. The extent of the exposure relates directly to the level of stocks and rate of price decrease. This exposure is partly hedged with paper derivatives to the extent that the cost of such instruments is considered attractive from a risk-return point of view and subject to the structure of the market (contango vs. backwardation) as well as credit capacity for long dated transactions.

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; as an indication of the impact to the Group financial results, a change in the refinery margins has a proportionate impact on the Group's profitability. Where possible, the Group aims to hedge the part of its production which will be sold in the future and hence will be exposed to forward pricing, thus generating higher price risk upon completion of the sale. This, however, is not possible to do in all market conditions, such as a backwardated market structure, where future prices are below their spot levels, or when there is no credit capacity for derivatives transactions.

(iii) Cash flow and fair value interest rate risk

The Group's operating income and cash flows are not materially affected by changes in market interest rates, given the low level of prevailing reference rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk. Approximately 28% of the Group's borrowings are at fixed rates of interest. Depending on the levels of net debt at any given period of time, any change in the base interest rates (EURIBOR or LIBOR), has a proportionate impact on the Groups results. At 31 December 2020, if interest rates on Euro denominated borrowings had been 0,5% higher with all other variables held constant, pre-tax losses for the year would have been Euro €11 million higher.

(b) Credit risk

(i) Risk Management

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

(ii) Credit quality

The credit quality of cash and cash equivalents is assessed by reference to external credit ratings obtained from S&P in the table below.

Due to market conditions, the approval of credit risk is subject to a more strict process involving all levels of senior management. A Group credit committee monitors material credit exposures on a Group wide basis.

See Note 12 for further disclosures on credit risk.

	As at	
Bank Rating (in €million)	**31 December 2020**	**31 December 2019**
A+	114	61
A	28	1
BBB+	85	279
B	835	619
B-	76	61
No rating	65	67
Total	**1.203**	**1.088**

(c) Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash reserves and financial headroom, through committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in its funding operations through the use of cash and committed credit facilities.

Where deemed beneficial to the Group, and in order to achieve better commercial terms (e.g. better pricing, higher credit limits, longer payment terms), the Group provides for the issuance of short term letters of credit or guarantee for the payment of liabilities arising from trade creditors. These instruments are issued using the Group's existing credit lines with local and international banks, and are subject to the approved terms and conditions of each bank, regarding the amount, currency, maximum tenor, collateral etc.

The Group's plans with respect to term facilities expiring within the next 12 months are presented below in million Euros.

2020					
Contractual Term Facility Repayments	**1H21**	**2H21**	**2021**	**Schedule for repayment**	**Schedule for refinancing**
Bond loan €100 million	0	100	100	0	100
Eurobond €201million	0	201	201	0	201
European Investment Bank ("EIB") Term loan	22	22	44	44	0
Total	**22**	**323**	**345**	**44**	**301**

The Group assesses its options regarding the refinancing of the bond loan and Eurobond maturing during the second half of 2021 and expects the refinancing to be completed in due time before maturity of existing loans. With respect to the Group's bilateral lines, the used balance of which as of 31 December 2020 was €400m, these are uncommitted credit facilities with various banks to finance general corporate needs, which have been consistently renewed in the last 20 years in accordance with the Group's finance needs. The Group expects it will be able to continue to renew these in the future or will refinance part of them into term loans.

(All amounts in Euro thousands unless otherwise stated)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows.

	Less than 1 year	Between 1 and 5 years	Over 5 years
31 December 2020			
Borrowings	826.824	2.236.716	-
Lease liabilities (Note 18)	31.049	85.069	150.090
Trade and other payables	1.501.689	-	-
31 December 2019			
Borrowings	1.105.978	1.714.343	-
Lease liabilities (Note 18)	36.124	86.135	89.327
Trade and other payables	1.352.034	-	-

The amounts included as borrowings and lease liabilities in the table above do not correspond to the balance sheet amounts, as they are contractual (undiscounted) cash flows, which include capital and interest.

Trade and other payables do not correspond to the balance sheet amounts as they include only financial liabilities.

3.2 Capital risk management

The Group's objective with respect to capital structure, which includes both equity and debt funding, is to safeguard its ability to continue as a going concern, to have in place an optimal capital structure from a cost perspective and at the same time to ensure that the requirements of loan financial covenants are met.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the industry convention, the Group monitors capital structure and indebtedness levels on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less "Cash & cash equivalents" and, "Investment in equity instruments". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

The long-term objective of the Group is to maintain the gearing ratio between 35% and 45%, as significant fluctuations of crude oil prices may affect total debt respectively. Given the Group's new strategy and its transition to activities that are subject to reduced volatility due to the business environment as well as the significant de-escalation of financial cost, the capital structure by sector will be reviewed and is expected to affect the relevant objectives. It is noted that the Group has significantly reduced its financial cost by about 50% in the last four years.

The gearing ratios as at 31 December 2020 and 2019 were as follows:

	As at	
	31 December 2020	**31 December 2019**
Total Borrowings (Note 17)	2.875.932	2.632.364
Less: Cash & Cash Equivalents (Note 13)	(1.202.900)	(1.088.198)
Less: Investment in equity instruments (Note 3.3)	(959)	(1.356)
Net debt (excl. Lease liabilities)	**1.672.073**	**1.542.810**
Total Equity	1.848.837	2.326.573
Total Capital Employed (excl. Lease liabilities)	**3.520.910**	**3.869.383**
Gearing ratio (excl. Lease liabilities)	**47%**	**40%**
Lease liabilities (Note 18)	201.136	199.894
Net debt (incl. Lease liabilities)	**1.873.209**	**1.742.704**
Total Capital Employed (incl. Lease liabilities)	**3.722.046**	**4.069.277**
Gearing ratio (incl. Lease liabilities)	**50%**	**43%**

(All amounts in Euro thousands unless otherwise stated)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, categorised 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 31 December 2020:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivative financial instruments held for trading	-	2.433	-	2.433
Derivatives used for hedging	-	7.512	-	7.512
Investment in equity instruments	959	-	-	959
Assets held for sale	2.466	-	-	2.466
	3.425	**9.945**	**-**	**13.370**
Liabilities				
Derivatives used for hedging	-	4.635	-	4.635
	-	**4.635**	**-**	**4.635**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2019:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	3.474	-	3.474
Investment in equity instruments	1.356	-	-	1.356
Assets held for sale	2.520	-	-	2.520
	3.876	**3.474**	**-**	**7.350**
Liabilities				
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

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 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 is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- 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 year. For the years ended 31 December 2020 and 31 December 2019, there were no transfers between levels.

The fair value of Euro denominated Eurobonds as at 31 December 2020 was €802 million (31 December 2019: €718 million), compared to its book value of €792 million (31 December 2019: €692 million). The fair value of the remaining borrowings approximates their carrying value. The fair values of borrowings are within level 2 of the fair value hierarchy.

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 Critical accounting estimates and judgements

Estimates and judgements are continuously evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Critical accounting estimates and assumptions

(a) Income taxes

The Group is subject to periodic audits by local tax authorities in various jurisdictions and the assessment process for determining the Group’s current and deferred tax balances is complex and involves high degree of estimation and judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. Where tax positions are not settled with the tax authorities, the Group management takes into account past experience with similar cases as well as the advice of tax and legal experts in order to analyze the specific facts and circumstances, interpret the relevant tax legislation, assess other similar positions taken by the tax authorities to form a view about whether its tax treatments will be accepted by the tax authorities, or whether a provision is needed. Where the Group is required to make payments in order to appeal against positions of tax authorities and the Group assesses that it is more probable than not to win its appeal, the respective payments are recorded as assets as these advance payments will be returned to the Group, if the Group’s position is upheld. In case the Group determines a provision is needed for the outcome of the uncertain tax position, any amounts already paid are deducted from the said provision.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Recoverability of deferred tax assets

Deferred tax assets include certain amounts which relate to carried forward tax losses. In most cases, depending on the jurisdiction in which such tax losses have arisen, such tax losses are available for set off for a limited period of time since they are incurred. The Group makes assumptions on whether these deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for each relevant entity.

(c) Provision for environmental restoration

The Group operates in the oil industry with its principal activities being that of exploration and production of hydrocarbons, refining of crude oil and sale of oil products, and the production and trading of petrochemical products. Environmental damage caused by such substances may require the Group to incur restoration costs to comply with the regulations in the various jurisdictions in which the Group operates, and to settle any legal or constructive obligation. Analysis and estimates are performed by the Group together with its technical and legal advisers, in order to determine the probability, timing and amount involved with probable required outflow of resources. Estimated restoration costs, for which disbursements are determined to be probable, are recognised as a provision in long-term liabilities and as fixed asset cost of the Group's consolidated statement of financial position. Subsequently, the provision is unwinded in the finance cost and the fixed asset is depreciated in the consolidated statement of comprehensive income. When the final determination of such obligation amounts differs from the recognised provisions, the Group's statement of comprehensive income is impacted.

(d) Estimates in value-in-use calculations

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The impact of Covid-19 has been assessed and when appropriate, has been considered an impairment indicator. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount of a cash-generating unit (CGU) is determined for impairment tests purposes based on value-in-use calculations which require the use of assumptions. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The calculations use cash flow projections based on financial budgets approved by management. These budgets and forecast calculations generally cover a period of five years. Cash flows beyond the period over which projections are available are extrapolated using estimated growth rates. These growth rates are consistent with forecasts included in country or industry reports specific to the country and industry in which each CGU operates. The key assumptions used to determine the recoverable amount for the different CGUs, or assets, including a sensitivity analysis, are disclosed and further explained in Notes: 6. for Property, Plant and Equipment, 7 for Right of use asset, 8. for Goodwill, 9. for Investments in Associates and Joint Ventures.

(e) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives and certain investments in equity instruments) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(f) Provision for expected credit losses of receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on the Group's historical credit loss experience calibrated to adjust the historical credit loss experience with forward-looking information specific to the debtors and the economic environment. At each year end, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed credit losses, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Especially in the case of marketing segment, individual customer assessment take also into account customers ability to pay, expected time of collection and the valuation of collaterals held.

For the year ended 31 December 2020, management assessed forward-looking information specific to its trade debtors and the economic environment taken into account the impact of Covid – 19 and recorded additional losses in line with its policies, when needed. (Note 12)

(g) Retirement Benefit Obligations

The present value of the pension obligations for the Group's defined benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate and salary rate increases. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency and jurisdiction in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

(h) Depreciation of property, plant and equipment

The Group periodically assesses the useful lives of its property, plant and equipment to determine whether the original estimated lives continue to be appropriate. To this respect, the Group may obtain technical studies and use external sources to determine the lives of its assets, which can vary depending on a variety of factors such as technological innovation and maintenance programs.

(ii) Critical judgements in applying the Group's accounting policies

(i) Impairment of non-current assets and investments in associates and joint ventures

The Group assesses at each reporting date, whether indicators for impairment exist for its non-financial assets (note 2.12) and its investments in associates and joint ventures. The assessment includes both external and internal factors which include inter-alia, significant changes with an adverse effect in the regulatory or technological environment or evidence available from internal reporting that indicates that the economic performance of the asset is, or will be worse than expected. If any indication exists, the Group estimates the asset's or cash generating unit's recoverable amount. Judgment is involved to some extent in determining whether indicators exist and also for the determination of the cash generating units at which the respective assets are tested. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(j) Provisions for legal claims

The Group has a number of legal claims pending against it. Management uses its judgement as well as the available information from the Group legal department and external counsellors when deemed necessary, in order to assess the likely outcome of these claims and if it is more likely than not that the Group will lose a claim, then a provision is recognized. Provisions for legal claims, if required, are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period (Note 33).

(k) Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant: If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate). If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate). Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5 Segment information

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 considers the business from 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.

The Group's key operating segments are:

a) Refining, Supply and Wholesale Trading (Refining)

- Activities in Greece revolve around the operation of the Group's three refineries located in Aspropyrgos, Elefsina and Thessaloniki, which account for approximately 65% of the country's total refining capacity. The three refineries combine a storage capacity of 6,65 million m^3 of crude oil and petroleum products.
- International activities refer to the OKTA facility, which is located in Skopje and is connected to Thessaloniki refinery through a pipeline for the transportation of high value-added products (e.g. diesel). The pipeline has not been operational since 2013 and is expected to commence operation during January 2022.

b) Marketing

- Activities in Greece: The Group, through its subsidiary HFL S.A., possesses an extensive fuel supply network in the country via the EKO and BP brand names, which includes a total of 1.703 petrol stations, 232 of which are company-operated.
- International activities: The Group operates through subsidiary companies in Cyprus, Bulgaria, Serbia, Montenegro and North Macedonia, with a total network of 315 petrol stations.

c) Exploration and Production of Hydrocarbons

The Group is engaged in the exploration and production of hydrocarbons in several areas in Greece (either through full control or in partnership with other oil & gas companies), including the sea of Thrace in the North Aegean, the offshore block of Patraikos Gulf (West), the two onshore areas of “Arta-Preveza” and ‘‘NW Peloponnese’’, the offshore Block 2 west of Corfu Island, the offshore West Crete & Southwest Crete areas, the offshore area Western Greece in the Ionian Block and the Kyparissiakos gulf (Block 10). An offer has also been submitted for North Corfu (Block 1).

d) Petrochemicals

Petrochemical activities mainly focus on the production and marketing of polypropylene, BOPP films and solvents, as well as the trading of imported plastics and chemicals. The polypropylene production plant in Thessaloniki mainly receives propylene produced in the Aspropyrgos refinery. Part of the production of the produced polypropylene is the raw material used in the BOPP film production unit in Komotini.

(All amounts in Euro thousands unless otherwise stated)

e) Gas and Power

- Natural Gas: The Group is active in the natural gas sector through its 35% participation in DEPA Commercial S.A and DEPA Infrastructure S.A, (the remaining 65% is held by the Hellenic Republic Asset Development Fund - HRADF). The DEPA Commercial Group and DEPA Infrastructure Group are active in the wholesale trading, supply and distribution of natural gas in Greece and also participate in international gas transportation projects. Refer also to Note 9.
- Power: The Group is active in the production, trading and supply of power in Greece through its participation (50%) in the JV Elpedison B.V. (the remaining 50% is held by EDISON S.p.A.). Elpedison B.V. owns 100% of the share capital of Elpedison S.A..

f) Other

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

More information about the activities of the Group's key operating segments, as described above, can be found in the Group's Annual Report.

