

**HELLENIC PETROLEUM SERBIA
(HOLDINGS) LIMITED**
FINANCIAL STATEMENTS
Year ended 31 December 2020

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

Year ended 31 December 2020

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HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Ioannis Doratis
Georgios Gregoras
Marios Lytras

Company Secretary:

Simos Photiades
31A Demokratias Street
Lakatamia
2331 Nicosia
Cyprus

Independent Auditors:

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors
Jean Nouvel Tower
6 Stasinou Avenue
P.O Box 21656
1511 Nicosia, Cyprus

Registered office:

3 Ellispontou Street
Strovolos
2015 Nicosia
Cyprus

Registration number:

201702

Independent Auditor's Report

To the Members of Hellenic Petroleum Serbia (Holdings) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hellenic Petroleum Serbia (Holdings) Limited (the "Company"), which comprise the statement of financial position as at 31 December 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Gabriel Onisiforou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 29 April 2021

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	2020 €	2019 €
Administration expenses	8	<u>(9.935)</u>	<u>(11.038)</u>
Operating loss		(9.935)	(11.038)
Finance income	9	<u>-</u>	<u>1</u>
Loss before tax		(9.935)	(11.037)
Tax	10	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(9.935)</u>	<u>(11.037)</u>

The notes on pages 8 to 17 form an integral part of these financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2020

	Note	2020 €	2019 €
ASSETS			
Non-current assets			
Investment in subsidiary	12	<u>75.150.000</u>	<u>75.150.000</u>
		75.150.000	75.150.000
Current assets			
Cash at bank	13	<u>25.400</u>	<u>33.997</u>
		25.400	33.997
Total assets		<u>75.175.400</u>	<u>75.183.997</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	257.500	257.500
Share premium	14	74.982.455	74.982.455
Accumulated losses		<u>(73.354)</u>	<u>(63.419)</u>
Total equity		<u>75.166.601</u>	<u>75.176.536</u>
Current liabilities			
Other payables	15	<u>8.799</u>	<u>7.461</u>
		8.799	7.461
Total equity and liabilities		<u>75.175.400</u>	<u>75.183.997</u>

On 29 April 2021 the Board of Directors of HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED authorised these financial statements for issue.

.....
Marios Lytras
Director

.....
Ioannis Doratis
Director

The notes on pages 8 to 17 form an integral part of these financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Share capital €	Share premium (1) €	Accumulated losses €	Total €
Balance at 1 January 2019	257.500	74.982.455	(52.382)	75.187.573
Comprehensive income				
Net loss for the year	-	-	(11.037)	(11.037)
Balance at 31 December 2019/ 1 January 2020	257.500	74.982.455	(63.419)	75.176.536
Comprehensive income				
Net loss for the year	-	-	(9.935)	(9.935)
Balance at 31 December 2020	257.500	74.982.455	(73.354)	75.166.601

(1) Share premium is not available for distribution.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 of December of the second year for the year the profits relate.

The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2.65% (31 December 2019: 1.70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 8 to 17 form an integral part of these financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2020

	Note	2020 €	2019 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(9.935)	(11.037)
Increase/(Decrease) in other payables		<u>1.338</u>	<u>(5.859)</u>
Cash used in operations		<u>(8.597)</u>	<u>(16.896)</u>
Net decrease in cash and cash equivalents		(8.597)	(16.896)
Cash and cash equivalents at beginning of the year		<u>33.997</u>	<u>50.893</u>
Cash and cash equivalents at end of the year	13	<u><u>25.400</u></u>	<u><u>33.997</u></u>

The notes on pages 8 to 17 form an integral part of these financial statements.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

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.

Operating Environment of the Company

With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life.

Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures throughout the year.

Industries such as tourism, hospitality and entertainment have been directly disrupted significantly by these measures. Other industries, such as manufacturing and financial services, have also been indirectly affected.

In Cyprus, on 15 March 2020, the Council of Ministers in an extraordinary meeting, announced that Cyprus is entering a state of emergency considering the uncertain situation as was unfold daily, the growing spread of COVID-19 outbreak and the World Health Organization's data on the situation.

To this end, certain measures have been taken by the Republic of Cyprus since then with a view to safeguarding public health and ensuring the economic survival of working people, businesses, vulnerable groups and the economy at large.

New entry regulations have been applied with regards to protecting the population from a further spread of the disease which tightened the entry of individuals to the Republic of Cyprus within the year. Additionally, a considerable number of private businesses operating in various sectors of the economy closed for a period of time while a number of lockdown measures, such as the prohibition of unnecessary movements and the suspension of operations of retail companies (subject to certain exemptions), were applied throughout the year. The measures were continuously revised (lifted or tightened) by the Republic of Cyprus during the year taking into consideration the epidemic status in the country.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty though, 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's current expectations and estimates could differ from actual result

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that as at the date of approval of these financial statements, no material impact is expected on the Company's financial position and performance. The Company is not dependent on external financing and also financial support can also be provided from the shareholder or other group companies, hence its ability to continue as a going concern is not considered at stake. Furthermore, management has assessed that no material impact is expected on the recoverable amount of the investment in subsidiary, since it was assessed that the recoverable amount of the investment in subsidiary remains higher than the carrying cost even if using conservative assumptions for 2021 in the discounted cash flows used. Management will continue to monitor the situation closely and will assess any potential further impact on the Company's financial position and performance, including the recoverable amount of the investment in subsidiary, in case the period of disruption becomes prolonged.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

2. 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.

