HELLENIC PETROLEUM SA

ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR 2020

(As per article 4, L. 3556/2007)

TABLE OF CONTENTS

1. Audited Annual Financial Statements

1.1 Group Consolidated Financial Statements

HELLENIC PETROLEUM S.A.

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

GENERAL COMMERCIAL REGISTRY: 000296601000
COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 8A 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**
<u>Profit / (loss) attributable to:</u>			
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**
<u>Total comprehensive income / (loss) attributable to:</u>			
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'* *(effective for annual periods beginning on or after 1 June 2020):* 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'* *(effective for annual periods beginning on or after 1 January 2023):* 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'* *(effective for annual periods beginning on or after 1 January 2021).* 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 CO2 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 m³ 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.

	As at	
Elpedison B.V. Group	**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**

	As at	
	31 December 2020	**31 December 2019**
Statement of Comprehensive Income		
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
Statement of Comprehensive Income		
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		As at 31 December 2020			
		Investment	**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		As at 31 December 2019			
		Investment	**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.

1.2 Parent Company Financial Statements

HELLENIC PETROLEUM S.A.

Financial Statements

in accordance with IFRS

as endorsed by the European Union

for the year ended 31 December 2020

GENERAL COMMERCIAL REGISTRY: 000269901000

COMPANY REGISTRATION NUMBER: 2443/06/B/86/23

REGISTERED OFFICE: 8^A CHIMARRAS STR, 15125 MAROUSSI, GREECE

Index to the 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
	Alkiviades-Konstantinos Psarras – Member
	Theodoros Pantalakis – Member
	Spiridon Pandelias - Member
	Georgios Papakonstantinou – Member
	Constantinos Papagiannopoulos – Member
Auditors:	ERNST & YOUNG (HELLAS) Certified Auditors – Accountants S.A. 8B Chimarras Str 151 25 Maroussi Greece

These financial statements constitute an integral part of the Group 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)

Statement of Financial Position

		As at	
	Note	**31 December 2020**	**31 December 2019**
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	2.766.635	2.693.794
Right-of-use assets	**7**	32.157	32.084
Intangible assets	**8**	8.094	8.704
Investments in subsidiaries, associates and joint ventures	**9**	1.064.566	1.045.138
Investment in equity instruments	**3**	587	965
Loans, advances and long-term assets	**10**	42.956	22.089
		3.914.995	**3.802.774**
Current assets			
Inventories	**11**	599.613	899.760
Trade and other receivables	**12**	489.979	791.257
Income tax receivable	**29**	33.830	87.616
Derivative financial instruments	**23**	9.945	3.474
Cash and cash equivalents	**13**	992.748	888.564
		2.126.115	**2.670.671**
Total assets		**6.041.110**	**6.473.445**
EQUITY			
Share capital and share premium	**14**	1.020.081	1.020.081
Reserves	**15**	279.576	283.106
Retained Earnings		520.475	935.648
Total equity		**1.820.132**	**2.238.835**
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	**17**	2.064.808	1.607.838
Lease liabilities	**18**	21.279	21.264
Deferred income tax liabilities	**19**	2.773	182.065
Retirement benefit obligations	**20**	159.782	147.074
Provisions	**21**	22.287	22.797
Other non-current liabilities	**20**	12.685	13.620
		2.283.614	**1.994.658**
Current liabilities			
Trade and other payables	**16**	1.427.067	1.271.809
Derivative financial instruments	**23**	4.635	-
Income tax payable	**29**	450	5.785
Interest bearing loans and borrowings	**17**	494.675	875.576
Lease liabilities	**18**	9.284	9.919
Dividends payable		1.253	76.863
		1.937.364	**2.239.952**
Total liabilities		**4.220.978**	**4.234.610**
Total equity and liabilities		**6.041.110**	**6.473.445**

The Notes on pages 9 to 71 are an integral part of these financial statements.

These 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)

Statement of Comprehensive Income / (Loss)

		For the year ended	
	Note	**31 December 2020**	**31 December 2019**
Revenue from contracts with customers	**5**	**5.114.813**	**8.023.563**
Cost of sales	**24**	(5.417.177)	(7.563.197)
Gross profit/(loss)		**(302.364)**	**460.366**
Selling and distribution expenses	**24**	(95.983)	(104.209)
Administrative expenses	**24**	(78.536)	(85.966)
Exploration and development expenses	**25**	(1.123)	(2.289)
Other operating income and other gains	**26**	38.444	15.592
Other operating expense and other losses	**26**	(37.715)	(21.650)
Operating profit/(loss)		**(477.277)**	**261.844**
Finance income	**27**	9.727	10.510
Finance expense	**27**	(102.724)	(115.800)
Lease finance cost	**18,27**	(1.388)	(967)
Dividend income	**9**	51.533	195.416
Currency exchange gains/(losses)	**28**	4.988	(910)
Profit/(Loss) before income tax		**(515.141)**	**350.093**
Income tax	**29**	176.377	(33.734)
Profit/(Loss) for the year		**(338.764)**	**316.359**
Other comprehensive income/(loss): **Other comprehensive income/(loss), that will not be reclassified to profit or loss (net of tax):**			
Actuarial losses on defined benefit pension plans	**15**	(6.311)	(9.835)
Changes in the fair value of equity instruments	**15**	(288)	469
		(6.599)	**(9.366)**
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
Other Comprehensive income/(loss) for the year, net of tax		**(3.530)**	**5.025**
Total comprehensive income/(loss) for the year		**(342.294)**	**321.384**
Earnings/(Losses) per share (expressed in Euro per share)	**30**	**(1,11)**	**1,04**

The Notes on pages 9 to 71 are an integral part of these financial statements.

(All amounts in Euro thousands unless otherwise stated)

Statement of Changes in Equity

	Note	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at 1 January 2019		**1.020.081**	**262.263**	**864.333**	**2.146.677**
Actuarial losses on defined benefit pension plans	**15**	-	(9.835)	-	(9.835)
Changes in the fair value of equity instruments	**15**		469		469
Fair value gains/(losses) on cash flow hedges	**15**	-	12.890	-	12.890
Recycling of gains/(losses) on hedges through comprehensive income	**15**	-	1.501	-	1.501
Other comprehensive income/(loss)		**-**	**5.025**	**-**	**5.025**
Profit/(Loss) for the year		-	-	316.359	316.359
Total comprehensive income/(loss) for the year		**-**	**5.025**	**316.359**	**321.384**
Dividends	**31**	-	-	(229.226)	(229.226)
Transfer to statutory reserve	**15**	-	15.818	(15.818)	-
Balance at 31 December 2019		**1.020.081**	**283.106**	**935.648**	**2.238.835**
Actuarial losses on defined benefit pension plans	**15**	-	(6.311)	-	(6.311)
Changes in the fair value of equity instruments	**15**		(288)		(288)
Fair value gains/(losses) on cash flow hedges	**15**	-	(22.008)	-	(22.008)
Recycling of gains/(losses) on hedges through comprehensive income	**15**	-	25.077	-	25.077
Other comprehensive income/(loss)		**-**	**(3.530)**	**-**	**(3.530)**
Profit/(Loss) for the year		-	-	(338.764)	(338.764)
Total comprehensive income/(loss) for the year		**-**	**(3.530)**	**(338.764)**	**(342.294)**
Dividends	**31**	-	-	(76.409)	(76.409)
Balance at 31 December 2020		**1.020.081**	**279.576**	**520.475**	**1.820.132**

The Notes on pages 9 to 71 are an integral part of these financial statements.

(All amounts in Euro thousands unless otherwise stated)

Statement of Cash flows

	Note	For the year ended 31 December 2020	31 December 2019
Cash flows from operating activities			
Cash generated from operations	**32**	312.109	459.810
Income tax received / (paid)		33.170	(143.204)
Net cash generated from operating activities		**345.279**	**316.606**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**6,8**	(208.118)	(160.831)
Proceeds from disposal of property, plant and equipment & intangible assets		4.846	1.074
Dividends received		161.533	45.416
Interest received	**27**	9.727	10.510
Participation in share capital increase of subsidiaries and joint ventures	**9**	(12.043)	(22.680)
Net cash used in investing activities		**(44.055)**	**(126.511)**
Cash flows from financing activities			
Interest paid		(98.323)	(117.527)
Dividends paid	**31**	(152.647)	(150.085)
Proceeds from borrowings		1.412.971	231.420
Repayments of borrowings		(1.342.771)	(329.168)
Payment of lease liabilities - principal	**18**	(10.393)	(7.694)
Payment of lease liabilities - interest	**18**	(1.388)	(967)
Net cash generated used in financing activities		**(192.551)**	**(374.021)**
Net increase / (decrease) in cash and cash equivalents		**108.673**	**(183.926)**
Cash and cash equivalents at the beginning of the year	**13**	**888.564**	**1.070.377**
Exchange (losses)/gains on cash and cash equivalents		(4.489)	2.113
Net increase / (decrease) in cash and cash equivalents		108.673	(183.926)
Cash and cash equivalents at the end of the year	**13**	**992.748**	**888.564**

The Notes on pages 9 to 71 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Hellenic Petroleum S.A. (the "Company") operates in the energy sector with its principal activities being those of refining of crude oil and sale of oil products and the production and marketing of petrochemical products. The Company is also engaged in exploration and production of hydrocarbons.