Financial information regarding the Group's operating segments for the years ended 31 December 2020 and 31 December 2019 is presented below:

For the year ended 31 December 2020

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Total
Gross Sales	4.893.272	1.985.720	(0)	248.195	4.145	11.896	7.143.227
Inter-segmental Sales	(1.346.015)	(4.478)	-	-	(21)	(10.922)	(1.361.436)
Revenue from contracts with customers	**3.547.256**	**1.981.242**	**(0)**	**248.195**	**4.124**	**974**	**5.781.791**
EBITDA	**(383.833)**	**74.713**	**(10.604)**	**58.782**	**1.440**	**6.077**	**(253.426)**
Depreciation & Amortisation (PPE & Intangibles)	(157.839)	(40.309)	(970)	(4.553)	(1.106)	(460)	(205.237)
Depreciation of Right-of-Use assets	(6.682)	(33.031)	(53)	(3.794)	(30)	850	(42.741)
Operating profit / (loss)	**(548.354)**	**1.373**	**(11.628)**	**50.434**	**304**	**6.467**	**(501.404)**
Currency exchange gains / (losses)	5.240	(266)	-	(24)	-	-	4.950
Share of profit / (loss) of investments in associates & joint ventures	1.307	1.473	-	-	30.890	(3.844)	29.826
Finance income / (expense) - net	(56.700)	(11.440)	-	22	(488)	(35.568)	(104.174)
Lease finance cost	(1.347)	(9.659)	(5)	(60)	(6)	162	(10.914)
Profit / (loss) before income tax	**(599.854)**	**(18.519)**	**(11.633)**	**50.372**	**30.699**	**(32.783)**	**(581.716)**
Income tax							185.101
Profit / (loss) for the period							**(396.615)**
Profit / (loss) attributable to non-controlling interests							788
Profit / (loss) for the period attributable to the owners of the parent							**(395.827)**

For the year ended 31 December 2019

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Total
Gross Sales	7.754.000	3.258.007	(0)	299.268	3.722	13.933	11.328.930
Inter-segmental Sales	(2.452.144)	(6.610)	(0)	(0)	(22)	(13.189)	(2.471.964)
Revenue from contracts with customers	**5.301.856**	**3.251.397**	**(0)**	**299.268**	**3.700**	**744**	**8.856.965**
EBITDA	**360.463**	**133.268**	**(9.497)**	**92.444**	**2.391**	**(5.303)**	**573.767**
Depreciation & Amortisation (PPE & Intangibles)	(149.651)	(35.468)	(761)	(6.189)	(1.101)	(549)	(193.719)
Depreciation of Right-of-Use assets	(6.528)	(33.032)	(36)	(409)	(10)	912	(39.103)
Operating profit / (loss)	**204.284**	**64.768**	**(10.294)**	**85.845**	**1.280**	**(4.940)**	**340.944**
Currency exchange gains / (losses)	(955)	(283)	(17)	-	-	-	(1.255)
Share of profit / (loss) of investments in associates & joint ventures	2.445	425	-	-	14.988	4	17.862
Finance income / (expense) - net	(50.075)	(14.357)	-	25	(317)	(75.735)	(140.460)
Lease finance cost	(957)	(9.186)	(4)	(23)	(3)	92	(10.081)

(All amounts in Euro thousands unless otherwise stated)

Profit / (loss) before income tax	**154.741**	**41.367**	**(10.315)**	**85.847**	**15.948**	**(80.579)**	**207.010**
Income tax							(43.434)
Profit / (loss) for the period							**163.576**
Profit / (loss) attributable to non-controlling interests							(2.778)
Profit / (loss) for the period attributable to the owners of the parent							**160.798**

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

There were no changes in the basis of segmentation or in the basis of measurement of segmental profit or loss, as compared to the consolidated annual financial statements for the year ended 31 December 2019.

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 year ended 31 December 2020					
Revenue from contracts with customers	**Refining**	**Marketing**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Domestic	702.230	1.301.405	92.965	4.124	808	2.101.532
Aviation & Bunkering	279.666	261.034	-	-	0	540.699
Exports	2.319.034	7.066	155.229	-	166	2.481.495
International activities	246.328	411.737	-	-	-	658.065
Total	**3.547.257**	**1.981.242**	**248.195**	**4.124**	**974**	**5.781.791**

	For the year ended 31 December 2019					
Revenue from contracts with customers	**Refining**	**Marketing**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Domestic	1.115.470	1.651.195	105.829	3.700	543	2.876.736
Aviation & Bunkering	628.479	732.823	-	-	-	1.361.302
Exports	3.109.072	30.531	193.439	-	201	3.333.243
International activities	448.836	836.847	-	-	-	1.285.683
Total	**5.301.857**	**3.251.397**	**299.269**	**3.700**	**744**	**8.856.965**

The segment assets and liabilities at 31 December 2020 and 2019 are as follows:

	As at	
	31 December 2020	**31 December 2019**
Total Assets		
Refining	4.578.891	4.981.990
Marketing	1.250.810	1.354.637
Exploration & Production	26.161	23.812
Petro-chemicals	449.874	416.401
Gas & Power	111.719	406.132
Other Segments	2.022.658	1.869.955
Inter-Segment	(1.665.365)	(1.960.462)
Total	**6.774.749**	**7.092.465**
Total Liabilities		
Refining	3.023.517	2.884.618
Marketing	663.530	752.129
Exploration & Production	19.943	22.099
Petro-chemicals	40	2.275
Gas & Power	36.720	8.350
Other Segments	1.911.322	1.952.130
Inter-Segment	(729.162)	(855.710)
Total	**4.925.911**	**4.765.892**

(All amounts in Euro thousands unless otherwise stated)

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

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 2019.

6 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Transportation means	Furniture and fixtures	Assets Under Con-struction	Total
Cost							
As at 1 January 2019	**314.960**	**918.298**	**4.820.343**	**92.319**	**193.750**	**92.143**	**6.431.813**
Additions	1.739	4.421	20.820	878	10.148	192.840	230.846
Capitalised projects	-	9.298	115.612	436	1.300	(126.646)	-
Disposals	(96)	(1.433)	(9.726)	(9.144)	(1.467)	-	(21.866)
Currency translation differences	115	55	34	-	1	(2)	203
Transfers and other movements	(4.943)	(2.688)	2.395	3.025	(853)	(8.451)	(11.515)
As at 31 December 2019	**311.775**	**927.951**	**4.949.478**	**87.514**	**202.879**	**149.884**	**6.629.481**
Accumulated Depreciation and impairment							
As at 1 January 2019	**-**	**489.551**	**2.452.564**	**63.222**	**157.548**	**-**	**3.162.885**
Charge for the year	-	26.020	147.949	3.635	9.540	-	187.144
Disposals	-	(1.216)	(9.311)	(8.278)	(1.413)	-	(20.218)
Impairment / Write off	2.949	61	18	-	-	1.308	4.336
Currency translation differences	-	15	17	-	-	-	32
Transfers and other movements	-	(1.809)	(734)	886	(709)	-	(2.366)
As at 31 December 2019	**2.949**	**512.622**	**2.590.503**	**59.465**	**164.966**	**1.308**	**3.331.813**
Net Book Value at 31 December 2019	**308.826**	**415.329**	**2.358.975**	**28.049**	**37.913**	**148.576**	**3.297.668**
Cost							
As at 1 January 2020	**311.775**	**927.951**	**4.949.478**	**87.514**	**202.879**	**149.884**	**6.629.481**
Additions	8	3.160	14.012	585	7.445	263.759	288.969
Capitalised projects	-	10.394	207.098	1	223	(217.716)	-
Disposals	(888)	(11.452)	(31.416)	(11.483)	(5.763)	(213)	(61.215)
Currency translation differences	(13)	(173)	(327)	(4)	(19)	(2)	(538)
Transfers and other movements	-	9.767	1.131	-	20.403	(34.098)	(2.797)
As at 31 December 2020	**310.882**	**939.647**	**5.139.976**	**76.613**	**225.168**	**161.614**	**6.853.900**
Accumulated Depreciation and impairment							
As at 1 January 2020	**2.949**	**512.622**	**2.590.503**	**59.465**	**164.966**	**1.308**	**3.331.813**
Charge for the year	-	26.164	156.539	3.032	10.785	-	196.520
Disposals	-	(11.624)	(30.791)	(11.478)	(5.314)	-	(59.207)
Impairment / Write off	165	151	3.213	1.650	-	243	5.422
Currency translation differences	-	(165)	(275)	(5)	(16)	-	(461)
As at 31 December 2020	**3.114**	**527.148**	**2.719.189**	**52.664**	**170.421**	**1.551**	**3.474.087**
Net Book Value at 31 December 2020	**307.768**	**412.499**	**2.420.787**	**23.949**	**54.747**	**160.063**	**3.379.813**

Reclassification: During the year, the Group reconsidered the presentation of “Impairment / write offs” and now includes such balances’ carrying value (net amount) in the caption “Impairment” which is now present only in accumulated depreciation section. Previously, such balances were presented gross in cost and accumulated depreciation. Following the reconsideration, an adjustment was applied retrospectively to the 2019 comparative balances.

(1) The Group has not pledged any property, plant and equipment as security for borrowings.

(2) Additions are mainly comprised of capital expenditure in the refining segment that relate to projects of long-term maintenance and upgrades of the refining units. These amounts are mainly included in assets under construction and are reclassified into the relevant asset class when the projects are completed.

(3) During 2020 an amount of €3,1 million (2019: €2,8 million) in respect of interest has been capitalised within Assets Under Construction relating to the refining segment, at an average borrowing rate of 3,53% (2019: 4,16%).

(4) Gains or losses from disposals are included within “Other income / (expenses) and other gains / (losses) (Note 26).

(All amounts in Euro thousands unless otherwise stated)

(5) 'Transfers and other movements' for the year ended on 31 December 2020 include the transfer of computer software development costs to intangible assets and the transfer of spare parts for the refinery units between inventories and fixed assets. 'Transfers and other movements' for the year ended on 31 December 2019 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 upon the implementation of the IFRS 16 as from 1 January 2019.

(6) Due to the Covid-19 pandemic and the ensuing restrictions imposed in transportation and traveling, demand for oil products reduced and refining margins decreased. This was considered an indicator of impairment. Management proceeded with an impairment test for the fixed assets of the Group's main segments of Domestic Refining and Petrochemicals, which have been considered as one CGU for the purposes of IAS 36 impairment testing, based on the synergies and interdependence between them. The method used is the Value in Use which can be shortly defined as future cash inflows and outflows from continuing use of the asset, which are then discounted to reflect time value for money and risk. CGU's carrying value as at 31 December 2020 is €2,7 billion and represent the 72,6% of the total Group's carrying value of property, plant and equipment and intangible assets. The Group's approved business plan over next 5 years was used as starting point with extrapolation over the useful life of the main refinery assets. The impairment test was carried out using the following main assumptions as of 31 December 2020:

Discount rate: Discount rates are based on an appropriate weighted average cost of capital ("WACC"), calculated using the Capital Asset Pricing Model. The WACC calculation considers not only the Group's WACC, but also the cost of equity and the cost of debt of entities with a portfolio of assets, of similar tenure, and comparable debt to equity ratios, with appropriate adjustments made to determine the pre-tax discount rate. Risks specific to the assets or CGUs under review are reflected in the WACC only where they are not reflected in the cash flows. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Post-tax WACC used is calculated at 4,44%.

Benchmark margins used are in line with Group's business plan and range from 1,7 to 3,9 within the 5 year period. Benchmark Forecast margins are based on management's estimates and available market data, and consider forward curve pricing over the period for which there is a liquid market (2-3 years), thereafter reverting to a long-term benchmark margin assumption that considers long-term views of global supply and demand in a changing environment, particularly with respect to climate risk and Covid-19, building on past experience of the industry and consistent with external sources. Benchmark margins have been revised to reflect the lower, post-Covid-19 prices currently prevailing and anticipated for 2021, and revised views of oil prices in the longer term.

Long-term maintenance capital expenses are in line with historical capex of the last 5 years, required for the standard operation of the fixed assets and was calculated at €107 million annually, over the useful life of the CGU.

Based on this impairment test, the Group concluded that the carrying amount of the CGU is recoverable and consequently no impairment charge was recorded.

The Group estimated the impact on the recoverable amount if certain key assumptions used in the application of the discounted cash flow valuation method varied with all other variables held constant as follows:

Key assumption tested	**Change in assumption**	**Impact in value in use**
WACC	+0,5%	(4,20%)
Long-term maintenance capital expenses	+5,0%	(1,02%)
Benchmark margins years 1 to 5	$ -0,50	(13,51%)

In all sensitivity analysis' scenarios, reasonable possible changes in any of the above key assumptions, the carrying value of the CGU is recoverable.