These financial statements are the separate financial statements. The Company has not prepared consolidated financial statements as the exemption from consolidation in paragraph 4(a) of IFRS10 'Consolidated Financial Statements' has been used. The Company's ultimate parent Hellenic Petroleum S.A., a Company registered in Greece produced consolidated financial statements available for public use that comply with in accordance with international Financial Reporting Standards as issued by the IASB and adopted by the European Union. 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 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 7.

3. Adoption of new or revised standards and interpretations

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 2020. This adoption did not have a material effect on the accounting policies of the Company.

4. 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.

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.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

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.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Significant accounting policies (continued)

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.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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 Company's business model for managing them. 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 Company'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 cashflows, 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 Company commits to purchase or sell the asset.

Subsequent measurement

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

- 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
- Financial assets at amortised cost

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Significant accounting policies (continued)

Financial instruments (continued)

(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 Company 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 Company 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 statement of profit or loss when the right of payment has been established, except when the Company 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.

Cash and cash equivalents

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

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Significant accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

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.

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.

5. New accounting pronouncements

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.

6. 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:

6.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions.

Cash balances are held with recognised financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

6. Financial risk management (continued)

6.2 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 2020

	Carrying amounts €	On demand €
Accruals	8.799	8.799
	<u>8.799</u>	<u>8.799</u>

31 December 2019

	Carrying amounts €	On demand €
Accruals	7.461	7.461
	<u>7.461</u>	<u>7.461</u>

6.3 Capital risk management

Capital includes equity shares and share premium.

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.

Fair value estimation

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

7. 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.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7. Critical accounting estimates and judgments (continued)

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 investment in subsidiary**

The Company periodically evaluates the recoverability of investment in subsidiary 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 subsidiary may be impaired, the recoverable amount based on estimated future discounted cash flows associated with this subsidiary would be compared to their carrying amounts to determine if a write-down to recoverable amount is necessary. Management has assessed that there is no impairment to its investment in subsidiary as of 31 December 2020 and 2019.

8. Administration expenses

	2020	2019
	€	€
Annual levy	350	350
Auditor's remuneration- current year	4.284	4.463
Auditor's remuneration- prior years	-	119
Accounting fees	1.785	1.785
Professional fees	2.916	2.797
Administration fees	-	959
Bank charges	600	565
	<u>9.935</u>	<u>11.038</u>

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

9. Finance income

	2020	2019
	€	€
Finance income		
Unrealised foreign exchange profit	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

10. Tax

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

	2020	2019
	€	€
Loss before tax	<u>(9.935)</u>	<u>(11.037)</u>
Tax calculated at the applicable tax rates	(1.242)	(1.380)
Tax effect of tax loss for the year for which no deferred tax asset is recognised	<u>1.242</u>	<u>1.380</u>
Tax charge	<u>-</u>	<u>-</u>

The corporation tax rate is 12,5%.

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

10. Tax (continued)

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. As at 31 December 2020 no deferred asset is recognised in the statement of financial position relating to the balance of tax losses carried forward since management does not anticipate that sufficient taxable profits will be earned, in the five succeeding years, to utilise these tax losses. As at 31 December 2020, the balance of tax losses carried forward amounted to approximately €20.000.

11. Financial instruments by category

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

31 December 2020

	Financial assets at amortised cost €
Assets as per statement of financial position:	
Cash at bank	25.400
Total	25.400

	Borrowings and other financial liabilities €
Liabilities as per statement of financial position:	
Other payables	8.799
Total	8.799

31 December 2019

	Financial assets at amortised cost €
Assets as per statement of financial position:	
Cash at bank	33.997
Total	33.997

	Borrowings and other financial liabilities €
Liabilities as per statement of financial position:	
Other payables	7.461
Total	7.461

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

12. Investment in subsidiary

	2020	2019
	€	€
Balance at 1 January	<u>75.150.000</u>	<u>75.150.000</u>
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>	2020 Holding %	2019 Holding %	2020 €	2019 €
EKO Serbia A.D., Beograd	Serbia	Wholesale and retail trade of petroleum and other goods	100	100	<u>75.150.000</u>	<u>75.150.000</u>
					<u>75.150.000</u>	<u>75.150.000</u>

Management has assessed that the recoverable amount of the investment in subsidiary is higher than the carrying cost, hence no impairment charge was recognised as at 31 December 2020 and 31 December 2019.

13. Cash at bank

Cash balances are analysed as follows:

	2020	2019
	€	€
Cash at bank	<u>25.400</u>	<u>33.997</u>
	<u>25.400</u>	<u>33.997</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

14. Share capital and share premium

Issued and fully paid

	Number of shares	Share capital €	Share premium €	Total €
Balance at 1 January 2019	2.575	257.500	74.982.455	75.239.955
Balance at 31 December 2019/ 1 January 2020	<u>2.575</u>	<u>257.500</u>	<u>74.982.455</u>	<u>75.239.955</u>
Balance at 31 December 2020	<u>2.575</u>	<u>257.500</u>	<u>74.982.455</u>	<u>75.239.955</u>

15. Other payables

	2020	2019
	€	€
Accruals	<u>8.799</u>	<u>7.461</u>
	<u>8.799</u>	<u>7.461</u>

HELLENIC PETROLEUM SERBIA (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

16. 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.

17. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2020. (2019: nil)

18. Commitments

The Company had no capital or other commitments as at 31 December 2020. (2019: nil)

19. 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.