The Company is incorporated in Greece, with an indefinite corporate life and the address of its registered office is 8^A Chimarras Str. Maroussi, 15125 Greece. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDRs.

The 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 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 financial statements are separate financial statements. The consolidated financial statements are available on the Company's website and also include a list of significant investments in subsidiaries, joint ventures and associates.

The financial statements of Hellenic Petroleum S.A. 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 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 Company can continue in operational existence for the foreseeable future.

The Company'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 Company's performance and their mitigation are outlined in note 3.

At 31 December 2020, the Company held cash of €1 billion and has a positive working capital position. Its total loans and borrowings amount to €2,6 billion, of which an amount of €495 million falls due within the next 12 months. Of its total borrowings, €2,3 billion relate to committed term facilities and €0,3 billion 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 Company can draw from commited term facilities limits €180 million without further approvals as well as from uncommitted facilities €335 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 Company has sufficient liquidity to meet its current liabilities and working capital requirements.

The future financial performance of the Company is dependent upon the wider economic environment in which it operates. The factors that particularly affect the performance of the Company 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 Company'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 Company's financial forecasts were modelled over an 18 month period, ending on 30 June 2021 and reflect the outcomes that the Directors consider most likely, based on the information available at the date of signing of these financial statements. This includes the expectation of demand evolution and benchmark refining margins applicable to the Company. The Company 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 Company expects to generate sufficient cash from operations to serve all liabilities as they fall due. Further details on the Company'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 Company's ability to continue to operate as a going concern. They have formed a judgement that, at the time of approving the financial statements there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these financial statements. For this reason, they continue to adopt the going concern basis in the preparation of these financial statements.

The 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 (Notes 3.3 and 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 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. 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 Company

The accounting principles and calculations used in the preparation of the financial statements are consistent with those applied in the preparation of the 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 IFRSs, which have been adopted by the Company as of 1 January 2020.

Amendments and interpretations that apply for the first time in 2020, did not have a significant impact on the financial statements of the Company 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 Company 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 Company is in the process of assessing the impact of all standards, interpretations and amendments issued but not yet effective on the financial statements.

- *IFRS 16 (Amendment) ‘Covid-19-Related Rent Concessions’* (effective for annual periods beginning on or after 1 June 2020): 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'* (effective for annual periods beginning on or after 1 January 2023): 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'* (effective for annual periods beginning on or after 1 January 2021). 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 Investments in subsidiaries, associates and joint ventures

Investments are presented at the cost of the interest acquired in the subsidiaries, associates, and joint ventures less any provisions for impairment.

2.3 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 the General Managers of the Company. The Company's key operating segments are disclosed in Note 5.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the 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. Given that the Company'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. The Company translates this value to Euro 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.

(All amounts in Euro thousands unless otherwise stated)

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 and cash equivalents, 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.

2.5 Property, plant and equipment

Property, plant and equipment is comprised mainly of land, buildings, plant and machinery, motor vehicles and 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 Company 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	10 – 40 years
– Plant & Machinery	
▪ Specialised industrial installations and Machinery	10 – 35 years
▪ Pipelines	30 – 40 years
▪ Other equipment	4 – 25 years
– Vehicles and means of transportation	5 – 25 years
– Furniture and fixtures	
▪ Computer hardware	3 – 5 years
▪ Other furniture and fixtures	4 – 10 years

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

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 2.10).

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 statement of comprehensive income, within "other operating income/(expenses) and other gains/(losses)".

2.6 Leases

2.6.1 Right-of-use assets

The Company 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 Company 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.

2.6.2 Lease liabilities

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating a lease, if the lease term reflects the Company 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 Company 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 Company 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 Company 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 Company has the option, under some of its leases to lease the assets for additional terms. The Company 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 Company 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") 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 Company 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 Company has appealed against such amounts imposed as described in the note and believes the outcome will be favourable. The Company 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 Company 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 Company considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

(e) Lessor accounting

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

- if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying paragraph 6 of the standard, the sublease shall be classified as an operating lease.
- 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 Company 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 Company acts as an intermediate lessor were assessed and evaluated as operating.

2.7 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.

2.8 Intangible assets

(a) 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.

(b) Computer software

The category computer software includes 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).

2.9 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 capitalised 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 capitalised 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 Company 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/amortised 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 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.10 Impairment of non-financial assets

The Company 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 Company 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). 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 Company 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.

2.11 Financial assets

2.11.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized 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. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 0 "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 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 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 Company commits to purchase or sell the asset.

<u>Subsequent measurement</u>

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

- Financial assets at fair value through profit or loss

- 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)

(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 amortized 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 profit or loss of the statement of comprehensive income, 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.

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

2.11.2 Derecognition and impairment

<u>Derecognition</u>

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 Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company 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 Company has transferred substantially all the risks and rewards of the

asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company 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 Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company 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 Company 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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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.

2.11.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

2.12 Derivative financial instruments and hedging activities

As part of its risk management policy, the Company utilises currency and commodity derivatives to mitigate the impact of volatility in commodity prices and foreign exchange rates. Derivative financial instruments are initially recognised 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 Company designates certain derivatives as either:

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

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

The Company 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 recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised 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 recognised when the forecast transaction is ultimately recognised 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 fair value through profit or loss. Changes in the fair value of the derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

2.13 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants related to Property, Plant and Equipment received by the Company 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.

2.14 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 recognised in cost of sales, in the statement of comprehensive income when consumed.

2.15 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 Company applies the simplified approach, in accordance with IFRS 9 and calculates ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company’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”.

2.16 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".

2.17 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 in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

2.18 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 cost or other operating income.

Borrowings are classified as current liabilities unless the Company 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 Company 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 recognised in the statement of comprehensive income.

The Company 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.

2.19 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 recognised directly in equity. In this case, the tax is also recognised 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 that generates 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 financial statements. Deferred income tax is not recognised 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.

2.20 Employee benefits

(a) Pension obligations

The Company 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 Company pays fixed contributions into a separate State pension fund. The Company 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 plans

Under Greek labour 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 recognised in the 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, recognised in the 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 recognised immediately in profit or loss in the statement of comprehensive income.

Defined contribution plans

The Company'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 Company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. As such, the Company has no legal or constructive obligation to pay future benefits under this plan.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company 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 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 Company has no share-based compensation schemes in force for 2019 and for 2020.

(d) Short-term paid absences

The Company 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.

2.21 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.

2.22 Provisions

Provisions for restructuring costs and legal claims 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 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 Company 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 Company discloses a contingent liability.

2.23 Environmental liabilities

The Company 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 Company 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 Company 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 recognised 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.

2.24 Revenue recognition

(a) 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 Company 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 Company and the revenue can be reliably measured. Payment terms vary in line with the type of sales transaction and depend mainly on the products sold or services rendered, the distribution channels, as well as each customer's specifics.

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

Revenue is recognised as follows:

Sales of goods – wholesale

Revenue is recognised 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 Company 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 Company 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 Company provides volume discounts to customers based on thresholds specified in the respective contracts. Options for volume related discounts are assessed by the Company 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 Company 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 Company 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.

(b) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the company 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.

(c) Dividend income

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

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company'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.

2.26 Financial guarantee contracts

Financial guarantee contracts issued by the Company 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 recognised less, when appropriate, the cumulative amount of income.

2.27 Changes in accounting policies

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

2.28 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 Company's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products; with secondary activities relating to exploration of hydrocarbons. As such, the Company 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 Company'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 Company to the extent possible. In general, the key factors that impact the Company'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, mainly affected by lower demand for gasoline and auto diesel (total demand for motor fuels decreased by 12,3%), as a result of mobility restrictions to counter the effects of the coronavirus outbreak, that was 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 Company's 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 last 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 Company, resulting in declined profitability and high inventory valuation losses. However, the above have not altered the Company's strategic orientation or targets and the current operations are largely unaffected.

The Company 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 Company'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 Company 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 Company's funding from international debt capital markets.

Currency: The Company'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 Company'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 Company'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 Company's operating units. During the year ended on 31 December 2020, the Company entered into certain derivatives to hedge cash flows related to purchases and sales of crude oil and petroleum products. The Company has also entered into a derivative transaction to hedge the cash flow risk arising from the re-acquisition of the CO2 certificates disposed in December 2020, in time to fulfill its obligation as part of the EUA scheme (Notes 16 and 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 materials. 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 Company was able to take advantage of this development and diversify its crude basket. In the context of the above the Company 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 Company 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, Hellenic Petroleum has maintained a mix of committed long term credit facilities and uncommitted short term credit facilities by taking into consideration banks' and debt capital markets' credit capacity, as well as cash flow planning and commercial requirements. As of 31 December 2020, approximately 82% of total debt (31 December 2019: c. 67%) is financed by long-term committed credit lines, while the remaining debt is being financed by short term credit facilities (bilateral lines).