(7) Plant and machinery include inter alia the carrying value (€60 million) of the pipeline connecting Thessaloniki and Skopje, which is an asset of the Group's subsidiary Vardax S.A. The asset has not been operational since 2013 and this was considered an indication of possible impairment. Management carried

(All amounts in Euro thousands unless otherwise stated)

out an impairment test according to the requirements of IAS 36. The analysis was carried out by identifying the recoverable amount ("value in use") of the asset through the application of the discounted cash flow valuation method. The impairment test was carried out using the following main assumptions as of 31 December 2020: Post-tax WACC of 6.01%, Growth 2%, Year of expected commencement of operation January 2022 (2019: Post-tax WACC of 5,27%, Growth 2%, Year of expected commencement of operation Q2 of 2021). During current year's impairment test, taking into account that the reoperation of pipeline is expected to take place in the near short-term, Management evaluated in more detail all the assumptions used in the projected cash flows and this best estimate resulted to changes in the key assumptions in comparison with those used during prior year (e.g. sales tariff, quantities passing through the pipeline, operating expenses and capex). In its analysis the Group has assumed an extension of the useful life of the pipeline following its operation, which is equivalent to the number of years that it was not operational. The initially estimated useful life of pipeline assumed that it would be fully utilised or at least operated at a certain level for the transportation of crude oil. Instead, for a number of years the pipeline has not been operational, while it was later transformed to pipeline for the transportation of white petroleum products, which tend to be less corrosive and aggressive to metals than crude oil; moreover, it is maintained under suspension status until today (filled with nitrogen) and is repaired continuously throughout the period not in operation. Taking into consideration the above, the Management assessed that the expected usage of pipeline beyond the period which was out of operation is reasonable, used this assumption in the projected cash flows and expects that this will be confirmed following reoperation of the pipeline. Based on this impairment test, the Group concluded that the carrying amount of the asset should be written down by a further €3,2m during 2020 (included in "Impairment / write offs") to its recoverable amount (2019: no further impairment). This amount is recorded in the consolidated statement of comprehensive income in "other operating expenses and other losses. Refer also to Note 26. The accumulated impairment as of 31 December 2020 is €11,5 million.

The value in use measurement is most sensitive to the timing of reoperation of the pipeline, the sales volumes to pass through the pipeline and sales tariff and the final confirmation for the extension of the useful life of the pipeline at least for the years that it was out of operation

The Group estimated the impact on the recoverable amount if certain key assumptions used in the application of the discounted cash flow valuation method varied with all other variables held constant as follows:

Key assumption tested	**Change in assmuption**	**Impact in value in use**
WACC	+0,5%	(6,10%)
Growth	(0,5%)	(4,37%)
Year of operation	+ 2 years delay	(14,75%)
Tarif	(6,0%)	(8,70%)
Sales volumes	(5,0%)	(7,90%)
Useful life	- 2 years	(3,90%)

Considering that the pipeline in not yet operating and an impairment has already been recorded, a slight change in one of the main assumptions, as described in the table above, would lead to higher impairment.

(8) As at 31 December 2020, HFL S.A. management carried out an impairment test according to the requirements of IAS 36, based on the post-tax cash flows produced by the entity. The impact of COVID-19 and the anticipated future developments in the market in which the company operates, were considered as indicators of impairment, as they could impact the future cash flows of its assets. The valuation analysis considered HFL S.A. (the Group's marketing activities in Greece, and part of the Marketing segment) as a single cash generation unit (CGU). The analysis was carried out by identifying the recoverable value (Fair Value) of the CGU through the application of the Discounted Cash Flow Valuation Method, starting from the entity's approved 5-year business plan. The discount rate applied was 5,0% and was estimated as the post-tax WACC of the company. Based on this impairment test, the Group concluded that the carrying amount of the net assets of its marketing activities in Greece is recoverable and consequently no impairment charge was recorded.

It should be noted that the assumptions and scenarios used could further change in the future, particularly in an environment characterized by high volatility. Relevant changes in the assumptions used e.g. EBITDA generation and in discount rates, could have an impact on the recoverable value of the assets. It is estimated that, if the EBITDA generation was lower by 10% for the period of detailed forecasts (2021-2025) the recoverable amount would have been lower by 3%. In addition, if the WACC used in the impairment test was higher by 0,5% with all other variables held constant, the recoverable amount would have been lower by 14%. In both sensitivity analysis' scenarios, representing reasonably possible changes in assumptions, the carrying amount of the net assets of the CGU is recoverable.

(All amounts in Euro thousands unless otherwise stated)

(9) Depreciation expense of Property, plant and equipment of €196,5 million (2019: €187,1 million), depreciation expense of right-of-use assets of €42,7 million (2019: €39,1 million) and amortisation expense of €8,7 million (2019: €6,6 million) are allocated in the following lines of the Consolidated Statement of Comprehensive Income:

- Cost of Sales €156,1 million (2019: €146 million),
- Selling and distribution expenses €77,8 million (2019: €72,7 million),
- Administration expenses €13,9 million (2019: €14,1 million)

7 Right-of-use assets

	Petrol station properties	Commercial Properties	Plant & Machinery	Motor Vehicles	Other	Total
Cost						
As at 1 January 2019	**199.890**	**22.419**	**6.325**	**6.275**	**-**	**234.909**
Additions	14.007	1.177	2.927	12.997	-	31.108
Derecognition	(514)	-	-	(18)	-	(531)
Impairment/ Write off	(1.252)	-	-	-	-	(1.252)
Modification	7.811	7.724	(343)	6.457	-	21.649
Currency translation effects	28	-	-	3	-	31
As at 31 December 2019	**219.969**	**31.321**	**8.909**	**25.714**	**-**	**285.913**
Accumulated Depreciation						
As at 1 January 2019	**4.061**	**-**	**-**	**-**	**-**	**4.061**
Charge for the period	27.678	5.907	1.150	4.368	-	39.103
Derecognition	(80)	-	-	-	-	(80)
Impairment/ Write off	(82)	(21)	-	(2)	-	(104)
As at 31 December 2019	**31.576**	**5.887**	**1.150**	**4.366**	**-**	**42.979**
Net Book Value at 31 December 2019	**188.393**	**25.434**	**7.759**	**21.348**	**-**	**242.934**
Cost						
As at 1 January 2020	**219.969**	**31.321**	**8.909**	**25.714**	**-**	**285.913**
Additions	10.325	121	6.744	5.056	1.033	23.279
Derecognition	-	(117)	(20)	(18)	-	(155)
Impairment/ Write off	(2.313)	-	(1.770)	-	-	(4.083)
Modification	13.086	874	(23)	816	-	14.753
Currency translation effects	-	-	-	(9)	-	(9)
Other	16	-	-	(13)	-	3
As at 31 December 2020	**241.083**	**32.199**	**13.840**	**31.546**	**1.033**	**319.701**
Accumulated Depreciation						
As at 1 January 2020	**31.576**	**5.887**	**1.150**	**4.366**	**-**	**42.979**
Charge for the period	27.262	4.561	2.539	8.356	23	42.741
Derecognition	-	(25)	(15)	(17)		(57)
Impairment/ Write off	(750)	-	(744)	-	-	(1.494)
Currency translation effects	-	-	-	(2)	-	(2)
Other	-	5	-	(12)		(7)
As at 31 December 2020	**58.088**	**10.428**	**2.930**	**12.691**	**23**	**84.160**
Net Book Value at 31 December 2020	**182.995**	**21.771**	**10.910**	**18.855**	**1.010**	**235.541**

The Group leases a variety of assets in the course of its activities. Through the marketing segment the Group enters into lease agreements whereby it leases land on which it constructs petrol stations. Furthermore, the Group leases operational petrol stations and large complexes which may include other commercial properties such as highway service stations.

(All amounts in Euro thousands unless otherwise stated)

Impairment / write-off for petrol stations relates to impairments in petrol stations' ROU assets leased by HFL SA.

Part of the Group's operations require the use of coastal zones. The Group has entered into an Agreement with the State for the use of coastal zones in certain areas. There are however other areas, where the Group uses coastal zones, and for which no agreement exists. The State may periodically issue a notice for compensation for the use of the coastal zones for these areas. Upon adoption of IFRS 16, the Group concluded that the use of coastal zones could meet the criteria of an identified asset under IFRS 16, where an Agreement exists. Where the terms of use by the Greek state are determinable from the Agreement, the Group recognizes a right of use asset within commercial properties and a lease liability representing its obligation to make payments. For instances where the Group uses coastal zones without an Agreement, the Group considers that the arrangement does not constitute a lease and provides for compensation for the use of the coast based on the most recently received notice. For the year ended 31 December 2020, this is estimated at € 670 thousand (31 December 2019: € 670) and is included in current liabilities.

Furthermore, the Group operates a number of underground pipelines within the boundaries of various municipalities, in accordance with relevant laws. As described in note 33 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 does not consider that any of these fall within the scope of IFRS 16.

8 Intangible assets

	Goodwill	Retail Service Stations Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2019	**133.914**	**53.858**	**114.992**	**38.807**	**74.806**	**416.377**
Additions	4.674	1.070	2.918	1.437	100	10.199
Disposals	-	-	(62)	-	-	(62)
Currency translation effects	-	-	-	-	22	22
Other movements	-	(47.935)	5.563	5	107	(42.260)
As at 31 December 2019	**138.588**	**6.993**	**123.411**	**40.249**	**75.035**	**384.276**
Accumulated Amortisation						
As at 1 January 2019	**71.829**	**37.701**	**107.180**	**29.689**	**64.361**	**310.760**
Charge for the year	-	-	5.239	883	453	6.575
Disposals	-	-	(62)	-	-	(62)
Impairment	-	-	-	19	250	269
Currency translation effects	-	-	(1)	-	-	(1)
Other movements	-	(37.701)	-	10	-	(37.691)
As at 31 December 2019	**71.829**	**-**	**112.356**	**30.601**	**65.064**	**279.850**
Net Book Value at 31 December 2019	**66.759**	**6.993**	**11.055**	**9.648**	**9.971**	**104.426**
Cost						
As at 1 January 2020	**138.588**	**6.993**	**123.411**	**40.249**	**75.035**	**384.276**
Additions	-	548	4.779	844	121	6.292
Disposals	-	-	(78)	-	-	(78)
Currency translation effects	-	-	(2)	(2)	1	(3)
Other movements	-	-	3.834	-	6	3.840
As at 31 December 2020	**138.588**	**7.541**	**131.944**	**41.091**	**75.163**	**394.327**
Accumulated Amortisation						
As at 1 January 2020	**71.829**	**-**	**112.356**	**30.601**	**65.064**	**279.850**
Charge for the year	-	-	7.224	1.022	471	8.717
Disposals	-	-	(78)	-	-	(78)
Impairment	-	-	-	-	-	-
Currency translation effects	-	-	(1)	(2)	-	(3)
As at 31 December 2020	**71.829**	**-**	**119.501**	**31.621**	**65.535**	**288.486**
Net Book Value at 31 December 2020	**66.759**	**7.541**	**12.443**	**9.470**	**9.628**	**105.841**

(All amounts in Euro thousands unless otherwise stated)

Reclassification: During the year, the Group reconsidered the presentation of "Impairment / write offs" and now includes such balances' carrying value (net amount) in the caption "Impairment" which is now present only in accumulated depreciation section. Previously, such balances were presented gross in cost and accumulated depreciation. Following the reconsideration, an adjustment was applied retrospectively to the 2019 comparative balances.

(1) The majority of the remaining balance of goodwill as at 31 December 2020 relates to the unamortised goodwill arising on the acquisition of Hellenic Petroleum Cyprus Ltd in 2003 which is treated in line with the accounting policy in Note 2.10. Goodwill was tested for impairment as at 31 December 2020 using the value-in-use model. This calculation used cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five-year period were extrapolated using an estimated growth rate of 1% that reflects the forecasts in line with management beliefs, based on GDP growth projections. Management determined annual volume growth rate and gross margins based on past performance and expectations for the market development. The discount rate used was 4,68% which reflects the specific risks relating to operations. The results of the model show that the valuation covers the carrying amount of the goodwill, which amounts to €67 million as of 31 December 2020.

A sensitivity analysis was performed to the key assumptions used in the model (discount rates and perpetuity growth rates), in order to stress test the adequacy of the valuation headroom. It is estimated that at 31 December 2020 if the free cash flow growth rate of Hellenic Petroleum Cyprus Ltd used in the impairment test was lower by 0,5% with all other variables held constant, the Equity Value of the company would have been lower by 10%. In addition, if the future WACC was higher by 0,5% with all other variables held constant, the Equity Value of the company would have been lower by 12%. The sensitivity analysis resulted in recoverable values well in excess of the carrying value.

(2) Other intangible assets include the right of indefinite use of land in Serbia and Montenegro, where under certain circumstances the local legal framework did not allow outright ownership of land. The balance represent upfront lump-sum payments in the case of Serbia and in the case of Montenegro the purchase price allocation of land upon acquisition of the Group's subsidiary in Montenegro. The legal title of the land was subsequently contested by the local authorities in both countries without however recalling the right of the entities to make use of the land and buildings located on it.

(3) 'Licenses and Rights' include net exploration license costs relating to the exploration & production hydrocarbons' concessions in Greece

(4) 'Other movements' include completed IT software projects capitalised during 2020 and thus transferred from assets under construction. These projects are monitored within assets-under-construction as implementation of the relevant software takes place over a period of time. They are transferred to Intangible Assets when the implementation of the software has been completed and tested as being ready for use. Comparative figures 2019 balance of this line includes petrol stations properties usage rights, which were transferred from intangible assets category where they were presented up to 31 December 2018, before the application of IFRS 16. Retail Service Stations Usage rights represent upfront lump-sum amounts paid upon the signing of agreements to owners of such retail sites for the use and control of the service stations. They are amortised over the life of the acquired right which usually ranges from 5 to 25 years. The net book value of the opening balance transferred is €9,9 million.

9 Investments in associates and joint ventures

	As at	
	31 December 2020	**31 December 2019**
Beginning of the Year	**384.747**	**390.091**
Dividend income	(9.465)	(30.490)
Share of profit / (loss) of investments in associates & joint ventures	29.826	17.862
Share of other comprehensive income / (loss) of investments in associates	1.440	(188)
Acquisition of the non controlling interest in Elpedison SA	-	7.519
Share capital increase / (decrease)	-	(50)
Reversal of impairment of investments in joint ventures	10.000	-
Other movements	(6)	3
End of the year	**416.542**	**384.747**

(All amounts in Euro thousands unless otherwise stated)

a) Joint Ventures

The Group is active in power generation, trading and supply in Greece through its 50% shareholding in Elpedison B.V., a joint venture entity with EDISON S.p.A.. The Group accounts for Elpedison B.V. using the equity method and as such, the Group's 50% share of the consolidated results of Elpedison B.V. appear under "Share of profit of investments in associates and joint ventures" and its 50% share of net assets under "Investment in associates and joint ventures".

