

**HELLENIC PETROLEUM SERBIA
(HOLDINGS) LIMITED**
FINANCIAL STATEMENTS
Year ended 31 December 2017

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

FINANCIAL STATEMENTS Year ended 31 December 2017

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HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Georgios Gregoras
Roberto Karachannas
Marios Lytras

Company Secretary:

Simos Photiades
31A Demokratias Street
Lakatamia
2331 Nicosia
Cyprus

Registered office:

3 Ellispontou Street
Strovolos
2015 Nicosia
Cyprus

Registration number:

201702

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	Note	2017 €	2016 €
Administration expenses	5	<u>(10.809)</u>	<u>(11.236)</u>
Loss before tax		(10.809)	(11.236)
Tax	6	<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(10.809)</u>	<u>(11.236)</u>

The notes on pages 6 to 12 form an integral part of these financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2017

	Note	2017 €	2016 €
ASSETS			
Non-current assets			
Investment in subsidiary	8	<u>75.150.000</u>	<u>75.150.000</u>
		75.150.000	75.150.000
Current assets			
Cash at bank	9	<u>5.951</u>	<u>17.355</u>
		5.951	17.355
Total assets		<u>75.155.951</u>	<u>75.167.355</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	252.500	252.500
Share premium	10	74.937.455	74.937.455
Accumulated losses		<u>(42.452)</u>	<u>(31.643)</u>
Total equity		<u>75.147.503</u>	<u>75.158.312</u>
Current liabilities			
Other payables	11	<u>8.448</u>	<u>9.043</u>
		8.448	9.043
Total equity and liabilities		<u>75.155.951</u>	<u>75.167.355</u>

On 31 May 2018 the Board of Directors of HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED authorised these financial statements for issue.

.....
Marios Lytras
Director

.....
Georgios Gregoras
Director

The notes on pages 6 to 12 form an integral part of these financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

	Note	Share capital €	Share premium (1) €	Accumulated losses €	Total €
Balance at 1 January 2016		248.500	74.901.455	(20.407)	75.129.548
Comprehensive income					
Net loss for the year		-	-	(11.236)	(11.236)
Transactions with owners					
Issue of share capital	10	4.000	36.000	-	40.000
Balance at 31 December 2016/ 1 January 2017		252.500	74.937.455	(31.643)	75.158.312
Comprehensive income					
Net loss for the year		-	-	(10.809)	(10.809)
Balance at 31 December 2017		252.500	74.937.455	(42.452)	75.147.503

(1) Share premium is not available for distribution.

The notes on pages 6 to 12 form an integral part of these financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2017

	Note	2017 €	2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(10.809)	(11.236)
Decrease in other payables		(595)	(19.881)
Cash used in operations		(11.404)	(31.117)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	40.000
Net cash generated from financing activities		-	40.000
Net (decrease)/increase in cash and cash equivalents		(11.404)	8.883
Cash and cash equivalents at beginning of the year		17.355	8.472
Cash and cash equivalents at end of the year	9	5.951	17.355

The notes on pages 6 to 12 form an integral part of these financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. Incorporation and principal activities

Country of incorporation

The Company HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED (the "Company") was incorporated in Cyprus on 12 June 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 3 Ellispontou Street, Strovolos, 2015 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments including interest earning activities.

2. Significant accounting policies

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

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the ultimate parent company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in Greece and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2017. A copy of the consolidated financial statements is available to the members, at the registered office of the ultimate parent company, at 8A Chimarras Street, Marousi, Athens and on its website www.helpe.gr.

The European Commission has concluded that since parent companies are required by the EU 4th Directive to prepare their separate financial statements and since the Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IAS 27 "Consolidated and Separate Financial Statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention

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

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. Significant accounting policies (continued)

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred 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 financial statements. Currently enacted tax rates are used in the determination of deferred tax.

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

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

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company 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 a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Credit risk

Credit risk arises from cash and cash equivalents, deposits held with banks and bank institutions.

For banks and financial institutions, only independently rated parties with a minimum rating are accepted.