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

Capital management: Another key priority of the Company has been the management of its Assets. Overall the Company has approximately €3,4 billion of capital employed which is driven from working capital, investment in fixed assets and its investments in subsidiaries, 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 Company's investment plan, during the period 2007-2012, net debt level, excluding leases, has increased to 46% of total capital employed while the remaining is financed through shareholders equity. In the medium term the Company's intention is to reduce its net debt levels through utilisation 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 2.4, the functional currency and presentation currency of the Company 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 Company 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 Company'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 losses would have been approximately €10 million higher, as a result of foreign exchange losses 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 Company did not actively hedge material amounts of the Gross margin exposure. This exposure is linearly related to the Gross margin of the Company 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 Company 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 Company 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 Company.

(ii) Commodity price risk

The Company'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 Company 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 Company financial results, a change in the refinery margins has a proportionate impact on the Company's profitability. Where possible, the Company 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 Company'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 Company to cash flow interest rate risk, while borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's borrowings are at variable 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 Company 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 €13 million higher.

(b) Credit risk

(i) Risk Management

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.

(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:

Bank rating (in €million)	**31 December 2020**	**31 December 2019**
A+	87	40
A	-	1
BBB+	85	279
B	709	489
B-	74	58
No rating	38	22
Total	**993**	**889**

Due to market conditions, the approval of credit risk is subject to a more strict process involving all levels of senior management. A credit committee monitors material credit exposures on a Company wide basis. See Note 12 for further disclosures on credit risk.

(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 Company aims to maintain flexibility in its funding operations through the use of cash and committed credit facilities.

Where deemed beneficial to the Company, and in order to achieve better commercial terms (e.g. better pricing, higher credit limits, longer payment terms), the Company 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 Company'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 Company's plans with respect to term facilities expiring within the next 12 months are presented below, in million Euros.

(€ million)	1H21	2H21	2021	Schedule for repayment	Schedule for refinancing
Contractual Term Facility Repayments					
Bond loan €400 million	-	100	100	-	100
HPF Loan, October 2016	-	74	74	74	-
European Investment Bank (EIB) Term loan	22	22	44	44	-
Total	**22**	**196**	**218**	**118**	**100**

The Company assesses its options regarding the refinancing of the bond loan 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 Company's bilateral lines, the used balance of which as of 31 December 2020 was €0,3 billion, 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 Company's finance needs. The Company expects it will be able to continue to renew these in the future or will refinance part of them into term loans.

The table below analyses the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period from the year-end to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows.

	Note	Less than 1 year	Between 1 and 5 years	Over 5 years
31 December 2020				
Borrowings	**17**	571.687	2.148.873	36.691
Lease liabilities	**18**	10.147	19.876	4.331
Derivative financial instruments	**23**	4.635	-	-
Trade and other payables		1.396.283	-	-
31 December 2019				
Borrowings	**17**	876.670	1.583.672	33.000
Lease liabilities	**18**	7.964	17.712	4.540
Trade and other payables		1.239.360	-	-

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 Company'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 Company 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 Company 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 "Investments in equity instruments". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

(All amounts in Euro thousands unless otherwise stated)

The long-term objective of the Company is to maintain the gearing ratio between 35% and 45%, as significant fluctuations of crude oil prices may affect total debt respectively. Given the Company'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 Company 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	
	Note	**31 December 2020**	**31 December 2019**
Total Borrowings	**17**	2.559.483	2.483.414
Less: Cash and cash equivalents	**13**	(992.748)	(888.564)
Less: Investment in equity instruments	**3.3**	(587)	(965)
Net debt (excl. lease liabilities)		**1.566.148**	**1.593.885**
Total Equity		1.820.132	2.238.835
Total Capital Employed (excl. lease liabilities)		**3.386.280**	**3.832.720**
Gearing ratio (excl. lease liabilities)		**46%**	**42%**
Lease liabilities	**18**	30.563	31.183
Net debt (incl. lease liabilities)		**1.596.711**	**1.625.068**
Total Capital Employed (incl. lease liabilities)		**3.416.843**	**3.863.903**
Gearing ratio (incl. lease liabilities)		**47%**	**42%**

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).

(All amounts in Euro thousands unless otherwise stated)

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2020:

Year ended 31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives at fair value through the income statement	-	2.433	-	2.433
Derivatives used for hedging	-	7.512	-	7.512
Investment in equity instruments	587	-	-	587
	587	**9.945**	**-**	**10.532**
Liabilities				
Derivatives held for trading	-	4.635	-	4.635
	-	**4.635**	**-**	**4.635**

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

Year ended 31 December 2019	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives used for hedging	-	3.474	-	3.474
Investment in equity instruments	965	-	-	965
	965	**3.474**	**-**	**4.439**
Liabilities				
Derivatives held for trading	-	-	-	-
	-	**-**	**-**	**-**

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 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
- Borrowings

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 Company 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 Company is subject to periodic audits by tax authorities and the assessment process for determining the company'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, 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 Company is required to make payments in order to appeal against positions of tax authorities and the Company 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 Company, if the Company's position is upheld. In case the Company 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. Such tax losses are available for set off for a limited period of time since they are incurred. The Company 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.

(c) Provision for environmental restoration

The Company 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 Company to incur restoration costs to comply with the regulations in the various jurisdictions in which the Company operates, and to settle any legal or constructive obligation. Analysis and estimates are performed by the Company 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 in the statement of financial position. Subsequently, the provision is unwinded in finance cost and the fixed asset is depreciated in the statement of comprehensive income. When the final determination of such obligation amounts differs from the recognised provisions, the Company's statement of comprehensive income is impacted.

(d) Estimates in value-in-use calculations

The Company 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 Company 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 Note 6, for Property, Plant and Equipment, and Note 9 for Investments in Subsidiaries, 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 Company 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 Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on the Company'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 Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

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 Company'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 Company 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 Company 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 Company 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 Company 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 Company's accounting policies

(a) Impairment of non-current assets and investments in subsidiaries, associates and joint ventures

The Company assesses at each reporting date, whether indicators for impairment exist, for its non-financial assets (Note 2.10) and its investments in subsidiaries, 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 Company 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.

(b) Provisions for legal claims

The Company has a number of legal claims pending against it (Note 33). Management uses its judgement, as well as the available information from the 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 Company will lose a claim, then a provision is recognised. 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.

(c) 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 Company is typically reasonably certain to extend (or not terminate). If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate). Otherwise, the Company 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 Company 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 Company 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 Executive Committee, which reviews the Company'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.

(All amounts in Euro thousands unless otherwise stated)

The Company's key operating segments are:

a) Refining, Supply and Trading (Refining)

Activities revolve around the operation of the Company'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 m³ of crude oil and petroleum products.

b) 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.

More information about the activities of the Company's key operating segments can be found in the consolidated Annual Report of the Hellenic Petroleum Group.

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

Year ended 31 December 2020	**Note**	**Refining**	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Revenue from contracts with customers		4.866.618	248.195	-	-	5.114.813
EBITDA *		**(372.936)**	**55.249**	**1.982**	**5.039**	**(310.666)**
Depreciation and amortisation (PPE & Intangibles)	**6,8**	(152.175)	(3.923)	(226)	-	(156.324)
Depreciation of right-of-use assets	**7**	(6.482)	(3.784)	(8)	(13)	(10.287)
Operating profit/(loss)		**(531.593)**	**47.542**	**1.748**	**5.026**	**(477.277)**
Finance (expense)/income	**27**	(56.558)	(1.845)	-	(34.594)	(92.997)
Lease finance cost	**27**	(1.330)	(58)	-	-	(1.388)
Dividend income		-	-	-	51.533	51.533
Currency exchange gains/(losses)	**28**	4.988	-	-	-	4.988
Profit/(Loss) before income tax		**(584.493)**	**45.639**	**1.748**	**21.965**	**(515.141)**
Income tax	**29**					176.377
Profit/(Loss) for the year						**(338.764)**

** EBITDA is calculated as Operating profit/(loss) per the statement of comprehensive income plus depreciation and amortisation*

(All amounts in Euro thousands unless otherwise stated)

Year ended 31 December 2019		Refining	Petro-chemicals	Exploration & Production	Other	Total
Revenue from contracts with customers		7.724.295	299.268	-	-	8.023.563
EBITDA *		**346.671**	**82.687**	**(1.483)**	**(10.867)**	**417.008**
Depreciation and amortisation (PPE & Intangibles)	**6,8**	(142.652)	(5.341)	(378)	-	(148.371)
Depreciation of right-of-use assets		(6.367)	(406)	(10)	(10)	(6.793)
Operating profit/(loss)		**197.652**	**76.940**	**(1.871)**	**(10.877)**	**261.844**
Finance (expense)/income	**27**	(50.077)	(1.840)	-	(53.373)	(105.290)
Lease finance cost	**27**	(943)	(23)	(1)	-	(967)
Dividend income		-	-	-	195.416	195.416
Currency exchange gains/(losses)	**28**	(910)	-	-	-	(910)
Profit/(Loss) before income tax		**145.722**	**75.077**	**(1.872)**	**131.166**	**350.093**
Income tax	**29**					(33.734)
Profit for the year						**316.359**

** EBITDA is calculated as Operating profit/(loss) per the statement of comprehensive income plus depreciation and amortisation*

“Exploration & Production” includes costs relevant to the exploration and production of hydrocarbons, mainly within blocks where the Company holds the relevant rights, either through full control or in partnership with other oil & gas companies, as described in Note 9.