Acquisition of non-controlling interest in ELPEDISON SA

On 26 July 2019, ELPEDISON BV acquired all the shares held by minority shareholders in Elpedison SA and which represent 24,22% of Elpedison SA's share capital and currently owns 100% of the shares in ELPEDISON SA. Total consideration for the acquisition of the shares amounted to €20 million (Note 36). The acquisition was financed through a share capital increase in ELPEDISON BV (Helpe Group's share was 10 million).

As at 26 July 2019, the non-controlling interests in the financial statements of Elpedison B.V. stood at €15,038 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 €4,962 million. As at 31 December 2019, the Group's share of the decrease amounting to €2,481 million is included in Retained Earnings.

Given the materiality of this activity for the Group, the table below summarises the key financials of the Elpedison B.V. Group, which consolidates its 100% holding in Elpedison S.A.

Elpedison B.V. Group	**As at 31 December 2020**	**31 December 2019**
Statement of Financial Position		
Non-Current Assets	231.875	252.917
Cash and Cash Equivalents	15.321	13.377
Other Current Assets	192.418	145.151
Total Assets	**439.614**	**411.445**
Equity	**74.654**	**57.957**
Long Term Borrowings	-	183.474
Other Non-Current Liabilities	26.915	29.317
Short Term Borrowings	204.413	15.416
Other Current Liabilities	133.632	125.281
Total Liabilities	**364.960**	**353.488**
Total Liabilities and Equity	**439.614**	**411.445**
Investment in Elpedison BV as accounted in Helpe Group	**56.282**	**37.862**

Statement of Comprehensive Income	**As at 31 December 2020**	**31 December 2019**
Revenue	684.897	626.475
EBITDA	**44.209**	**20.873**
Depreciation & Amortisation	(28.388)	(28.321)
EBIT	**15.821**	**(7.448)**
Interest Income	1	401
Interest Expense	(8.203)	(8.675)
Income / (loss) beforeTax	**7.619**	**(15.722)**
Income Tax	7.146	1.515
Income / (loss) after Tax	**14.765**	**(14.207)**
Share of gain / (loss) accounted in Helpe Group	**7.374**	**(5.831)**

In September 2018, Elpedison SA agreed with its Bondholders to refinance its loans amounting to €213,9 million for three years, up to September 2021. The loans are fully guaranteed by the ultimate shareholders of Elpedison S.A., according to their shareholdings in the Company, while they provide for quarterly capital repayments of €3 million on average and mandatory capital prepayments from any proceeds from ADMIE's historical deficit.

Additionally, the loans provide for a cash sweep mechanism that will mandatorily repay 50% of the company's excess cash flow on a semiannual basis. The loans outstanding as at 31 December 2020 amounted to €204,4 million. (2019: €189,9 million)

The Group has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to Elpedison SA. As at 31 December 2020, the Group's share of the above was €111 million (31 December 2019: €105 million).

Impairment of investment in Elpedison B.V.

As at 31 December 2020, Elpedison B.V. Management carried out an impairment test according to the requirements of IAS 36, based on the post-tax cash flows produced by the company. Changes in the regulatory environment were considered as a probable indicator of impairment, as it could impact the future cash flows of its assets.

The valuation analysis considered Elpedison S.A.'s two gas fired power plants and the supply business unit as a single cash generation unit (CGU). The analysis was carried out by identifying the recoverable value ("value in use") of the CGU. The estimation of the value in use was performed through the application of the Discounted Cash Flow Valuation Method. The discount rate applied was 5,6% and was estimated as the post-tax Weighted Average Cost of Capital (WACC) of the company. The long-term growth rate applied on terminal value was estimated at 1,5%. Based on this impairment test, the recoverable amount determined was higher than the carrying amount, therefore part of the previously recognised impairment of €10 million was reversed in the consolidated statement of comprehensive income in other operating income / (expense) and other gains / (losses).

Assumptions and scenarios used in the estimation of the value in use could change in the future, particularly in an environment characterized by high volatility. Relevant changes in assumptions used e.g. in the future Annual Flexibility Remuneration and in discount rates, could have an impact on the value in use of the assets.

It is estimated that at 31 December 2020 if the post-tax WACC used in the impairment test was higher by 0,5% with all other variables held constant, the Equity Value of Elpedison BV would have been lower by 8%. In addition, if the terminal value growth rate was lower by 0,5% with all other variables held constant, the Equity Value of Elpedison BV would have been lower by 6%. In both sensitivity analysis' scenarios, the carrying amount of the Group's investment in Elpedison BV is recoverable.

b) Associates

The Group exercises significant influence over a number of entities, which are also accounted for using the equity method.

DEPA Commercial and DEPA Infrastructure groups

In December 2019, the Hellenic Republic Asset Development Fund ("HRADF" or "Fund") launched an international public tender process for the joint sale, along with HELLENIC PETROLEUM SA (HELPE), of 100% in the share capital of DEPA INFRASTRUCTURE SA. In June 2020, Phase A of the tender process was completed, with six interested parties meeting the criteria to participate in Phase B (Binding Offers Phase).

In January 2020, the HRADF launched an international public tender process for the sale of 65% in the share capital of DEPA Commercial S.A. Hellenic Petroleum S.A., in a joint venture with EDISON S.p.A., is among the interested parties. In June 2020, Phase A of the tender process was completed, with seven interested parties meeting the criteria to participate in Phase B (Binding Offers Phase). The Fund and HELPE have entered into a Memorandum of Understanding (MoU) in the event that HELPE is not selected as preferred bidder, the granting by HELPE to the preferred bidder of a call option and the granting by the preferred bidder to Hellenic Petroleum S.A. of a put option respectively, regarding Hellenic Petroleum S.A.'s shareholding in DEPA Commercial, which will enable Hellenic Petroleum S.A exit from a minority participation.

In accordance with Law 4001/ 2011 as amended by Law 4643/2019 a partial demerger of DEPA's distribution gas branch took place on 30 April 2020 and a new entity named DEPA Infrastructure was created. The new company includes the participation in the entities acting as operators of Natural Gas Distribution Networks, i.e. EDA Attikis

(All amounts in Euro thousands unless otherwise stated)

SA, EDA Thessalonikis – Thessalias SA and DEDA SA. The surviving entity (ex DEPA S.A.) was renamed as DEPA Commercial SA and will include all current wholesale and retail gas activities of DEPA through the 100% participation in EPA Attikis.

The completion of the sale process for DEPA Infrastructure and the completion of the sale or acquisition of controlling stake in DEPA Commercial are subject to a number of conditions including regulatory approval. They were also subject to the completion of a reorganisation of DEPA S.A. Given that the transaction can only be completed upon receiving the approval of the relevant competent authorities, and given the timing of such approvals and the unbundling process that is still to be concluded, DEPA Commercial and DEPA Infrastructure, as they currently stand, continue to be accounted for and included in these consolidated financial statements as associates.

In the period up to 30 April 2020, the Group consolidated using the equity method of accounting 35% of the net asset value of DEPA group. Following the partial demerger on 30 April, the Group separately consolidates the DEPA Commercial group and DEPA Infrastructure group using the equity method of accounting and the carrying value of the investments in the consolidated financial statements reflects HELPE's 35% share of the net asset value of the DEPA Commercial and DEPA Infrastructure group.

The table below shows the Group's carrying value of its investment in DEPA S.A. as at 30 April 2020 and the subsequent allocation between the two new groups.

	DEPA SA	DEPA Commercial SA	DEPA Infrastructure SA
Investment as accounted in Helpe Group 30 April 2020	**354.399**	**-**	**-**
Investment as accounted in Helpe Group 1 May 2020 after demerger	**-**	**161.487**	**192.912**

DEPA Commercial and DEPA Infrastructure groups operate in the wholesale, trading, transmission, distribution and supply of natural gas.

DEPA Commercial group fully consolidates its 100% shareholding in:

- EPA Attica S.A. (gas Supply Company for the Attica region)

On 11 May 2020, DEPA Commercial S.A. established DEPA International Projects S.A. a 100% subsidiary in order to transfer and then demerge the international business sector through its 50% shareholding in IGI Poseidon S.A. (Joint Venture between DEPA Commercial S.A. and Edison S.p.A.), which is engaged in the development of gas infrastructure projects in South East Europe. On 12 November 2020, DEPA Commercial S.A. concluded the partial demerger of its international sector. The official legal procedure of transfer of 35% of shares of DEPA International Projects S.A. to the Company was completed after the end of the current reporting period, on 29 January 2021. DEPA Commercial S.A. consolidates DEPA International group on 31 December 2020.

DEPA Infrastructure Group fully consolidates its 100% shareholding in:

- EDA Attica S.A. (gas Distribution Company for the Attica region),
- DEDA SA (Administrator of the Natural Gas Medium & Low Pressure Distribution System for areas other than the areas in which EDA Attica S.A. & EDA THESS S.A. are active).

Furthermore, DEPA Infrastructure S.A. has a 51% shareholding in EDA THESS S.A. (gas Distribution Company for the Thessaloniki and Thessalia regions), which is accounted for using the equity method of accounting.

(All amounts in Euro thousands unless otherwise stated)

The table below summarizes the key financials of DEPA Commercial and DEPA Infrastructure groups. The 2019 comparative figures shown below relate to ex-DEPA S.A. group before restructuring actions described above.

DEPA Commercial Group	**As at 31 December 2020**	**31 December 2019**
Statement of Financial Position		
Non-Current Assets	113.990	955.813
Cash and Cash Equivalents	240.377	295.849
Other Current Assets	470.246	293.331
Total Assets	**824.613**	**1.544.993**
Equity	**466.429**	**973.777**
Non-Current Liabilities	34.278	376.635
Short Term Borrowings	-	16.300
Other Current Liabilities	323.905	178.280
Total Liabilities	**358.184**	**571.216**
Total Liabilities and Equity	**824.613**	**1.544.993**
Investment in DEPA Commercial Group as accounted in Helpe Group	**163.311**	**340.822**

	As at 31 December 2020	**31 December 2019**
Statement of Comprehensive Income		
Continuing operations		
Revenue	549.805	953.671
Operating profit / (loss)	**37.713**	**55.179**
Interest Income	7.611	14.049
Interest Expense	(2.072)	(1.898)
Profit / (loss) before Tax	**43.150**	**76.216**
Income Tax	(3.524)	(16.847)
Profit / (loss) from continuing operations	**39.625**	**59.368**
Discontinued operations		
Loss from discontinued operations	**(58.182)**	**-**
Total Profit/ (Loss) After Tax	**(18.557)**	**59.368**
Other comprehensive loss	**1.126**	**(537)**
Total Comprehensive Income/ (Loss)	**(17.431)**	**58.831**
Share of profit/ (loss) accounted in Helpe Group	**23.516**	**20.819**
Share of other comprehensive loss accounted in Helpe Group	**394**	**(188)**

DEPA Infrastructure Group	**As at 31 December 2020**	**31 December 2019**
Statement of Financial Position		
Non-Current Assets	851.191	-
Cash and Cash Equivalents	79.177	-
Other Current Assets	28.490	-
Total Assets	**958.858**	**0**
Equity	**544.246**	**0**
Non-Current Liabilities	346.233	-
Short Term Borrowings	27.000	-
Other Current Liabilities	41.379	-
Total Liabilities	**414.612**	**0**
Total Liabilities and Equity	**958.858**	**0**
Investment in DEPA Infrastructure Group as accounted in Helpe Group	**190.486**	**0**

(All amounts in Euro thousands unless otherwise stated)

	As at 31 December 2020	31 December 2019
<u>Statement of Comprehensive Income</u>		
Continuing operations		
Revenue	36.881	-
Operating profit / (loss)	**(2.549)**	-
Interest Income	33	-
Interest Expense	(185)	-
Profit / (loss) before Tax	**(1.569)**	-
Income Tax	(4.160)	-
Profit / (loss) from continuing operations	**(5.730)**	**0**
Share of profit/ (loss) accounted in Helpe Group	**(2.416)**	**0**
Share of other comprehensive loss accounted in Helpe Group	**0**	**0**

In 2020, the Group received cash dividends of €8 million from DEPA Commercial group (2019: €28 million).

The Group consolidates DEPA Commercial and DEPA Infrastructure groups 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 two groups which as at 31 December 2020 amounts to €163 million in DEPA Commercial S.A. and €191 million in DEPA Infrastructure S.A. (31 December 2019: €341 million in DEPA S.A.). The cost of investment of the two groups in the financial statements of HELPE S.A is €115 million in DEPA Commercial S.A. and €122 million in DEPA Infrastructure S.A..

Other associates

The Group's subsidiary company, Hellenic Petroleum International AG, participates in the shareholding of DMEP Holdco Ltd (48% shareholding). DMEP HoldCo Ltd is incorporated in the UK and ultimately owns 100% of "OTSM S.A. of Maintenance Compulsory Stocks and Trading of Crude Oil and Petroleum Products" (OTSM). OTSM is established under Greek law and is fully permitted to provide crude oil and petroleum products stock keeping and management services. The Group has delegated part of its compulsory stock keeping obligations to OTSM, reducing its stock holding by approximately 66 kMT (31 December 2019: 142 kMT), at a fee calculated in line with the legal framework.

An analysis of the financial position and results of the Group's major associates is set out below:

	% interest held	Investment	As at 31 December 2020 Assets	Liabilities	Revenues	Profit after tax
Spata Aviation Fuel Company S.A.	33%	131	3.647	2.861	3.752	143
ELPE THRAKI (Liquidated on April 2020)	25%	-	-	-	-	(2)
Athens Airport Fuel Pipeline Company S.A.	50%	3.829	9.578	2.903	1.171	(932)
DMEP Holdco	48%	2.510	358.821	354.974	34.516	3.215

	% interest held	Investment	As at 31 December 2019 Assets	Liabilities	Revenues	Profit after tax
Spata Aviation Fuel Company S.A.	33%	1.029	5.506	4.231	8.262	3.794
ELPE THRAKI	25%	2	9	1	-	17
Athens Airport Fuel Pipeline Company S.A.	50%	4.509	12.234	3.175	4.358	1.504
DMEP Holdco	48%	523	74.021	120.507	40.279	1.137

There are no contingent liabilities or commitments in relation to the group's interest in its associates, other than those disclosed in Note 34.