3.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2017

	Carrying amounts	3-12 months
	€	€
Accruals	8.448	8.448
	8.448	8.448

31 December 2016

	Carrying amounts	3-12 months
	€	€
Accruals	9.043	9.043
	9.043	9.043

3.3 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

3. Financial risk management (continued)

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

Judgments

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 discussed below:

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Administration expenses

	2017	2016
	€	€
Annual levy	350	350
Courier expenses	89	-
Auditors' remuneration- current year	4.165	4.760
Auditors' remuneration - prior years	-	77
Accounting fees	1.785	1.785
Professional fees	1.785	1.785
Administration fees	2.100	1.696
Administration fees - prior years	-	595
Bank charges	535	188
	<u>10.809</u>	<u>11.236</u>

The expenses stated above do not include any charges for non-audit services by the statutory auditor of the Company.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

6. Tax

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2017 €	2016 €
Loss before tax	<u>(10.809)</u>	<u>(11.236)</u>
Tax calculated at the applicable tax rates	(1.351)	(1.405)
Tax effect of tax loss for the year for which no deferred tax has been recognised	<u>1.351</u>	<u>1.405</u>
Tax charge	<u>-</u>	<u>-</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

7. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2017

	Loans and receivables €
Assets as per statement of financial position:	
Cash and cash equivalents	<u>5.952</u>
Total	<u>5.952</u>
	Borrowings and other financial liabilities €
Liabilities as per statement of financial position:	
Other payables	<u>8.448</u>
Total	<u>8.448</u>

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

7. Financial instruments by category (continued)

31 December 2016

	Loans and receivables €
Assets as per statement of financial position:	
Cash and cash equivalents	17.355
Total	17.355
	Borrowings and other financial liabilities €
Liabilities as per statement of financial position:	
Other payables	9.043
Total	9.043

8. Investment in subsidiary

	2017 €	2016 €
Balance at 1 January	<u>75.150.000</u>	75.150.000
Balance at 31 December	<u>75.150.000</u>	<u>75.150.000</u>

The details of the subsidiary are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2017 Holding %	2016 Holding %
EKO Serbia A.D., Beograd	Serbia	Wholesale and retail trade of petroleum and other goods	100	100

9. Cash at bank

Cash balances are analysed as follows

	2017 €	2016 €
Cash at bank	<u>5.951</u>	17.355
	<u>5.951</u>	<u>17.355</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

10. Share capital and share premium

Issued and fully paid	Number of shares	Share capital €	Share premium €	Total €
Balance at 1 January 2016	2.485	248.500	74.901.455	75.149.955
14 July 2016 - Issue of additional 40 shares of €100 nominal value each / share premium price of €900 each	40	4.000	36.000	40.000
Balance at 31 December 2016/ 1 January 2017	2.525	252.500	74.937.455	75.189.955
Balance at 31 December 2017	2.525	252.500	74.937.455	75.189.955

Authorised capital

On 14 July 2016, in an Extraordinary General Meeting it was resolved that the authorised share capital of the Company is increased from 2.485 ordinary shares of €100 to 2.525 ordinary shares of €100 each. All new shares have the same rights and powers as the existing shares.

Issued capital

On 14 July 2016, it was resolved to issue 40 new ordinary shares of €100 nominal value each to the existing shareholder of the Company at a premium price of €900 per share.

11. Other payables

	2017 €	2016 €
Accruals	8.448	9.043
	8.448	9.043

12. Related party transactions

The Company is controlled by Hellenic Petroleum International AG, incorporated in Austria, which owns 100% of the Company's shares. The Company's ultimate controlling party is Hellenic Petroleum S.A., incorporated in Greece.

13. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2017.

14. Commitments

The Company had no capital or other commitments as at 31 December 2017.

15. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2017

	Page	€	€
Net loss per income statement	2		(10.809)
<u>Add:</u>			
Annual levy		350	
Courier expenses		89	
Bank charges		535	
Professional and administration fees		3.885	
Audit and accounting fees		<u>5.950</u>	
			<u>10.809</u>
Chargeable income for the year			<u><u>-</u></u>