“Other” includes mainly income from dividends and part of corporate costs, not directly related to the Company’s principal 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 annual financial statements for the year ended 31 December 2019.

An analysis of the Company’s revenue from contracts with customers by type of market (domestic, aviation & bunkering and exports), is presented below:

Year ended 31 December 2020	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Domestic		1.587.345	89.796	-	-	1.677.141
Aviation & Bunkering		495.243	-	-	-	495.243
Exports		2.784.030	158.399	-	-	2.942.429
Revenue from contracts with customers		**4.866.618**	**248.195**	**-**	**-**	**5.114.813**

Year ended 31 December 2019	Refining	Petro-chemicals	Exploration & Production	Other	Total
Domestic	2.560.469	100.874	-	-	2.661.343
Aviation & Bunkering	1.232.927	-	-	-	1.232.927
Exports	3.930.899	198.394	-	-	4.129.293
Revenue from contracts with customers	**7.724.295**	**299.268**	**-**	**-**	**8.023.563**

(All amounts in Euro thousands unless otherwise stated)

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

Year ended 31 December 2020	**Refining**	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Total Assets	4.484.165	451.119	1.188	1.104.638	**6.041.110**
Total Liabilities	2.991.835	35.209	16.327	1.177.607	**4.220.978**

Year ended 31 December 2019	**Refining**	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Total Assets	4.860.482	415.209	2.531	1.195.223	**6.473.445**
Total Liabilities	2.838.485	33.985	18.998	1.343.142	**4.234.610**

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 annual financial statements for the year ended 31 December 2019.

6 Property, plant and equipment

	Land	**Buildings**	**Plant & Machinery**	**Means of transport**	**Furniture and fixtures**	**Assets Under Cons-truction**	**Total**
Cost							
As at 1 January 2019	**142.850**	**541.928**	**3.992.671**	**15.583**	**91.296**	**82.288**	**4.866.616**
Additions	-	27	1.140	12	2.201	154.325	157.705
Capitalised projects	-	4.861	110.684	124	1.006	(116.675)	-
Disposals	-	-	(388)	(20)	(22)	-	(430)
Transfers and other movements	-	-	1.206	-	(1)	(4.490)	(3.285)
As at 31 December 2019	**142.850**	**546.816**	**4.105.313**	**15.699**	**94.480**	**115.448**	**5.020.606**
Accumulated Depreciation							
As at 1 January 2019	**-**	**232.169**	**1.858.332**	**11.226**	**80.652**	**-**	**2.182.379**
Charge for the year	-	15.299	125.456	409	2.443	-	143.607
Disposals	-	-	(388)	(20)	(21)	-	(429)
Impairment	-	-	-	-	-	1.255	1.255
As at 31 December 2019	**-**	**247.468**	**1.983.400**	**11.615**	**83.074**	**1.255**	**2.326.812**
Net Book Value at 31 December 2019	**142.850**	**299.348**	**2.121.913**	**4.084**	**11.406**	**114.193**	**2.693.794**
Cost							
As at 1 January 2020	**142.850**	**546.816**	**4.105.313**	**15.699**	**94.480**	**115.448**	**5.020.606**
Additions	-	-	1.812	105	2.832	221.110	225.859
Capitalised projects	-	3.328	197.721	-	87	(201.136)	-
Disposals	-	-	-	-	(29)	-	(29)
Transfers and other movements	-	-	1.103	-	-	(3.457)	(2.354)
As at 31 December 2020	**142.850**	**550.144**	**4.305.949**	**15.804**	**97.370**	**131.965**	**5.244.082**
Accumulated Depreciation							
As at 1 January 2020	**-**	**247.468**	**1.983.400**	**11.615**	**83.074**	**-**	**2.326.812**
Charge for the year	-	14.759	132.540	417	2.736	-	150.452
Disposals	-	-	-	-	(28)	-	(28)
Impairment	-	-	-	-	-	211	211
As at 31 December 2020	**-**	**262.227**	**2.115.940**	**12.032**	**85.782**	**211**	**2.477.447**
Net Book Value at 31 December 2020	**142.850**	**287.917**	**2.190.009**	**3.772**	**11.588**	**131.754**	**2.766.635**

Reclassification: During the year, the Company reconsidered the presentation of "Impairment / write offs" and now includes the net carrying value of such amounts in the caption "Impairment" in accumulated depreciation. Previously, such balances were presented gross in both cost and accumulated depreciation. This adjustment was also applied retrospectively to the 2019 comparatives.

(1) The Company 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).

(5) 'Transfers and other movements' 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.

(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 Company's main segments of 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 of total fixed assets as at 31 December 2020 is 2,7 billion and represent 99,96% of the total Company's carrying value of property, plant and equipment and intangible assets. The Company's approved business plan over the 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 Company'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 Company'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 Company concluded that the carrying amount of the CGU is recoverable and consequently no impairment charge was recorded.

The Company 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:

(All amounts in Euro thousands unless otherwise stated)

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 yrs 1-5	- 0,5 $	(13,51%)

In all sensitivity analysis' scenarios, based on the above assumptions and the extension of the useful life, the carrying amount of the CGU is recoverable.

(7) Depreciation of property, plant and equipment of €150,4 million (2019: €143,6 million), depreciation of right-of-use assets of €10,3 million (2019: €6,8 million) and amortisation expense of €5,9 million (2019: €4,8 million) are allocated in the following lines of the statement of comprehensive income:

- Cost of Sales €147,3 million (2019: €136,9 million),
- Selling and distribution expenses €8,8 million (2019: €7,6 million),
- Administration expenses €10,5 million (2019: €10,7 million)

7 Right-of-use assets

	Commercial Properties	Plant & Machinery	Motor vehicles	Total
Cost				
As at 1 January 2019	**17.054**	**6.285**	**2.405**	**25.744**
Additions	985	2.927	4.752	8.664
Modification	5.324	(343)	(512)	4.469
As at 31 December 2019	**23.363**	**8.869**	**6.645**	**38.877**
Accumulated Depreciation				
As at 1 January 2019	**-**	**-**	**-**	**-**
Charge for the period	4.644	1.134	1.015	6.793
As at 31 December 2019	**4.644**	**1.134**	**1.015**	**6.793**
Net Book Value at 31 December 2019	**18.719**	**7.735**	**5.630**	**32.084**
Cost				
As at 1 January 2020	**23.363**	**8.869**	**6.645**	**38.877**
Additions	-	6.696	4.789	11.485
Impairment / Write off	-	(1.770)	-	(1.770)
Modification	18	(23)	(94)	(99)
As at 31 December 2020	**23.381**	**13.772**	**11.340**	**48.493**
Accumulated Depreciation				
As at 1 January 2020	**4.644**	**1.134**	**1.015**	**6.793**
Charge for the period	3.355	2.531	4.401	10.287
Impairment / Write off	-	(744)	-	(744)
As at 31 December 2020	**7.999**	**2.921**	**5.416**	**16.336**
Net Book Value at 31 December 2020	**15.382**	**10.851**	**5.924**	**32.157**

The Company leases a variety of assets in the course of its activities, such as office space, tanks and catalysts, as well as vehicles.

Part of the Company's operations require the use of coastal zones. The Company has entered into an agreement with the State for the use of coastal zones in certain areas. There are, however other areas, where the Company 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 Company 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 Company recognizes a right of use asset within commercial properties and a lease liability representing its obligation to make payments. For instances, where the Company uses coastal zones without an agreement, the Company 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 (2019: €670 thousand) and is included in current liabilities.

(All amounts in Euro thousands unless otherwise stated)

Furthermore, the Company operates a number of underground pipelines within the boundaries of various municipalities, in accordance with relevant laws. As described in Note 33, 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

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2019	**97.902**	**24.299**	**122.201**
Additions	1.889	1.237	3.126
Transfers & other movements	5.543	-	5.543
As at 31 December 2019	**105.334**	**25.536**	**130.870**
Accumulated Amortisation			
As at 1 January 2019	**93.107**	**24.295**	**117.402**
Charge for the year	4.495	269	4.764
As at 31 December 2019	**97.602**	**24.564**	**122.166**
Net Book Value 31 December 2019	**7.732**	**972**	**8.704**
Cost			
As at 1 January 2020	**105.334**	**25.536**	**130.870**
Additions	2.688	444	3.132
Disposals	-	(1.681)	(1.681)
Transfers & other movements	3.457	-	3.457
As at 31 December 2020	**111.479**	**24.299**	**135.778**
Accumulated Amortisation			
As at 1 January 2020	**97.602**	**24.564**	**122.166**
Charge for the year	5.786	86	5.872
Disposals	-	(354)	(354)
As at 31 December 2020	**103.388**	**24.296**	**127.684**
Net Book Value 31 December 2020	**8.091**	**3**	**8.094**

(1) ‘Licenses and rights’ include net exploration license costs, relating to the new exploration & production of hydrocarbons’ concessions in Greece. During April 2020 they were transferred to other group entities.

(2) ‘Transfers and other movements’ in computer software mainly relate to completed IT software projects capitalised during the year 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 (Note 6).