(All amounts in Euro thousands unless otherwise stated)

c) Joint operations

The Group participates in the following joint operations with other third parties relating to exploration and production of hydrocarbons in Greece and abroad:

- Edison International E&P SpA (50%), HELPE Patraikos SA (50%) - Greece, Patraikos Gulf
- Calfrac Well Services Ltd (75%), HELPE Sea of Thrace SA (25%) - Greece, Sea of Thrace concession
- Edison International E&P S.p.A (75%), HELPE West Kerkyra SA (25%) - Greece, Block 2, West of Corfu Island.
- Total E&P Greece B.V. (40%), Exxon Mobil Exploration and Production Greece (Crete) B.V. (40%), HELPE SA (20%) - Greece, Block West Crete.
- Total E&P Greece B.V. (40%), Exxon Mobil Exploration and Production Greece (Crete) B.V. (40%), HELPE SA (20%) - Greece, Block South West Crete.
- Repsol Exploracion (50%), HELPE SA (50%) - Greece, Block Ionian.

The jointly controlled operations are still on a research phase and do not contribute to the Group's revenue.

For contractual commitments of the Group for exploration costs refer to Note 34.

10 Loans, advances & long term assets

	As at	
	31 December 2020	**31 December 2019**
Loans and advances	65.268	49.591
Other long term assets	6.408	5.847
Total	**71.676**	**55.438**

Reclassification: Comparative balances of 31 December 2019 are reclassified to conform to changes in presentation of the current year.

Loans and advances are primarily comprised of payments advanced to secure the long term retail network which are amortised over the remaining life of the respective contracts of the petrol station locations. They also include trade receivables due in more than one year as a result of settlement arrangements.

Other long term assets include merchandise credit extended to third parties as part of the operation of the marketing segment and are non-interest bearing.

The balances included in the above categories as at 31 December 2020, relating to merchandise credit and non-interest bearing settlement arrangements, are discounted at a weighted average rate of 5% (2019: 6%) over their respective lives.

11 Inventories

	As at	
	31 December 2020	**31 December 2019**
Crude oil	84.772	331.819
Refined products and semi-finished products	519.428	587.398
Petrochemicals	17.412	25.554
Consumable materials and other spare parts	105.103	98.571
- Less: Provision for consumables and spare parts	(32.305)	(30.540)
Total	**694.410**	**1.012.802**

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 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 (see also Note 9).

(All amounts in Euro thousands unless otherwise stated)

The cost of inventories recognised as an expense and included in "Cost of sales" amounted to €5,2 billion (2019: €7,5 billion). The Group has reported a loss of €6 million as at 31 December 2020 arising from inventory valuation which is reflected in a write-down of the year end values (2019 – €2,1 million). This was recognised as an expense in the year ended 31 December 2020 and included in 'Cost of Sales' in the statement of comprehensive income. Overall for 2020, management has estimated that the impact on the results of the Group from the fluctuations of crude oil and product prices during the year was negative and equal to approx. €525 million (2019: positive impact of €24 million).

In addition, as at 31 December 2020, an amount of €1,1 million relating to spare parts for the refinery units, has been transferred from inventories to fixed assets (December 2019: €1,2 million transfer from inventories to fixed assets - see Note 6).

12 Trade and other receivables

	As at	
	31 December 2020	**31 December 2019**
Trade receivables	549.072	748.181
- Less: Provision for impairment of receivables	(261.580)	(255.023)
Trade receivables net	**287.492**	**493.158**
Other receivables	277.929	275.695
- Less: Provision for impairment of receivables	(45.416)	(44.120)
Other receivables net	**232.513**	**231.575**
Deferred charges and prepayments	24.790	23.420
Total	**544.795**	**748.153**

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, withholding taxes and taxes paid other than taxes related to income tax, as a result of tax audit assessments during previous years from the tax authorities where the Group has commenced legal proceedings and disputed the relevant amounts (Note 29). 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 31 December 2020 also includes an amount of €54 million (31 December 2019: €54million) of VAT approved refunds which has been withheld by the customs authorities 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 33). Other assets also include restricted cash amounting to €18.7 million (31 December 2019: €8.8 million).

The fair values of trade receivables approximate their carrying amount due to their short term nature.

The table below analyses total trade receivables:

	As at	
	31 December 2020	**31 December 2019**
Not past due	207.537	343.356
Past due	341.535	404.825
Total trade receivables	**549.072**	**748.181**

The overdue days of trade receivables that were past due are as follows:

	As at	
	31 December 2020	**31 December 2019**
Up to 30 days	38.148	103.608
30 - 90 days	30.637	20.767
Over 90 days	272.750	280.450
Total	**341.535**	**404.825**

(All amounts in Euro thousands unless otherwise stated)

Regarding trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECLs). The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. Collaterals include primarily first or second class pre-notices over properties of the debtor, personal and bank guarantees.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	< 30 days	**31 - 90 days**	**> 91 days**	**Total**
Expected credit loss rate	0.04%	0.07%	95.86%	47.64%
Total gross carrying amount	245.685	30.637	272.750	549.072
Expected credit loss	100	20	261.460	261.580

The movement in the provision for impairment of trade receivables is set out below.

	As at	
	31 December 2020	**31 December 2019**
Balance at 1 January	255.023	262.133
Charged / (credited) to the statement of comprehensive income		
- Exchange differences	(86)	299
- Additional provisions	16.597	13.209
- Unused amounts reversed	(6.207)	(5.189)
Receivables written off during the year as uncollectible	(2.940)	(15.226)
- Unwinding of discount	-	(182)
Other movements	(807)	(21)
Balance at 31 December	**261.580**	**255.023**

The additional provision for impairment has been included in Selling & Distribution costs in the statement of comprehensive income.

The movement in the provision for impairment of other receivables is set out below.

	As at	
	31 December 2020	**31 December 2019**
Balance at 1 January	44.120	42.304
Charged / (credited) to the statement of comprehensive income		
- Additional provisions	1.440	2.351
- Unused amounts reversed	(650)	(155)
- Receivables written off during the year as uncollectible	(244)	(318)
Other movements	750	(62)
Balance at 31 December	**45.416**	**44.120**

The additional provision for impairment has been included in Other operating income/ (expenses) and other gains /(losses) in the statement of comprehensive income.

13 Cash and cash equivalents

	As at	
	31 December 2020	**31 December 2019**
Cash at bank and in hand	1.202.900	1.083.747
Short term bank deposits	-	4.451
Cash and Cash Equivalents	**1.202.900**	**1.088.198**

The balance of US Dollars included in Cash at bank as at 31 December 2020 was $ 708 million (euro equivalent €577 million). The respective amount for the period ended 31 December 2019 was $ 824 million (euro equivalent €734 million).

The weighted average effective interest rate as at the reporting date on cash and cash equivalents was:

	As at	
	31 December 2020	**31 December 2019**
Euro	0.06%	0.05%
USD	0.01%	0.14%

(All amounts in Euro thousands unless otherwise stated)

14 Share capital

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January & 31 December 2019	305.635.185	666.285	353.796	1.020.081
As at 31 December 2020	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 2019: €2,18).

15 Reserves

		Statutory reserve	Special reserves	Hedging reserve	Tax free & Incentive Law Reserves	Other reserves	Total
As at 1 January 2019		**144.838**	**86.495**	**(11.751)**	**71.335**	**(32.391)**	**258.527**
Changes in the fair value of equity instruments		-	-	-	-	525	525
Recycling of gains / (losses) on hedges through comprehensive income		-	-	1.501	-	-	1.501
Transfers to statutory and tax reserves		15.818	-	-	-	-	15.818
Actuarial gains / (losses) on defined benefit pension plans		-	-	-	-	(12.372)	(12.372)
Fair value gains / (losses) on cash flow hedges	**13**	-	-	12.890	-	-	12.890
Currency translation differences and other movements		-	-	-	-	271	271
Share of other comprehensive loss of associates		-	-	-	-	(188)	(188)
Balance at 31 December 2019		**160.656**	**86.495**	**2.640**	**71.335**	**(44.155)**	**276.972**
Changes in the fair value of equity instruments		-	-	-	-	(318)	(318)
Recycling of gains / (losses) on hedges through comprehensive income		-	-	25.077	-	-	25.077
Actuarial gains / (losses) on defined benefit pension plans		-	-	-	-	(7.394)	(7.394)
Fair value gains / (losses) on cash flow hedges		-	-	(22.008)	-	-	(22.008)
Currency translation differences and other movements	**13**	-	-	-	-	190	190
Share of other comprehensive loss of associates		-	-	-	-	1.440	1.440
Balance at 31 December 2020		**160.656**	**86.495**	**5.709**	**71.335**	**(50.237)**	**273.959**

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 this reserve is equal to one third of the 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 parent company accounts in accordance with the relevant legislation in prior years.

Tax free 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.

(All amounts in Euro thousands unless otherwise stated)

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, which are recognised in other comprehensive income. The cumulative amount is reclassified to the profit or loss when the net investment is disposed of

16 Trade and other payables

	As at	
	31 December 2020	**31 December 2019**
Trade payables	1.280.228	1.238.776
Accrued expenses	174.998	77.477
Other payables	91.618	85.479
Total	**1.546.844**	**1.401.732**

Trade payables are comprised of amounts payable or accrued in respect of supplies of crude oil, products, and services.

Trade payables, as at 31 December 2020 and 31 December 2019, 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 has not been 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 include an amount of €104 million as estimated cost of the CO2 emission rights, following the monetization of CO2 certificates disposed by the Group in December 2020. Impact in results was not significant, as both the sale and increase in provision are included. The Group has entered into derivative transactions to hedge the cash flow risk arising from the acquisition of the CO2 certificates in time to fulfil its obligation as part of the EUA scheme (Note 3.1). The estimated cost of the CO2 emission rights required under the corresponding environmental legislation, as at 31 December 2019 was €12 million.

Accrued expenses also 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)

17 Interest bearing loans and borrowings

	As at 31 December 2020	31 December 2019
Non-current interest bearing loans and borrowings		
Bank borrowings	1.539.796	917.938
Eurobonds	591.574	692.156
Total non-current interest bearing loans and borrowings	**2.131.371**	**1.610.094**
Current interest bearing loans and borrowings		
Short term bank borrowings	499.399	977.826
Eurobonds	200.718	-
Current portion of long-term bank borrowings	44.444	44.444
Total current interest bearing loans and borrowings	**744.561**	**1.022.270**
Total interest bearing loans and borrowings	**2.875.932**	**2.632.364**

Non-current interest bearing loans and borrowings mature as follows:

	As at 31 December 2020	31 December 2019
Between 1 and 2 years	867.335	702.348
Between 2 and 5 years	1.264.036	907.746
	2.131.371	**1.610.094**

The weighted average effective interest margins are as follows:

Borrowings	**Currency**	**As at 31 December 2020**	**31 December 2019**
Short-term			
- Floating Euribor + margin	Euro	2.60%	2.86%
- Floating Libor + margin	US Dollar	2.40%	2.85%
- Floating Belibor + margin	Serbian Dinar	1.45%	1.45%
- Floating Reference Rate + margin	Bulgarian Lev	1.10%	0.73%
- Central Bank Bills + margin	North Macedonian Dinar	-	-
- Fixed coupon	Euro	4.88%	-
Long-term			
- Floating Euribor + margin	Euro	2.58%	2.81%
- Floating Libor + margin	US Dollar	-	2.90%
- Floating Reference Rate + margin	Bulgarian Lev	0.25%	-
- Fixed coupon	Euro	2.00%	2.82%

The carrying amounts of the Group’s borrowings are denominated in the following currencies:

	As at 31 December 2020	31 December 2019
Euro	2.823.179	2.429.503
US Dollar	11.933	158.941
Serbian Dinar	10.288	15.053
Bulgarian Lev	30.532	28.867
Total interest bearing loans and borrowings	**2.875.932**	**2.632.364**

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 31 December 2020 and 31 December 2019 are summarised in the table below (amounts in € million):

			Balance as at	
	Company	**Maturity**	**31 December 2020**	**31 December 2019**
Bond loan € 400 million	HELPE S.A.	Jun 2023	395	394
Bond loan € 400 million	HELPE S.A.	Dec 2022	384	224
Bond loan € 400 million	HELPE S.A.	Dec 2023	277	299
Bond loan € 400 million	HELPE S.A.	Nov 2022	340	-
Bond loan € 100 million	HELPE S.A.	Oct 2021	100	-
Bond loan € 100 million	HELPE S.A.	Sep 2022	100	-
Bond loan $ 250 million	HELPE S.A.	Jun 2021	-	159
European Investment Bank ("EIB") Term loan	HELPE S.A.	Jun 2022	67	111
Eurobond €201 million	HPF Plc	Oct 2021	201	200
Eurobond €599 million	HPF Plc	Oct 2024	592	492
Credit facility €40 million	EKO Bulgaria	Dec 2022	21	24
Bilateral lines	Various	Various	400	730
Total			**2.876**	**2.632**

Refer to ‘Liquidity Risk Management’ (Note 3.1c) for an analysis of the Group’s plans regarding the facilities falling due in 2021.

No loans were in default as at 31 December 2020 (none as at 31 December 2019).

Significant movements in borrowings for the year ended 31 December 2020 are as follows:

Bond Loan €400 million maturing in December 2022

In December 2020, Hellenic Petroleum S.A. refinanced a €400 million syndicated bond loan with a new facility of the same principal amount maturing in 2 years which has a 1-year extension option. The outstanding amount of the loan as at 31 December 2020 was €385 million.

Bond loan €300 million maturing in December 2023

In January 2015, Hellenic Petroleum S.A. issued a €200 million revolving bond loan facility with a tenor of 3 years. The facility was refinanced in February 2018 for an increased amount of €300 million and a tenor of 3 years. The facility was refinanced prior to its maturity date in December 2020 for an increased principal amount of €400 million and a tenor of 3 years, in light with the Group’s liquidity risk management strategy to convert part of its short term uncommitted credit facilities to committed medium term facilities. The outstanding amount of the loan as at 31 December 2020 was €280 million.