(All amounts in Euro thousands unless otherwise stated)

9 Investment in subsidiaries, associates and joint ventures

	Note	As at 31 December 2020	31 December 2019
Beginning of the year		**1.045.138**	**1.032.372**
Increase / (Decrease) in share capital of subsidiaries and JV		13.542	22.680
(Impairment) of investments / Reversal of impairment	**26**	5.886	(9.914)
End of the year		**1.064.566**	**1.045.138**

A list of the Company's direct investments is as follows:

Name	Participating interest	Country of Incorporation	Classification
ASPROFOS S.A.	100,0%	Greece	Subsidiary
DIAXON S.A.	100,0%	Greece	Subsidiary
HELLENIC FUELS AND LUBRICANTS S.A. (HFL)	100,0%	Greece	Subsidiary
ELPET BALKANIKI S.A.	100,0%	Greece	Subsidiary
HELLENIC PETROLEUM INTERNATIONAL AG (HPI)	100,0%	Austria	Subsidiary
HELPE APOLLON MARITIME Co	100,0%	Greece	Subsidiary
HELPE POSEIDON MARITIME Co	100,0%	Greece	Subsidiary
HELLENIC PETROLEUM FINANCE PLC	100,0%	United Kingdom	Subsidiary
HELPE RENEWABLE ENERGY SOURCES S.A.	100,0%	Greece	Subsidiary
HELPE E&P HOLDING S.A.	100,0%	Greece	Subsidiary
HELPE FUTURE S.A.	100,0%	Greece	Subsidiary
GLOBAL ALBANIA S.A.	99,9%	Albania	Subsidiary
DEPA COMMERCIAL S.A. (ex DEPA S.A.)	35,0%	Greece	Associatte
DEPA INFRASTRUCTURE S.A.	35,0%	Greece	Associatte
ATHENS AIRPORT FUEL PIPELINE COMPANY S.A.	50,0%	Greece	Associatte
HELPE THRAKI S.A. (Liquidated in April 2020)	25,0%	Greece	Associatte
ELPEDISON B.V.	5,0%	Netherlands	Joint Venture

a) 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.

b) 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.

c) Further increases in the share capital of investments mainly relate to HELPE E&P Holding S.A.

d) Impairment of investments

Impairment of investments relate to Elpedison BV, Asprofos and Global Albania

Elpedison B.V.

The Company owns a 5% shareholding in Elpedison B.V., a joint venture entity of the Group, in which HPI also participates (45%) and EDISON SpA (50%).

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 they 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 €13,3 million of the previously recognised impairment of €20,2 million was reversed in the statement of comprehensive income in other operating income/(expense) and other gains/(losses) (Note 26).

Assumptions and scenarios used in the estimation of value in use could change in the future, particularly in an environment characterized by high volatility. Relevant changes in the 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 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%.

Asprofos S.A.

In July 2020 the AGM of Asprofos S.A. approved a reduction in share capital of €4,5 million, through use of cumulative losses and a subsequent share capital increase of €2,5 million. The resulting loss of €4,5 million in the carrying value of Asprofos S.A. was recognised in the statement of financial position as at 31 December 2020 and in other income and expenses in the statement of comprehensive income (Note 26).

As at 31 December 2020 Management carried out an impairment test according to the requirements of IAS 36, based on the post-tax cash flows produced by Asprofos S.A. The company's continuing losses and the anticipated future developments in the engineering market in which the company operates, were considered as indicators of impairment. The valuation analysis considered Asprofos S.A. 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, using a post-tax WACC of 6,01%, as of 31 December 2020.

Based on this impairment test, the Company recognised an additional impairment provision of €1,5 million in the carrying value of Asprofos S.A. in the statement of financial position as at 31 December 2020 and a respective impairment loss in the statement of comprehensive income, which was included in other income and expenses (Note 26).

Hellenic Fuels S.A.

As at 31 December 2020 Hellenic Fuels S.A. ("HFL") 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 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. 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. The discount rate applied was 5,0% and was estimated as the post-tax WACC of the company. Based on this impairment test, the Company concluded that the carrying amount of the investment in HFL S.A. 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, the carrying amount of the investment in HFL S.A. is recoverable.

e) DEPA Commerial 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 S.A. ('HELPE' or 'Company'), of 100% in the share capital of DEPA Infrastructure S.A. 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).

(All amounts in Euro thousands unless otherwise stated)

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. The Fund and HELPE have entered into a Memorandum of Understanding (MoU) allowing for the preferred investor to have the option to acquire the remaining 35% of shares in DEPA Commercial S.A. owned by HELPE, leading to an acquisition of 100% of its share capital. 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). Hellenic Petroleum S.A. is among the interested parties, in a joint venture with EDISON International Holding N.V.

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 S.A. was created. The new company includes the participation in the entities acting as operators of Natural Gas Distribution Networks, i.e. EDA Attikis SA, EDA Thessalonikis – Thessalias SA and DEDA SA. The surviving entity (ex DEPA SA) was renamed as DEPA Commercial S.A. 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 financial statements as associates.

In the period up to 30 April 2020, the Company owned 35% of the DEPA group, at a cost of €237 million and accounted for and included DEPA group in the financial statements as an associate. Following the partial demerger on 30 April 2020, the Company now owns 35% of each of DEPA Commercial S.A. and DEPA Infrastructure S.A., for a total cost of investment of €237 million. Both companies are accounted for and included in the financial statements as associates.

The table below shows the Company'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 Commerial SA	DEPA Infrastructure SA
Investment as at 30 April 2020	237.201	-	-
Investment as at 1 May 2020, after the demerger	-	114.900	122.301

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

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

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. In January 2021, Hellenic Petroleum S.A. acquired 35% of the shares of DEPA International Projects S.A.

f) The Company participates, directly or indirectly through its subsidiaries, in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece and abroad:

- Edison International E&P S.p.A., HELPE Patraikos, a group company – Greece, Patraikos Gulf
- Edison International E&P S.p.A., HELPE West Kerkyra SA, a group company – Greece, Block 2 – West of Corfu Island
- Total E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V., Hellenic Petroleum S.A. – (Greece, Block West Crete)
- Total E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V., Hellenic Petroleum S.A. – (Greece, Block South West Crete)

(All amounts in Euro thousands unless otherwise stated)

- Repsol Exploration, Hellenic Petroleum S.A. – (Greece, Block Ionian)
- Calfrac Well Services Ltd, HELPE Sea of Thrace S.A., a group company – Greece, Sea of Thrace concession

The jointly controlled operations are still on a research phase and do not contribute to revenues.

10 Loans, advances & long term assets

	As at	
	31 December 2020	**31 December 2019**
Loans and advances	40.777	19.769
Other long term assets	2.179	2.320
Total	**42.956**	**22.089**

Loans and advances as at 31 December 2020 include a long-term bond loans extended to subsidiaries of the HELPE Group, amounting to €4,3 million (2019: €3,6 million).

They also include trade receivables due in more than one year as a result of settlement arrangements. These are discounted at an average rate of 4,39% as at 31 December 2020 (2019: 7,25%) over their respective lives. The increase relates to new long-term arrangements contracted in 2020.

11 Inventories

	As at	
	31 December 2020	**31 December 2019**
Crude oil	84.514	331.447
Refined products and semi-finished products	437.025	487.614
Petrochemicals	17.412	25.554
Consumable materials and spare parts	92.688	85.485
- Less: Provision for consumables and spare parts	(32.026)	(30.340)
Total	**599.613**	**899.760**

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

The cost of inventories recognised as an expense and included in "Cost of sales" for 2020 amounted to €4,9 billion (2019: €7,1 billion). The Company has reported a loss of €6,1 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 (Note 24). Overall for 2020, management has estimated that the impact on the results of the Company from the fluctuations of crude oil and product prices during the year was negative and equal to approx. €514 million (2019: positive impact of €24 million).

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

(All amounts in Euro thousands unless otherwise stated)

12 Trade and other receivables

	As at 31 December 2020	31 December 2019
Trade receivables	279.982	449.115
- Less: Provision for impairment of receivables	(100.590)	(100.543)
Trade receivables net	**179.392**	**348.572**
Other receivables	308.871	443.101
- Less: Provision for impairment of receivables	(14.171)	(14.438)
Other receivables net	**294.700**	**428.663**
Prepaid expenses and accrued income	15.887	14.022
Total	**489.979**	**791.257**

As part of its working capital management, the Company 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' generally include balances in respect of advances to suppliers, advances to personnel, VAT, withholding taxes and taxes paid, other than amounts related to income tax, as a result of tax audit assessments during previous years from the tax authorities, where the Company has commenced legal proceedings and disputed the relevant amounts (see Note 29).

More specifically, other receivables as at 31 December 2020 include, among others, the following:

a) €54m of VAT approved refunds (31 December 2019: €54 million), which had been withheld in previous years by the customs authorities due to a dispute relating to stock shortages. The Company 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).
b) €40 million dividends receivable from HPI, a Group company (2019: €150 million)
c) A one-year bond loan of €100 million (2019: €139 million) extended to EKO ABEE, a Group company (Note 35).
d) Restricted cash amounting to €18 million (31 December 2019: €9 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	119.110	241.104
Past due	160.872	208.011
Total trade receivables	**279.982**	**449.115**

(All amounts in Euro thousands unless otherwise stated)

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	29.395	86.709
30 - 90 days	22.305	9.900
Over 90 days	109.172	111.402
Total past due trade receivables	**160.872**	**208.011**

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 Company's trade receivables using a provision matrix:

	Not past due	Days past due			
		< 30 days	31-90 days	> 90 days	Total
31 December 2020					
Expected credit loss rate	0,01%	0,01%	0,16%	92,10%	35,93%
Total gross carrying amount	119.110	29.395	22.305	109.172	279.982
Expected credit loss	(7)	(3)	(35)	(100.546)	(100.590)

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 2019	**100.543**	**117.170**
Charged/(credited) to the statement of comprehensive income:		
- Additional provisions	1.092	248
- Receivables written off during the year as uncollectible	(1.040)	(14.091)
- Unused amounts reversed	(5)	(2.784)
Balance at 31 December 2020	**100.590**	**100.543**

The movement in the provision for impairment has been included in the selling and 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 2019	**14.438**	**14.272**
Charged/(credited) to the statement of comprehensive income:		
- Additional provisions	17	525
- Receivables written off during the year as uncollectible	(243)	(318)
- Unused amounts reversed	(41)	(41)
Balance at 31 December 2020	**14.171**	**14.438**

(All amounts in Euro thousands unless otherwise stated)

13 Cash and cash equivalents

	As at	
	31 December 2020	**31 December 2019**
Cash at bank and in hand	943.562	884.109
Short term bank deposits	49.186	4.455
Total cash and cash equivalents	**992.748**	**888.564**

The balance of US Dollars included in Cash at bank as at 31 December 2020 was US$704 million (Euro equivalent €573 million). The respective amount for the year ended 31 December 2019 was US$ 822 million (Euro equivalent €732 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%	0,03%
USD	0,01%	0,14%

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).

(All amounts in Euro thousands unless otherwise stated)

15 Reserves

	Statutory reserve	Special reserves	Tax-free & Incentive law reserves	Hedging reserve	Actuarial gains/ (losses)	Equity instrum. FVOCI gains/ (losses)	Total
Balance at 1 January 2019	**144.838**	**86.495**	**71.255**	**(11.751)**	**(28.065)**	**(509)**	**262.263**
Cash flow hedges:							
- Fair value gains/(losses) on cash flow hedges	-	-	-	12.890	-	-	12.890
- Recycling of (gains)/losses on hedges through comprehensive income	-	-	-	1.501	-	-	1.501
Actuarial losses on defined benefit pension plans	-	-	-	-	(9.835)	-	(9.835)
Changes in the fair value of equity instruments	-	-	-	-	-	469	469
Transfer to statutory reserve	15.818	-	-	-	-	-	15.818
Balance at 31 December 2019	**160.656**	**86.495**	**71.255**	**2.640**	**(37.900)**	**(40)**	**283.106**
Balance at 1 January 2020	**160.656**	**86.495**	**71.255**	**2.640**	**(37.900)**	**(40)**	**283.106**
Cash flow hedges:							
- Fair value gains/(losses) on cash flow hedges	-	-	-	(22.008)	-	-	(22.008)
- Recycling of (gains)/losses on hedges through comprehensive income	-	-	-	25.077	-	-	25.077
Actuarial losses on defined benefit pension plans	-	-	-	-	(6.311)	-	(6.311)
Changes in the fair value of equity instruments	-	-	-	-	-	(288)	(288)
Balance at 31 December 2020	**160.656**	**86.495**	**71.255**	**5.709**	**(44.211)**	**(328)**	**279.576**

Statutory reserve

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 entity, but can be used to offset accumulated losses.

Special reserves

Special reserves primarily relate to reserves arising from tax revaluations in accordance with the relevant legislation in prior years.

Tax-free and incentive law reserves

These reserves relate to retained earnings, which have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes and 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, as described in Note 23. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Other reserves

These 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.

(All amounts in Euro thousands unless otherwise stated)

16 Trade and other payables

	As at 31 December 2020	31 December 2019
Trade payables	1.223.902	1.165.580
Accrued Expenses	157.673	64.280
Other payables	45.492	41.949
Total	**1.427.067**	**1.271.809**

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

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 was not possible to do so. In the period from 16 January 2016 up to 8 May 2018, when sanctions were suspended, the Company successfully made several payments against a significant part of these amounts. Since 8 May 2018, following the re-imposition of relevant sanctions by the United States, no deliveries of Iranian crude oil or payments have taken place.

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

Accrued expenses include an amount of €104 million as estimated cost of the CO_2 emission rights, following the monetization of CO_2 certificates disposed by the Company in December 2020. Impact in results was not significant, as both the sale and increase in provision are included. The Company has entered into derivative transactions to hedge the cash flow risk arising from the acquisition of the CO_2 certificates in time to fulfil its obligation as part of the EUA scheme (Note 3.1). The estimated cost of the CO_2 emission rights required under the corresponding environmental legislation, as at 31 December 2019 was €12 million.

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

17 Interest bearing loans and borrowings

	As at 31 December 2020	31 December 2019
Non-current interest bearing loans and borrowings		
Bank borrowings	22.222	66.667
Intercompany borrowings	546.500	689.900
Bond loan	1.496.086	851.271
Total non-current interest bearing loans and borrowings	**2.064.808**	**1.607.838**
Current interest bearing loans and borrowings		
Short term bank borrowings	376.231	831.132
Intercompany borrowings	74.000	-
Current portion of long-term bank borrowings	44.444	44.444
Total current interest bearing loans and borrowings	**494.675**	**875.576**
Total interest bearing loans and borrowings	**2.559.483**	**2.483.414**

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

	As at 31 December 2020	31 December 2019
Between 1 and 2 years	845.847	944.085
Between 2 and 5 years	1.185.961	630.753
Over 5 years	33.000	33.000
Total non-current interest bearing loans and borrowings	**2.064.808**	**1.607.838**

The weighted average effective interest margins are as follows:

Bank Borrowings	**Currency**	**31 December 2020**	**31 December 2019**
- Floating Euribor + margin	Euro	2,71%	3,31%
- Floating Libor + margin	USD	2,40%	4,84%
Long-term			
- Floating Euribor + margin	Euro	2,76%	3,99%
- Floating Libor + margin	USD	-	4,60%

The carrying amounts of borrowings are denominated in Euro and US Dollars:

	As at 31 December 2020	31 December 2019
Euro	2.559.483	2.324.473
US dollar	-	158.941
Total interest bearing loans and borrowings	**2.559.483**	**2.483.414**

Hellenic Petroleum and its subsidiaries (the "Group") has centralised 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 by maturity as at 31 December 2020 and 31 December 2019 are summarised in the table below (amounts in € million):

	Maturity	**As at 31 December 2020 (€ million)**	**31 December 2019 (€ million)**
Bond loan €400 million	Dec 2022	384	224
Bond loan €400 million	Nov 2022	340	-
Bond loan €300 million	Dec 2023	277	299
Bond loan €100 million	Oct 2021	100	-
Bond loan €100 million	Sep 2022	99	-
Bond loan $250 million	Jun 2021	-	159
Bond loan €400 million	Jun 2023	395	394
European Investment Bank ("EIB") Term loan	Jun 2022	67	111
HPF Loan, October 2016	Oct 2021	74	442
HPF Loan, October 2019	Oct 2024	514	215
Bilateral lines	Various	309	639
Total		**2.559**	**2.483**

Refer to 'Liquidity Risk Management' (Note 3.1) for an analysis of the Company'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 movement 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, with a tenor of 2 years and a one-year extension option. The outstanding amount of the loan as at 31 December 2020 was €385 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 ternor of 2 years and a one-year extension option. The facility was used to finance the voluntary early prepayment of the US$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 Company's liquidity risk management strategy. The outstanding amount of the loan as at 31 December 2020 was €340 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 2019, 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 Company'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 €100 million, maturing in October 2021

In April 2020, in line with the Company'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).

Bond loan €400 million, maturing in June 2023

In June 2018, the Company refinanced a maturing loan with a 5 year syndicated revolving bond loan facility, which was subscribed to by Greek and international banks, for an amount of €400 million. The outstanding amount of the loan as at 31 December 2020 was €400 million.

HPF Loan, maturing in October 2021 (Eurobond €201m)

In October 2016 HPF issued a €375 million five-year 4.875% Eurobond guaranteed by Hellenic Petroleum S.A., with the issue price being 99.453 per cent of the principal amount, maturing in October 2021. The proceeds of the issue were used to repay existing financial indebtedness, including the partial prepayment of the €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. Subsequently the Company utilised €367 million of the issue, to prepay existing indebtedness and for general corporate purposes.

In July 2017, HPF issued a notional amount of €74,5 million of notes guaranteed by Hellenic Petroleum S.A., maturing in October 2021, which were consolidated and form a single series with HPF's €375 million 4.875% guaranteed notes, as per above. Subsequently the Company increased its existing loan agreement with HPF.

HPF prepaid part of the notes in October 2019, with the proceeds of another 5-year Eurobond issue of €500 million, as detailed below. The remaining outstanding balance of the notes as at 31 December 2020 was €201 million.