Bond loan €400 million maturing in November 2022

In November 2020, Hellenic Petroleum S.A. issued a €400 million revolving bond loan facility with a tenor of 2 years and a 1 year extension option. The facility was used to finance the voluntary early prepayment of the $250 million Bond Loan facility maturing in June 2021 and to refinance part of short-term uncommitted credit facilities by medium term committed facilities, in line with the Group’s liquidity risk management strategy. The outstanding amount of the loan as at 31 December 2020 was €340 million.

Bond Loan €100 million maturing in October 2021

In April 2020, in line with the Group’s liquidity risk management strategy to increase the amount of its committed medium-term credit term facilities in view of the Covid-19 crisis, Hellenic Petroleum S.A. issued a new €100 million bond loan facility, with a tenor of 18 months. The outstanding balance as at 31 December 2020 was €100 million.

Bond Loan €100 million maturing in September 2022

In line with the above in September 2020, Hellenic Petroleum S.A. issued a new €100 million revolving bond loan facility with a tenor of 2 years. The outstanding balance as at 31 December 2020 was €100 million.

EIB Term loans maturing in June 2022

In May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment programme related to the upgrade of the Elefsina Refinery. Both loans had a maturity of twelve years and a 3-year grace period as well as similar terms and conditions. Total repayments on both loans up to 31 December 2020 amounted to €333 million (€44 million paid during 2020). The facilities include financial covenant ratios (leverage, interest cover and gearing ratios).

Eurobond €201 million maturing in October 2021

In October 2016, HPF issued a €375 million 5 year 4.875% Eurobond guaranteed by Hellenic Petroleum S.A. with the issue price being 99.453 per cent. of the principal amount. The proceeds of the issue were used to repay existing financial indebtedness including a partial prepayment of a €500 million Eurobond maturing in May 2017. The latter was effected via a tender offer process where notes of nominal value of €225 million were accepted. In July 2017 Hellenic Petroleum S.A. issued a notional amount of €74.53 million of notes guaranteed by Hellenic Petroleum S.A. maturing in October 2021 which were consolidated and form a single series with the €375 million 4.875% guaranteed notes as per above. The notes were partially prepaid in October 2019 with the proceeds of a new Eurobond issue of €500 million 5 year Eurobond as detailed below. The balance of the notes as at 31 December 2020 was €201 million.

Eurobond €500 million

In October 2019, HPF issued a €500 million five-year 2% Eurobond guaranteed by Hellenic Petroleum S.A. with the issue price being 99.41 per cent. of the principal amount. The notes mature in October 2024. Part of the proceeds of the issue were used for the partial prepayment of the €450 million Eurobond maturing in October 2021 through a tender offer process which was completed in October 2019 during which notes of nominal value of €248.4 million were accepted.

On October 5th, 2020, HPF, successfully priced €99.9 million of new notes principal amount, with a yield of 2.42%. These form a single series with HPF’s existing notes due October 2024 and were offered through a private placement. The issue of the new notes was subscribed by selected institutional investors, with the European Bank for Reconstruction and Development participating at 75% of the issue.

Bilateral facilities

In April 2020, Hellenic Petroleum S.A. concluded a new €100 million bilateral credit facility in line with its liquidity risk management strategy. The outstanding balance as at 31 December 2020 was €25 million.

In December 2020, Hellenic Petroleum S.A. increased the principal amount of one of its short term bilateral facilities by €42.5 million to €75 million. The outstanding balance as at 31 December 2020 was €75 million.

The Group companies maintain committed and uncommitted credit facilities with various banks to finance general corporate needs which are renewed in accordance with the Group’s finance needs. The facilities mainly comprise of short-term loans of the parent company. During 2020, the Group achieved further improvements in the cost base of the facilities.

Bilateral loan balances decreased by € 333million during 2020 in line with the Group’s liquidity risk management strategy to convert part of its uncommitted short term facilities to committed medium term facilities and extend the debt maturity profile.

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.

(All amounts in Euro thousands unless otherwise stated)

18 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Note	31 December 2020	31 December 2019
As at 1 January		**199.894**	**180.198**
Additions		22.244	36.378
Derecognition		(440)	(471)
Modification		14.753	14.467
Interest Cost	**27**	10.914	10.081
Repayment		(44.477)	(40.793)
Foreign exchange difference		(4)	33
Other		(1.748)	-
As at 31 December		**201.136**	**199.894**
Current		**30.240**	**30.537**
Non-current		**170.896**	**169.357**

The following are the amounts recognized in the consolidated statement of comprehensive income:

	Note	2020	2019
Depreciation expense for right-of-use assets	**7**	42.741	39.103
Interest expense on lease liabilities	**27**	10.914	10.081
Expense relating to short-term leases		1.304	4.552
Expense relating to leases of low-value assets		42	195
Variable lease payments		234	1.112
Total amount recognised in statement of comprehensive income		**55.235**	**55.043**

The maturity table of the undiscounted cash flows of the lease liabilities is presented below.

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
As at 31 December				
Lease liabilities	31.049	85.069	150.090	266.208

19 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amounts as presented in the consolidated statement of financial position are as follows:

	As at	
	31 December 2020	31 December 2019
Deferred tax assets	72.161	59.358
Deferred tax liabilities	(32.572)	(213.495)
	39.589	**(154.137)**

The movement on the deferred income tax asset / (liability) is as follows:

	As at	
	31 December 2020	31 December 2019
Beginning of the year	(154.137)	(121.635)
Income statement charge	192.367	(29.807)
Charged / (released) to equity	1.388	(2.921)
Other movements	(29)	226
End of year	**39.589**	**(154.137)**

(All amounts in Euro thousands unless otherwise stated)

Deferred tax relates to the following types of temporary differences:

	As at	
	31 December 2020	**31 December 2019**
Intangible and tangible fixed assets	(239.699)	(219.535)
Inventory valuation	11.696	11.654
Unrealised exchange gains	713	139
Employee benefits provision	45.278	42.008
Provision for bad debts	39.772	33.914
Derivative financial instruments at fair value	(1.274)	(834)
Interest cost carried forward (thin capitalisation)	24.769	3.128
Tax free reserves (Law 4172/2013)	-	512
Tax losses carried forward	137.583	1.268
Environmental provisions	3.603	6.396
Impairment of investments	12.101	11.179
Unearned profit in stock	1.690	1.178
Other temporary differences relating to provisions and accruals	3.352	2.034
Deferred Tax on distribution of DESFA shares by DEPA	-	(46.556)
Leases (IFRS 16)	4	(623)
End of year	**39.589**	**(154.137)**

Deferred tax assets relating to tax loss carry-forwards are recognised if it is probable that they can be offset against future taxable profits. As at 31 December 2020, the Group recognised deferred tax assets on tax loss carry-forwards totalling €135 million (2019: €1 million) since, on the basis of the approved business plan, the Group considers it is probable that these can be offset against future taxable profits. Tax losses can be carried forward for use depending on tax laws applicable at each tax jurisdiction, in Greece tax losses can be carried forward for a maximum of five years.

In 2014, thin capitalization rules as per art. 49 of law 4172/2013 were applied for the first time, whereby the net interest expense is deductible up to a certain percentage of tax EBITDA (60% for 2014, 50% for 2015, 40% for 2016 and 30% thereafter). This resulted in a deferred tax asset of €25 million as at 31 December 2020 (31 December 2019: €3 million), which can be offset against future taxable profits without any time constraints.

According to the Greek corporate income tax code, from 1 July 2020 onwards, capital gains from the sale of investments is not subject to tax, if certain criteria are met. With regards to DEPA case, all requirements are met and in case of a potential future sale of the relevant investment, any potential capital gains/goodwill will not be subject to tax. Therefore the Group reversed the relevant deferred tax liability in 2020 and treated it as a permanent difference (Note 29).

20 Retirement benefit obligations

The table below outlines where the Group's retirement benefit amounts and activity are included in the financial statements.

	As at	
	31 December 2020	**31 December 2019**
Statement of Financial Position obligations for:		
Pension benefits	194.887	180.398
Liability in the Statement of Financial Position	**194.887**	**180.398**
Statement of Comprehensive Income charge for:		
Pension benefits	12.053	20.858
Total as per Statement of Comprehensive Income	**12.053**	**20.858**
Remeasurements for:		
Pension benefits	9.643	15.049
Tax	(2.262)	(2.680)
Total as per Statement of Other Comprehensive Income	**7.381**	**12.369**

(All amounts in Euro thousands unless otherwise stated)

The amounts recognised in the Statement of Financial Position are as follows:

	As at 31 December 2020	31 December 2019
Present value of funded obligations	30.108	27.971
Fair value of plan assets	(11.979)	(11.479)
Deficit of funded plans	**18.129**	**16.492**
Present value of unfunded obligations	176.759	163.906
Liability in the Statement of Financial Position	**194.887**	**180.398**

The Group operates defined benefit pension plans in Greece, Bulgaria, Serbia, North Macedonia, Montenegro and Cyprus. All of the plans are final salary pension plans. The level of benefits provided depend on members' length of service and remuneration. The majority of the plans are unfunded, however there are certain plans in Greece and Cyprus that have plan assets.

The movement in the defined benefit obligation is as follows:

	Present Value of Obligation	Fair Value of Plan Assets	Total
As at 1 January 2019	**173.623**	**(10.108)**	**163.514**
Current service cost	8.661	-	8.661
Interest expense/(income)	2.979	(166)	2.813
Past service costs and (gains)/losses on settlements	9.384	-	9.384
Statement of comprehensive income charge (P&L)	**21.024**	**(166)**	**20.858**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest (income)/ expense	-	(480)	(480)
- (Gain)/loss from change in demographic assumptions	(909)	-	(909)
- Loss/ (Gain) from change in financial assumptions	20.012	-	20.012
- Experience (gains)/losses	(3.574)	-	(3.574)
Statement of comprehensive income charge (OCI)	**15.529**	**(480)**	**15.049**
Other movements/ Reclassifications	(15.467)	(1.350)	(16.817)
Benefits paid directly by the group/Contributions paid by the group	(2.844)	638	(2.206)
Benefit payments from the plan	13	(13)	-
As at 31 December 2019	**191.878**	**(11.479)**	**180.398**
Current service cost	9.069	-	9.069
Interest expense/(income)	1.866	(97)	1.769
Past service costs and (gains)/losses on settlements	1.215	-	1.215
Statement of comprehensive income charge (P&L)	**12.150**	**(97)**	**12.053**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest (income)/ expense	-	(241)	(241)
- (Gain)/loss from change in demographic assumptions	(9)	-	(9)
- Loss/ (Gain) from change in financial assumptions	6.828	-	6.828
- Experience (gains)/losses	3.071	(6)	3.065
Statement of comprehensive income charge (OCI)	**9.890**	**(247)**	**9.643**
Benefits paid directly by the group/Contributions paid by the group	(5.388)	(1.319)	(6.707)
Benefit payments from the plan	(1.663)	1.175	(488)
Contributions paid by employees	12	(12)	-
Settlement payments from the plan	(12)	-	(12)
As at 31 December 2020	**206.867**	**(11.979)**	**194.887**

(All amounts in Euro thousands unless otherwise stated)

The expected maturity analysis of undiscounted pension benefits is as follows:

Balance at 31 December 2020	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
Pension Benefits	9.916	19.788	41.461	155.246	**226.411**

Plan assets are comprised as follows:

	2020				**2019**			
	Quoted	**Unquoted**	**Total**	**%**	**Quoted**	**Unquoted**	**Total**	**%**
Equity Instruments	2.138	-	2.138	18%	1.668	-	1.668	15%
Debt Instruments								
- Government bonds	1.293	-	1.293	11%	1.735	-	1.735	15%
- Corporate bonds	4.067	-	4.067	34%	3.159	-	3.159	28%
Investment funds	1.996	-	1.996	17%	2.074	-	2.074	18%
Real Estate / Property	1.386	-	1.386	12%	1.421	-	1.420	12%
Cash and cash equivalents	90	1.009	1.099	9%	138	1.285	1.423	12%
Total	**10.970**	**1.009**	**11.979**	**100%**	**10.195**	**1.285**	**11.479**	**100%**

The principal actuarial assumptions used were as follows:

	As at 31 December 2020	**31 December 2019**
Discount Rate	0.80%	1.05%
Future Salary Increases	1,20% - 2,50%	1,10% - 2,50%
Inflation	1.20%	1.10%
Average future working life in years	10.84	10.84

The sensitivity of the defined benefit obligation (DBO) to changes in the weighted principal assumptions is:

	Impact on Defined Benefit Obligation		
	Change in assumption	**Increase in DBO**	**Decrease in DBO**
Discount Rate	0,5%	-4,84%	5,25%
Future Salary Increases	0,5%	5,04%	Not appicable

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

Expected contributions to defined benefit plans for the following year amount to €1,6 million. The weighted average duration of the defined benefit obligation is 11 years.

21 Provisions

The movement for provisions for 2020 and 2019 is as follows:

	Provisions for other liabilities and charges
At 1 January 2019	**38.238**
Charged / (credited) to the statement of comprehensive income:	
- Additional provisions	1.365
- Unused amounts reversed	(78)
- Utilized during year	(518)
Other movements / reclassifications	(13.382)
At 31 December 2019	**25.625**
Charged / (credited) to the statement of comprehensive income:	
- Additional provisions	13.499
- Utilized during year	(1.060)
Other movements / reclassifications	958
At 31 December 2020	**39.022**

Long-term provisions as at 31 December 2020 mainly comprise of environmental restoration costs of €15 million (2019: €15 million) and litigation provision of €11 million (2019: €14 million).

Other movements / reclassifications for 2019 include an amount of €12 million that relates to a tax provision reclassified to current income tax balance.