Of this amount the Company's respective outstanding balance as at 31 December 2020 was €74,5 million.

HPF Loan maturing in October 2024 (Eurobond €500m)

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 million were accepted.

In October 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.

Subsequently Hellenic Petroleum S.A. has drawn down on part of the proceeds from this issue to prepay existing indebtedness and for general corporate purposes. The respective outstanding amount of the loan as at 31 December 2020 was €514 million.

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 €42.5mn to €75mn. The outstanding balance as at 31 December 2020 was €75 million.

The Company maintains committed and uncommitted credit facilities with various banks to finance general corporate needs. The facilities mainly comprise of short-term loans which are renewed in accordance with the Company's finance needs. During 2020, the Company achieved further improvements in the cost base of the facilities. Bilateral loan balances decreased by € 330 million during 2020, in line with the Company'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 include financial covenants, mainly for the maintenance of certain ratios at Group level, such as: "Consolidated Net Debt/ Consolidated Adjusted EBITDA", "Consolidated Adjusted EBITDA/ Consolidated Net Interest" and "Consolidated Net Debt/ Consolidated Net Worth". Management monitors the Group's performance 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	
As at 1 January 2019		**25.744**
Additions		8.664
Modification		4.469
Interest Cost	**27**	967
Repayment		(8.661)
At 31 December 2019		**31.183**
As at 1 January 2020		**31.183**
Additions		11.485
Modification		(99)
Interest Cost	**27**	1.388
Repayment		(11.781)
Other movements		(1.613)
At 31 December 2020		**30.563**
Current		**9.284**
Non-current		**21.279**

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

		For the year ended	
	Note	**31 December 2020**	**31 December 2019**
Depreciation expense for right-of-use assets	**7**	10.287	6.793
Interest expense on lease liabilities	**27**	1.388	967
Expense relating to short-term leases		536	3.911
Total amount recognised in statement of comprehensive income		**12.211**	**11.671**

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
31 December 2020				
Lease liability	10.147	19.876	4.331	34.354

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 gross movement on the deferred income tax liability is as follows:

		As at	
	Note	**31 December 2020**	**31 December 2019**
Beginning of the year		(182.065)	(151.873)
Income statement charge/(credit)	**29**	178.177	(27.205)
Charged / (released) to equity	**29**	1.115	(2.987)
End of year		**(2.773)**	**(182.065)**

(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	(228.665)	(208.610)
Inventory valuation	11.474	11.463
Environmental provision	3.600	6.394
Unrealised exchange gains	707	97
Employee benefits provision	38.309	35.313
Provision for bad debts	6.179	6.005
Derivative financial instruments at fair value	(1.274)	(834)
Net interest cost carried forward (thin capitalisation)	19.860	-
Net operating losses carried forward	132.218	-
Provision for write-down in investments of associates	11.514	12.928
Lease contracts	(383)	(216)
Deferred tax on distribution of DESFA shares by DEPA	-	(46.556)
Other temporary differences relating to provisions and accruals	3.688	1.951
Net deferred income tax asset/(liability)	**(2.773)**	**(182.065)**

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 Company recognised deferred tax assets on tax loss carry-forwards totalling €132 million since, on the basis of the approved business plan, the Company considers it probable that these can be offset against future taxable profits. Tax losses can be carried forward for a maximum of five years.

As at 31 December 2020, thin capitalization rules as per art. 49 of law 4172/2013, whereby the net interest expense is deductible up to 30% of tax EBITDA resulted in a deferred tax asset of €20 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 Company 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 Company'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	159.782	147.074
Liability in the Statement of Financial position	**159.782**	**147.074**

	For the year ended	
	31 December 2020	**31 December 2019**
Statement of Comprehensive Income charge for:		
Pension benefits	9.837	16.038
Total in the statement of comprehensive income	**9.837**	**16.038**

(All amounts in Euro thousands unless otherwise stated)

	For the year ended	
	31 December 2020	**31 December 2019**
Remeasurements for:		
Pension benefits	8.304	12.448
Income tax	(1.993)	(2.613)
Total as per Statement of Other Comprehensive Income	**6.311**	**9.835**

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	12.749	11.676
Fair value of plan assets	(2.641)	(2.657)
Deficit of funded plans	**10.108**	**9.019**
Present value of unfunded obligations	149.674	138.055
Liability in the Statement of Financial Position	**159.782**	**147.074**

The plans are final salary pension plans. The level of benefits provided depend on members' length of service and remuneration.

(All amounts in Euro thousands unless otherwise stated)

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	**134.801**	**(2.262)**	**132.539**
Current service cost	7.082	-	7.082
Interest expense/(income)	2.565	(44)	2.521
Past service costs and (gains)/losses on settlements	6.435	-	6.435
Statement of comprehensive income charge	**16.082**	**(44)**	**16.038**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest expense/(income)	-	7	7
- (Gain)/loss from change in financial assumptions	14.470	-	14.470
- Experience (gains)/losses	(2.029)	-	(2.029)
Statement of other comprehensive income charge	**12.441**	**7**	**12.448**
Benefits paid directly by the Company/Contributions paid by the Company	(13.312)	(639)	(13.951)
Benefit payments from the plan	(281)	281	-
As at 31 December 2019	**149.731**	**(2.657)**	**147.074**
Current service cost	7.778	-	7.778
Interest expense/(income)	1.470	(29)	1.441
Past service costs and (gains)/losses on settlements	618	-	618
Statement of comprehensive income charge	**9.866**	**(29)**	**9.837**
Remeasurements:			
- (Gain)/loss from change in financial assumptions	5.134	-	5.134
- Experience (gains)/losses	3.176	(6)	3.170
Statement of other comprehensive income charge	**8.310**	**(6)**	**8.304**
Benefits paid directly by the Company/Contributions paid by the Company	(4.768)	(665)	(5.433)
Benefit payments from the plan	(716)	716	-
As at 31 December 2020	**162.423**	**(2.641)**	**159.782**

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	7.893	17.144	34.374	116.102	**175.513**

(All amounts in Euro thousands unless otherwise stated)

Plan assets are comprised as follows:

	31 December 2020				31 December 2019			
	Quoted	**Unquoted**	**Total**	**%**	**Quoted**	**Unquoted**	**Total**	**%**
Equity Instruments	90	-	90	*3%*	96	-	96	*4%*
Debt Instruments:								
- Government bonds	1.120	-	1.120	*42%*	1.060	-	1.060	*40%*
- Corporate bonds	1.088	-	1.088	*41%*	1.092	-	1.092	*41%*
Investment funds	253	-	253	*10%*	271	-	271	*10%*
Cash and cash equivalents	90	-	90	*3%*	138	-	138	*5%*
Total	**2.641**	**-**	**2.641**		**2.657**	**-**	**2.657**	

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%

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

	Impact on Defined Benefit Obligation		
	Change in assumption	**Increase in DBO**	**Decrease in DBO**
Discount Rate	0,50%	-4,74%	5,14%
Future Salary Increases	0,50%	5,05%	-

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 recognised within the statement of financial position.

Expected contributions to defined benefit plans for the following year amount to €0,6 million. The weighted average duration of the defined benefit obligation is 10 years (2019: 10 years).

(All amounts in Euro thousands unless otherwise stated)

21 Provisions

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

	Litigation povisions	Provisions for environmental costs	Provisions for other liabilities and charges
At 1 January 2019	**22.858**	**15.000**	**37.858**
Charged/(credited) to the statement of comprehensive income:			
- Additional provisions	198	-	198
- Unused amounts reversed	(1.745)	-	(1.745)
Other movements / reclassifications	(13.382)	-	(13.382)
Utilised during year	(132)	-	(132)
At 31 December 2019	**7.797**	**15.000**	**22.797**
Utilised during year	(510)	-	(510)
At 31 December 2020	**7.287**	**15.000**	**22.287**

Long-term provisions as at 31 December 2020 comprise of amounts for pending legal claims and environmental restoration costs.

Other movements / reclassifications in 2019 included an amount of €12 million that related 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	7.063	7.701
Trade and other payables	5.622	5.919
Total	**12.685**	**13.620**

Government grants

Government grants relate to grants for the purchase of property, plant and equipment. Amortisation for 2020 amounted to €0,7 million (2019: €0,7 million).

Trade and other payables

Trade and other payables, non-current generally include sundry operating items and risks arising from the Company's ordinary activities.

23 Derivative financial instruments

Derivatives at fair value through the income statement

	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 - Crude & oil products	120	2.000	-	4.635	-	-	-	-
Commodity Swaps - EUA	3.140		2.433		-	-	-	-
	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 - Crude & oil products	-	7.514	7.512	-	-	1.028	3.474	-
Total			**9.945**	**4.635**			**3.474**	**-**
Non-current portion								
Commodity swaps			-	-			-	-
Current portion								
Commodity swaps			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 ‘derivatives at fair value through the income statement’ for accounting purposes.

As at 31 December 2020, derivatives at fair value through the income statement include commodity swaps for CO_2 certificates (Notes 3.1 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 €22,0 million net of tax as at 31 December 2020 (2019: €12,9 million gain, 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.