22 Other non-current liabilities

	As at	
	31 December 2020	**31 December 2019**
Government grants	9.556	10.329
Trade and other payables	18.401	18.047
Total	**27.957**	**28.376**

Government grants

Advances by the Government to the Group's entities relate to grants for the purchase of property plant and equipment. Amortisation for 2020 amounted to €1,1 million (2019: €1,0 million).

Trade and other payables

Trade and other payables, non-current are comprised of cash guarantees received from petrol station dealers/ managers of the Group's retail companies in order to ensure that contract terms and conditions are met.

23 Derivative financial instruments

Derivatives at FVTPL

	31 December 2020				**31 December 2019**			
Commodity derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT'000	**Bbls'000**	**€**	**€**	**MT'000**	**Bbls'000**	**€**	**€**
Commodity Swaps - EUAs	3.140	-	2.433	-	-	-	-	-
Commodity Swaps - Crude and other oil products	120	2.000	-	4.635	-	-	-	-
Total	**3.260**	**2.000**	**2.433**	**4.635**	**-**	**-**	**-**	**-**

Derivatives designated as cash flow hedges

	31 December 2020				**31 December 2019**			
Commodity derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT'000	**Bbls'000**	**€**	**€**	**MT'000**	**Bbls'000**	**€**	**€**
Commodity Swaps	-	7.514	7.512	-	-	1.028	3.474	-
Total	**-**	**7.514**	**7.512**	**-**	**-**	**1.028**	**3.474**	**-**
Grand Total	**3.260**	**9.514**	**9.945**	**4.635**	**-**	**1.028**	**3.474**	**-**

(All amounts in Euro thousands unless otherwise stated)

	31 December 2020		31 December 2019	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Non-current portion				
Commodity swaps	-	-	-	-
	-	-	-	-
Current portion				
Commodity swaps	9.945	4.635	3.474	-
	9.945	**4.635**	**3.474**	**-**
Total	**9.945**	**4.635**	**3.474**	**-**

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the accounting hedging criteria, they are classified as ‘held for trading’ for accounting purposes.

Derivatives held for trading include commodity swaps for CO2 certificates (see Note 3 and 16).

Derivatives designated as cash flow hedges

During the year ended 31 December 2020 amounts transferred to the statement of comprehensive income, relating to contracts that were settled during the year, amounted to €25,1 million loss, net of tax (2019: €1,5 million loss, net of tax).

The remaining cash flow hedges are highly effective and the movement in their fair value, amounting to a loss of €22 million net of tax as at 31 December 2020, (2019: €12,4 million loss, net of tax), is included in the hedging reserve (see Note 15).

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

24 Expenses by nature

	For the year ended	
	31 December 2020	**31 December 2019**
Raw materials and consumables used	5.230.161	7.507.711
Employee costs	286.016	284.279
Depreciation	239.261	226.247
Amortisation	8.717	6.575
Transportation and warehouse costs	98.204	126.510
Production overheads	90.493	105.235
SWAPS gains / (losses)	40.559	12.751
Stock devaluations	6.144	2.001
Other expenses	292.035	267.970
	6.291.590	**8.539.279**
Expenses capitalised in assets under construction	(21.000)	(17.750)
Total cost of sales, distribution cost and administrative expenses	**6.270.590**	**8.521.529**

Restatement: Comparative balances of 31 December 2019 are restated to conform to the changes in presentation of current year.

Other expenses mainly comprise items relating to maintenance & site expenses, insurance costs, provision for impairment of receivables, corporate social responsibility costs, third party services (consultancy & legal) expenses, IT costs and advertising and promotion costs.

“SWAPS gains / (losses)” comprise the total amounts included in comprehensive income for derivatives at fair value through profit or loss weather realized or unrealized and the effect of recycling for derivatives held for hedging (Note 3 and 23).

(All amounts in Euro thousands unless otherwise stated)

The fees of Ernst & Young concerning the permissible non audit services which have been preapproved by the Audit Committee of the Group during 2020, amounts to €117 thousands, out of which €50 thousands relate to fees of Ernst & Young audit firms.

Employee costs

Employee costs are set out in the table below:

	For the year ended	
	31 December 2020	**31 December 2019**
Wages and salaries	201.532	191.047
Social security costs	47.744	47.871
Pension costs	11.073	11.447
Other employment benefits	25.667	33.914
Total	**286.016**	**284.279**

Other employment benefits include medical insurance, catering and transportation expenses, as well as voluntary retirement scheme costs of €9,1 million for the period to 31 December 2019.

25 Exploration and development expenses

Geological and geophysical costs are expensed as incurred (2020: €5,5 million and 2019: €4,8 million) and relate mainly to exploration operations including environmental and geological studies in the Patraikos Gulf, Arta – Preveza onshore Block, NW Peloponnese onshore Block, Block 2, Ionio, Block 10, SW Crete and West Crete.

Exploration license costs relating to Patraikos, Arta Preveza, NW Peloponnese, Block 2, SW Crete, West Crete, Ionio and Block 10 have been capitalized within intangible assets and are amortised over the term of the exploration period for each block.

26 Other operating income / (expenses) and other gains / (losses)

Other operating income / (expenses) and other gains / (losses) are analysed as follows:

	Note	For the year ended	
		31 December 2020	**31 December 2019**
Other operating income and other gains			
Income from Grants	**22**	1.110	1.049
Services to 3rd parties		2.851	3.014
Rental income		8.206	8.712
Insurance compensation		171	611
Gains on disposal of non-current assets		2.635	686
Gains from discounting of long-term receivables and liabilities		1.724	1.464
Other		36.690	18.609
Total		**53.387**	**34.146**
Other operating expenses and other losses			
Covid-19 related expenses		26.294	-
Loss on disposal of non-current assets		1.045	718
Impairment of fixed assets	**6**	5.422	4.606
Loss from discounting of long-term receivables and liabilities		7.964	2.423
Voluntary retirement scheme cost		-	9.119
Other		19.741	6.929
Total		**60.466**	**23.795**
Other operating income / (expenses) and other gains / (losses) - Net		**(7.079)**	**10.351**

Other operating income / (expenses) and other gains / (losses) include amounts which do not relate to the trading activities of the Group.

(All amounts in Euro thousands unless otherwise stated)

Rental income relates to long term rental of petrol stations, let to dealers.

Covid-19 related expenses of €26,3 million comprise of €6,8 million payroll costs mainly related to required modifications in the working shifts in the refineries, €8,4 million related to corporate social responsibility (mainly donations to the health-care system), €5,1 million for protective measures in all Group's premises and €6 million for marketing, consulting services and other related expenses

Other category in other operating income includes various items of a non-trading nature, the most significant of which relates to reversal of provisions for impairment of Elpedison of €10 million (Note 9), reversal of receivables of €7 million, supplier debit Note of €7,3 million and income from state reserve maintained for the public of North Macedonia €2,9 million.

Other category in other operating expenses includes €12,7 million for a litigation provision of OKTA (Note 33).

27 Finance income / (expense)

	For the year ended	
	31 December 2020	**31 December 2019**
Interest income	5.646	5.843
Interest expense	(89.457)	(99.963)
Other finance costs	(20.363)	(46.340)
Lease finance cost	(10.914)	(10.081)
Finance costs -net	**(115.088)**	**(150.541)**

Finance costs amounting to €3,1 million (2019: €2,9 million) have been capitalised (Note 6).

28 Currency exchange gains / (losses)

Foreign currency exchange gains of €5 million for the year ended 31 December 2020 mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly USD). The corresponding amount for the year ended 31 December 2019 was a loss of €1 million.

29 Income tax expense

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

	For the year ended	
	31 December 2020	**31 December 2019**
Current tax	(5.539)	(18.555)
Prior year tax	(1.727)	4.928
Deferred tax (Note 19)	192.367	(29.807)
Income Tax (expense) / credit	**185.101**	**(43.434)**

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

	For the year ended					
	31 December 2020			**31 December 2019**		
	Before tax	**Tax (charge)/ credit**	**After tax**	**Before tax**	**Tax (charge)/ credit**	**After tax**
Share of other comprehensive income of associates	1.440	-	1.440	(188)	-	(188)
Investment in equity instruments	(397)	88	(309)	741	(197)	544
Cash flow hedges	4.038	(969)	3.069	19.794	(5.403)	14.391
Currency translation differences	145	-	145	272	-	272
Actuarial gains/ (losses) on defined benefit pension plans	(9.651)	2.270	(7.381)	(15.049)	2.680	(12.369)
Other comprehensive income	**(4.425)**	**1.389**	**(3.036)**	**5.570**	**(2.920)**	**2.650**

(All amounts in Euro thousands unless otherwise stated)

The corporate income tax rate of legal entities in Greece for 2020 is 24% (31 December 2019: 24%).

The deferred tax credit within income taxes mainly relates to tax losses arising during the year ended on 31 December 2020 and carried forward amounting to € 137,1 million and are expected to be fully utilised during a period of five years.

In accordance with thin capitalization rules the net interest expense is deductible up to a certain percentage of tax EBITDA. This resulted in a deferred tax asset of €24,8 million as at 31 December 2020 (31 December 2019: €3 million), which can be offset against future taxable profits without any time constraints.

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 taking into consideration the statute of limitation provisions.

All Group companies based in Greece have received unqualified Tax Compliance Reports by their respective statutory auditor for fiscal years up to 2019 inclusive. The management expects that the same will also apply for the year ended 31 December 2020.

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	
HELLENIC PETROLEUM SA	Financial years up to (and including) 2011 and financial year 2014
EKO SA	Financial years up to (and including) 2010
HELLENIC FUELS & Lubricants SA (former HELLENIC FUELS SA)	Financial years up to (and including) 2011

It is noted that, according to the general provisions, fiscal years up to (and including) 2014 are time-barred, as well as that EKO S.A. and Hellenic Fuels & Lubricants S.A. (former Hellenic Fuels S.A.) were merged in 2016 (transformation balance sheet as on 31/12/2015).

Notwithstanding the possibility of future tax audits, Group 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 consolidated financial statements as of 31 December 2020 (Note 33).

As of 31 December 2020, the income tax receivables include amounts of €32.1 million advanced by the Group, relating to uncertain tax positions (as explained in Notes 2.21, 4 and 33) relating to income taxes and related interest and penalties (2019: €32,1 million). The timing of the finalization of these disputes cannot be estimated and the Company has classified these amounts as current assets.

During the year ended 31 December 2020, the Group received returns of tax advances amounting to €56 million.

Numerical reconciliation of Group Income tax expense to prima facie tax payable:

	For the year ended	
	31 December 2020	**31 December 2019**
Profit before tax	**(581.716)**	**207.010**
Tax (expense) at Greek corporation tax rate of 24% (2019: 24%)	139.612	(49.682)
Difference in overseas tax rates	1.746	3.777
Tax exempt results of shipping companies	484	1.629
Tax on expenses not deductible for tax purposes	39.832	(8.294)
Adjustments to Deferred tax due to changes in tax rate (excl DESFA)	-	1.477
Utilization of previously unrecognized tax losses	2.337	3.001
Tax losses for which no deferred income tax was recognised	(6.303)	(6.666)
Adjustments for deferred tax of prior periods	1.159	870
Tax on income from associates not subject to corporate tax	7.158	4.287
Derecognition of provisions for which no deferred tax had been recognised	-	617
Derecognition of deferred tax asset tax losses due to statute of limitations	-	(491)
Adjustment for prior year taxes	(1.566)	4.908
Under / (Over) provision of prior year deferred taxes	-	969
Other	641	164
Tax (Charge) / Credit	**185.101**	**(43.434)**
Effective tax rate	**(31.8)%**	***21.0%***

Tax on expenses non deductible for tax purposes include an amount of €46,6 million for the year ended 31 December 2020, associated with the change of the tax treatment of the distribution of DESFA shares by DEPA (Note 19).

30 Earnings / (losses) 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 14). As of 31 December 2020 and 31 December 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 year ended	
	31 December 2020	**31 December 2019**
Earnings per share / (Loss) attributable to the Company Shareholders (expressed in Euro per share):	**(1.30)**	**0.53**
Net income/ (Loss) attributable to ordinary shares (Euro in thousands)	(395.827)	160.798
Weighted average number of ordinary shares	305.635.185	305.635.185

31 Dividends per share

On 28 February 2019, the Board of Directors 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 €152,8 million and 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 total dividend amounted to €76,4 million and was paid during the first quarter of 2020. These amounts are included in the financial statements for the year ended 31 December 2019.

On 27 February 2020, the Board of Directors proposed to the AGM the distribution of a final dividend of €0,25 per share for the year ended 2019, which was approved by the AGM on 24 June 2020. The total final dividend for 2019, amounts to €76,4 million and is included in the Consolidated Financial Statements for the year ended 31 December 2020. The whole amount was paid in July 2020.

At its meeting held on 25 February 2021, the Board of Directors decided to propose to the AGM a final dividend €0,10 per share for the financial year 2020. The dividend amounts to €30,6 million and is not included in the

(All amounts in Euro thousands unless otherwise stated)

Consolidated Financial Statements for the year ended 31 December 2020, as it has not yet been approved by the shareholders' AGM.

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 2021.

32 Cash generated from operations

		For the year ended	
	Note	**31 December 2020**	**31 December 2019**
Profit/ (loss) before tax		**(581.716)**	**207.010**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	**6,7**	247.272	230.585
Amortisation and impairment of intangible assets	**8**	8.717	6.844
Amortisation of grants	**26**	(1.110)	(1.049)
Finance costs - net	**27**	115.088	150.541
Share of operating profit of associates	**9**	(29.827)	(17.862)
Provisions for expenses and valuation charges		140.003	33.003
Foreign exchange gains	**28**	(4.950)	1.255
(Gains)/ Losses from discounting of long-term receivables and liabilities	**26**	6.240	(959)
Gains / (losses) on assets held for sale		54	(721)
(Gains) / losses on sales of property, plant and equipment	**26**	(1.590)	32
		(101.819)	**608.679**
Changes in working capital			
(Increase) / decrease in inventories		315.524	(20.065)
(Increase) / decrease in trade and other receivables		193.102	7.352
Increase / (decrease) in trade and other payables		19.591	38.752
		528.218	**26.039**
Net cash generated from operating activities		**426.399**	**634.718**

33 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 that the final outcome will not have a significant effect on the Group's operating results or financial position and that no additional provisions over and above provisions already reflected in the consolidated financial statements are required.

Municipalities

During the current and 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 31 December 2020, the total amounts imposed amount to € 39.4 million (31 December 2019: €30.3 million). In order to appeal against these, and in accordance with the legislation, the Group has paid an amount of €14 million, which is included in Other Receivables in the Financial Statements. During 2020, the Municipality of Aspropyrgos communicated a new duty/fine for the year 2019, amounting to € 3.1

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.

During the current and preceding years, the Municipality of Aspropyrgos proceeded with the imposition of duties and fines relating to the rights of way occupied by underground pipelines operated by EAKKA in which HELPE SA owns 50% of the share capital and consolidates through the equity method. As at 31 December 2020, the total amounts imposed amount to € 6.7 million (31 December 2019: €5.8 million). EAKAA has exercised all available legal recourses relating to these cases and the company's Management have assessed that it is most probable that the outcome of the current process will be favorable.

Competition commission

In 2008, the Competition Commission (CC) imposed a penalty to BP Hellas S.A. (BP) amounting to € 30 million. 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 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 is tried anew. The relevant hearing took place, after postponement, on 22 October 2020. The decision is pending. Moreover, on 20/10/2020, the First Instance Administrative Court sustained the Company's petition for the temporary suspension of the registration of an amount of € 30 million in the accounts of the Tax Office and the (temporary) prohibition of sett-off or withholding of monetary claims of the Company against the Greek State, until the hearing of a Petition of Suspension, which has not been determined yet. 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 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.

Other business issues

During the year ended 31 December 2020, the Group received a credit note from DEPA S.A., amounting to € 7.3 million, following a court decision on its action against Botas Petroleum Pipeline Corporation ("Botas") and subject to the condition that if the outcome of Botas appeal against the above decision is favourable for the counterparty the above amount will be recalled by DEPA S.A. Group believes that the likelihood of such an event is less than probable and therefore has not raised a respective provision.

(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 these as at 31 December 2020 was the equivalent of €1,006 million (31 December 2019: €912 million). Out of these, €903 million (31 December 2019: €807 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 mainly to changes in local permits and fines imposed by Independent Regulatory Agencies, 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, entail 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 view to the one adopted by a Group entity, 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, if required, 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 29, 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 2014. 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. Such amounts are included in the Income Tax Receivable balance if they relate to income tax, or in Trade and Other Receivables balance if they relate to other taxes, 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 being legally challenged by the Company.

  Notification for audit has been received for the year ended 31 December 2012, which according to the general provisions is time-barred.

During March 2020, a notification for audit was received, for the years 2014 up to and inclusive 2017. The audit is related to specific tax subjects and the final Tax Audit Report is expected, without findings. Moreover, during July 2020, a new notification for full audit was received for the year 2014 regarding all tax subjects. The audit is finalized and the Tax audit Reports were received in December 2020. The reports assess additional amounts of € 16.2 million, penalties of € 8.1 million and surcharges of € 9.5 million for alleged stamp duty, while various non-deductible expenses and other income tax adjustments have no payment impact, since in 2014 the Company has tax losses. Following a detailed review of the Tax Audit Reports, the Company disputes the additional amounts imposed. In January 2021 the Company followed the relevant administrative procedure against the tax assessment paying the minimum required amount of 50% of the total tax and surcharges, amounting to € 16.9 million and expects that it will succeed in its appeals and the relevant amounts will be fully recovered.

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, while notifications for audit have been received for subsequent years up to and including 31 December 2013, which according to the general provisions are time–barred. 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, the relevant Decisions were issued in Q3 2019. With regards to the Stamp duty cases amounting to € 3.4 million, the decisions were in favor of the company and the relevant amounts were refunded to the company, whereas for the Real Estate tax dispute of 2010 amounting to € 100 thousand, which was not in favor, the company continues the legal procedure.

- EKO S.A. has been audited up to and including 31 December 2010, while notification for audit has been received for the fiscal year 2012, which according to the general provisions is time-barred. 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.

  Following the court hearing, the relevant Decisions were issued in Q1 2020, the decisions were in favor of the company and the relevant amounts are refunded to the company.

  As indicated above, 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 Income Tax Receivable balance if they relate to income tax or in the Trade and Other Receivable balance if they relate to other taxes, 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 31 December 2020. The Company has recorded down payments made for taxes and penalties assessed in previous disputes with the tax authorities in income tax receivable, 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 2019, 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. The management expects that the same will also apply for the year ended 31 December 2020.

(ii) Assessments of customs, duties 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 12), 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 appeal against the Customs Act No 935/2008 amounting at € 3.5 million, was heard at first instance, was dismissed and the Company has appealed to the Supreme Administrative Court against the decision, the hearing is set for 9/6/2021. In November 2020 the hearing of the Customs Act No 989/2008, amounting at € 35.7 million, took place before the Administrative Court of Piraeus, the relevant decision is pending.

The Company considers that the above amounts will be recovered.

Customs – other

As at 31 December 2020 there are pending appeals against court decisions 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 €13.3 million have been paid and recognized in Other Receivables in the Financial Statements (31 December 2019: € 13.1 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 favorable outcome from the European Courts is more likely than not, which may as a result change the Supreme Administrative Court's position, which will subsequently result in a favorable outcome for the Group. For the reasons mentioned above, the Group has not raised a provision with regards to these cases.

In 2019, the customs authorities in North Macedonia, conducted an audit in OKTA, with regards to excise duties of eurodiesel imports, for the fiscal years 2014 - 2018. They are of the opinion that, excise duties related to these imports, were not correctly calculated and they issued relevant decisions for the fiscal year 2014, imposing additional amounts of € 380 thousands, which were paid in 2020. OKTA filed lawsuits within 2019, initiating administrative disputes, seeking full annulment, on grounds of substantial violations of procedural rules from the customs authorities' side, their failure to completely and correctly establish the facts of the case and to correctly apply substantive laws. As of July until December 2020, the authorities issued new decisions for the fiscal years 2015, 2016 and 2017, imposing additional amounts of € 4.7 million. The Company is filing lawsuits, within the relevant deadlines, seeking full annulment, for the same reasons. As at 31 December 2020, OKTA recognised a provision of € 12.7 million (Note 26), representing the Group's best estimate of potential future cash outflows, against its exposure for these uncertain tax position. The Group retains its position that it has acted in full compliance with all relevant laws, also as per expert's opinions received and intents to contest such decision to the ultimate judicial authority including if possible to international jurisdictional forums.

34 Commitments

(a) Capital commitments

Significant contractual commitments of the Group amount to €154 million as at 31 December 2020 which mainly relate to the photovoltaic project in the wider Kozani region (Note 36) as well as improvements in refining assets (31 December 2019: €39,1 million mainly for improvements in refining assets).

(b) Exploration costs

Contractual commitments of the Group for exploration costs amount to €24,5 million as at 31 December 2020 (31 December 2019: €23,8 million).

(c) Letters of credit

The Group may be requested to provide bank letters of credit to suppliers in order to obtain better commercial and credit terms. To the extent that such items are already recorded as liabilities in the financial statements there is no additional commitment to be disclosed. In cases where the underlying transaction occurs after the year end, the Group is not liable to settle the letter of credit and hence no such liability exists as at the year end.

(d) Put and call option

Hellenic Petroleum S.A. is counterparty to outstanding put and call option agreements to purchase oil stock from its associate OTSM. The put and call options may be exercised by either counterparty at any time before maturity under certain conditions. The value of these options is immaterial due to the fact that the terms of the agreements are such that the transactions will be market priced resulting in zero payoff at any time of exercise.

(All amounts in Euro thousands unless otherwise stated)

35 Related-party transactions

Included in the statement of comprehensive income are proceeds, costs and expenses, which arise from transactions between the Group and related parties. Such transactions are mainly comprised of 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)
- DEPA Commercial S.A. (ex Public Gas Corporation of Greece S.A. – DEPA S.A)
- DEPA Infrastructure S.A.
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A. (Liquidated on April 2020)
- D.M.E.P. HOLDCO

	For the year ended	
	31 December 2020	**31 December 2019**
Sales of goods and services to related parties		
Associates	985.957	397.674
Joint ventures	1.151	1.107
Total	**987.108**	**398.781**
Purchases of goods and services from related parties		
Associates	751.131	460.363
Joint ventures	49.843	38.357
Total	**800.974**	**498.720**

	As at	
	31 December 2020	**31 December 2019**
Balances due to related parties		
Associates	8.146	9.176
Joint ventures	17.584	226
Total	**25.730**	**9.401**
Balances due from related parties		
Associates	52.313	18.738
Joint ventures	614	438
Total	**52.927**	**19.176**

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 which as at 31 December 2020 was €111 million (31 December 2019: €105 million).

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:
- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Road Transport S.A.
- Lignitiki Megalopolis S.A.
- Lignitiki Melitis S.A
- Hellenic Distribution Network Operator SA (HEDNO)
- Hellenic Gas Transmission System Operator S.A. (DESFA)

(All amounts in Euro thousands unless otherwise stated)

During the year ended 31 December 2020, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €220 million (31 December 2019: €328 million);
- Purchases of goods and services amounted to €49 million (31 December 2019: €68 million);
- Receivable balances of €38 million (31 December 2019: €60 million);
- Payable balances of €16 million (31 December 2019: €16 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 to the aforementioned key management is as follows:

	For the year ended	
	31 December 2020	**31 December 2019**
Short-term employee benefits	4.667	4.839
Post-employment benefits	149	136
Termination benefits	-	1.676
Total	**4.816**	**6.651**

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 E&P SpA (Greece, Patraikos Gulf).
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Edison International E&P SpA (Greece, Block 2).
- Total E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block West Crete).
- Total E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block South West Crete).
- Repsol Exploration (Greece, Block Ionian).

(All amounts in Euro thousands unless otherwise stated)

36 Principal subsidiaries, associates and joint ventures included in the 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
KOZILIO 1	Energy	GREECE	100,00%	FULL
KOZILIO 2	Energy	GREECE	100,00%	FULL
CHRONUS 2	Energy	GREECE	100,00%	FULL
CHRONUS 3	Energy	GREECE	100,00%	FULL
CHRONUS 4	Energy	GREECE	100,00%	FULL
CHRONUS 5	Energy	GREECE	100,00%	FULL
CHRONUS 6	Energy	GREECE	100,00%	FULL
CHRONUS 7	Energy	GREECE	100,00%	FULL
CHRONUS 8	Energy	GREECE	100,00%	FULL
CHRONUS 9	Energy	GREECE	100,00%	FULL
CHRONUS 10	Energy	GREECE	100,00%	FULL
CHRONUS 11	Energy	GREECE	100,00%	FULL
CHRONUS 12	Energy	GREECE	100,00%	FULL
CHRONUS 13	Energy	GREECE	100,00%	FULL
CHRONUS 14	Energy	GREECE	100,00%	FULL
CHRONUS 15	Energy	GREECE	100,00%	FULL
CHRONUS 16	Energy	GREECE	100,00%	FULL
CHRONUS 17	Energy	GREECE	100,00%	FULL
CHRONUS 18	Energy	GREECE	100,00%	FULL
CHRONUS 19	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 IONIO SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE KIPARISSIAKOS GULF SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE WEST CRETE SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE SW CRETE 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
ELPEFUTURE	Energy	GREECE	100,00%	FULL
HELLENIC PETROLEUM (UK) LIMITED	Dormant	UK	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	33,33%	EQUITY
DEPA COMMERCIAL S.A. (ex DEPA S.A.)	Natural Gas	GREECE	35,00%	EQUITY
DEPA INFRASTRUCTURE S.A.	Natural Gas	GREECE	35,00%	EQUITY
E.A.K.A.A S.A.	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A (Liquidated on April 2020)	Pipeline	GREECE	25,00%	EQUITY
DMEP HOLDCO LTD	Trade of crude/products	U.K	48,00%	EQUITY

- On 24 February 2020, HELPE E&P Holding S.A. established Helpe Ionio SA (100% subsidiary). The share capital injected into the new company amounts to €7,4 million.

- On 24 February 2020, HELPE E&P Holding S.A. established Helpe Kyparissiakos Gulf SA (100% subsidiary). The share capital injected into the new company amounts to €3,7 million.

- On 24 February 2020, HELPE E&P Holding S.A. established Helpe West Crete SA (100% subsidiary). The share capital injected into the new company amounts to €1,7 million.

- On 24 February 2020, HELPE E&P Holding S.A. established Helpe NW Crete SA (100% subsidiary). The share capital injected into the new company amounts to €1,95 million.

- On 30 April 2020, DEPA S.A. concluded the partial demerger of its infrastructure sector. Following the demerger, DEPA S.A. was renamed to DEPA Commercial S.A. and the company DEPA Infrastructure S.A. was established. (Note 9)

- On 3 July 2020, Hellenic Petroleum S.A. established ELPEFUTURE S.A. (100% subsidiary). The share capital injected into the new company amounts to €2,5 million.

- On 1 October 2020, HELLENIC PETROLEUM S.A. through its wholly owned subsidiary, HELLENIC PETROLEUM R.E.S. S.A., completed the acquisition of a portfolio of Photovoltaic projects at final permitting stage, in the wider Kozani region, Greece, from JUWI HELLAS RENEWABLE ENERGY SOURCES S.A. with a total planned installed capacity of 204 MW. The total cost of the investment is estimated at €130 million. During the year ended 31 December 2020, the total cost paid amounted to €22.3 million (including €7,6 million as consideration for the share capital acquired). The project comprises the construction of 18 PV systems spanning over an area of 4.400 acres. Construction works are planned to commence during the fourth quarter of 2020 with a planned duration of 16 months and the project is expected to be fully operational by the first quarter of 2022.

37 Events after the end of the reporting period

Other than the events already disclosed in Notes 9 and 31 no material events took place after the end of the reporting period and up to the date of the publication of the financial statements.