(All amounts in Euro thousands unless otherwise stated)

24 Expenses by nature

	For the year ended	
	31 December 2020	**31 December 2019**
Raw materials and consumables used	4.905.525	7.058.642
Employee costs	216.383	217.227
Depreciation of property, plant and equipment and right-of-use assets	160.739	150.400
Amortization of intangible assets	5.872	4.764
Transportation and warehouse costs	51.760	68.773
Production overheads	170.768	190.441
Swaps (gains)/losses	40.559	12.751
Stock devaluations	6.088	2.106
Other expenses	55.003	66.019
Total expenses	**5.612.696**	**7.771.122**
Expenses capitalised in assets under construction	(21.000)	(17.750)
Total cost of sales, distribution cost and administrative expenses	**5.591.696**	**7.753.372**

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 the income statement, whether realized or unrealized and the effect of recycling for derivatives held for hedging (Note 3 and 23).

The fees of Ernst & Young concerning the permissible non audit services which have been preapproved from the Audit Committee of the Company during 2020, amounts to €0,14m, out of which €0,09m related to fees of Ernst & Young Hellas.

Employee costs

Employee costs are set out in the table below:

	For the year ended	
	31 December 2020	**31 December 2019**
Wages and salaries	150.988	143.795
Social security costs	36.568	36.675
Defined benefit plans	9.434	10.046
Defined contribution plans	11.166	11.003
Other benefits - emoluments	8.227	15.708
Total	**216.383**	**217.227**

Other employment benefits include medical insurance, catering and transportation expenses, as well as voluntary retirement scheme costs of €6,1 million for the year ended 31 December 2019.

25 Exploration and development expenses

Geological and geophysical costs are expensed as incurred and relate to the Company's exploration activities (Note 5 and 0).

(All amounts in Euro thousands unless otherwise stated)

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

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

		For the year ended	
	Note	**31 December 2020**	**31 December 2019**
Other operating income and other gains			
Income from grants	**32**	797	665
Services to third parties		5.493	5.242
Rental income		1.581	1.530
Insurance compensation		153	-
Gains on disposal of non-current assets		3.518	1.074
Reverse impairment charge on investments	**9**	13.261	-
Other		13.641	7.078
Total		**38.444**	**15.589**
Other operating expenses and other losses			
Covid-19 related expenses		(18.025)	-
Voluntary retirement scheme cost		-	(6.125)
Discounting of long-term receivables		(6.488)	(1.276)
Impairment of investments	**9**	(7.373)	(9.914)
Impairment of fixed assets	**6**	(211)	(1.255)
Other		(5.618)	(3.077)
Total		**(37.715)**	**(21.647)**

Other operating income / (expenses) and other gains / (losses), include amounts which do not relate to the trading activities of the Company (e.g. rental income and sales of personnel services to subsidiaries). Impairment of investments includes the impairment in Asprofos and Global Albania, while the reversal of impairment of investments relates to Elpedison (Note 9).

Covid-19 related expenses of €18,0 million comprise of €6,5 million payroll costs mainly related to required modifications in the working shifts in the refineries, €8,0 million donations to the health-care system, €2,4 million for protective measures in all Company's premises and €1,1 million for marketing, consulting services and other related expenses.

"Other" in other operating income and other gains includes credit notes from DEPA S.A., amounting to €7,3 million, following a court decision on its action against Botas Petroleum Pipeline Corporation (Note 33).

27 Finance income / (expense)

	As at	
	31 December 2020	**31 December 2019**
Interest income	9.727	10.510
Interest expense	(82.588)	(93.937)
Other finance costs	(20.136)	(21.863)
Lease finance cost	(1.388)	(967)
Finance costs - net	**(94.385)**	**(106.257)**

Finance costs amounting to €3,1 million (2019: €2,8 million) have been capitalised (Note 6).

(All amounts in Euro thousands unless otherwise stated)

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 US$). Foreign currency exchange losses of €1 million for the year ended 31 December 2019 mainly relate to unrealized losses arising from the valuation of borrowings denominated in foreign currency, which are partially offset by unrealized exchange gains arising from the valuation of bank accounts denominated in foreign currency (mostly US$).

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	-	(11.437)
Prior year tax	(1.800)	4.908
Deferred tax (Note 19)	178.177	(27.205)
Total	**176.377**	**(33.734)**

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**
Investment in equity instruments	(379)	91	(288)	666	(197)	469
Cash flow hedges	4.038	(969)	3.069	19.794	(5.403)	14.391
Actuarial gains/ (losses) on defined benefit pension plans	(8.304)	1.993	(6.311)	(12.448)	2.613	(9.835)
Other comprehensive income	**(4.645)**	**1.115**	**(3.530)**	**8.012**	**(2.987)**	**5.025**

The corporate income tax rate is 24% for 2020 (2019: 24%).

The deferred tax credit within income taxes mainly relates to tax losses arising in the year ended 31 December 2020 and carried forward, amounting to €132 million 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 €20 million as at 31 December 2020 (31 December 2019: nil), which can be offset against future taxable profits without any time constraints (Note 19).

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

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, 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.

The Company has received unqualified Tax Compliance Reports, for fiscal years up to 2019 (inclusive). Management expects that the same will also apply for the year ended 31 December 2020.

Audits by Tax Authorities

The Company has undergone full tax audits for the financial years ended 31 December 2014.

Notwithstanding the possibility of future tax audits, 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 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 Company, relating to uncertain tax positions (as explained in Notes 2.19, 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 Company received returns of tax advances amounting to €56 million.

Numerical reconciliation of income tax expense to prima facie tax payable:

	For the year ended	
	31 December 2020	**31 December 2019**
Profit before Tax	**(515.141)**	**350.093**
Tax calculated at corporation tax rate 24% (2019: 24%)	123.634	(84.022)
Tax on income not subject to tax	12.368	46.900
Tax on expenses not deductible for tax purposes	(4.878)	(7.521)
Adjustments to deferred tax due to changes in tax rate	-	5.055
Adjustments for tax of prior periods	(1.800)	4.908
Non-deductible tax on distribution of DESFA shares by DEPA	46.556	-
Other movements	497	946
Tax (Charge) / Credit	**176.377**	**(33.734)**
Effective tax rate	***-31,1%***	***21,8%***

30 Earnings/(Losses) per share

Basic earnings/(losses) per share are calculated by dividing the net profit/(loss) 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. As of 31 December 2020 and 2019, all share options have either been exercised or lapsed and there are no treasury shares. Diluted earnings/(losses) per ordinary share equal basic earnings/(losses) per share.

	As at	
	31 December 2020	**31 December 2019**
Earnings/(Losses) per share attributable to the Company Shareholders (expressed in Euro per share):	**(1,11)**	**1,04**
Net income/(loss) attributable to ordinary shares (Euro in thousands)	(338.764)	316.359
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 Company'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.

(All amounts in Euro thousands unless otherwise stated)

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 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 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		**(515.141)**	**350.093**
Adjustments for:			
Depreciation and impairment of property, plant & equipment and right of use assets	**6,7**	161.976	151.655
Amortisation and impairment of intangible assets	**8**	5.872	4.764
Amortisation of grants	**26**	(797)	(665)
Financial expenses/(income) - net	**27**	94.385	106.257
Provisions for expenses and valuation changes		119.937	43.972
Amortisation of long-term contracts costs	**26**	6.488	1.276
(Gains)/Losses on disposal of non-current assets		(3.518)	(1.074)
Foreign exchange (gains)/losses	**28**	(4.988)	910
Dividend income		(51.533)	(195.416)
		(187.319)	**461.772**
Changes in working capital			
(Increase) / Decrease in inventories		298.461	(8.578)
(Increase) / Decrease in trade and other receivables		178.198	(10.595)
Increase / (Decrease) in trade and other payables		22.769	17.211
		499.428	**(1.962)**
Net cash generated from operating activities		**312.109**	**459.810**

33 Contingencies and litigation

The Company 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:

<u>Business Issues</u>

(i) *Unresolved legal claims*

The Company 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 Company's operating results or financial position and that no additional provisions, over and above provisions already reflected in the financial statements, are required.

During the current and preceding year, 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 Company within the boundaries of each respective municipality. As at 31 December 2020, the total amounts imposed amount to €39,4 million (2019: €30,3 million). In order to appeal against these, and in accordance with legislation, the Company has paid an amount of €14 million (2019: €14 million) which is included in other receivables in the financial statements. During the year ended 31 December 2020, the Municipality of Aspropyrgos communicated a new duty/fine for the year 2019, amounting to €3,1 million.

The Company has exercised all available legal recourse relating to these cases and Management have assessed that it is most probable that the outcome of all appeals will be favourable.

During the year ended 31 December 2020, the Company received credit notes 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. Management believes that the likelihood of such an event is less than probable and therefore has not raised a respective provision.

(ii) *Guarantees*

The 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 (31 December 2019: €912).

Taxation and customs

The tax framework and practices in Greece, which determine the tax base for the Company's transactions, entail in inherent uncertainties, due to its complexity and it being subject to changes and alternative interpretation by relevant authorities at different points in time and across different entities. As a result, there may be types of expenses or treatments for which a company may be assessed on a different basis than the one adopted during the 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 that adopted by the Company, the process for resolving the issue is usually through a court of law proceeding, which has many stages and can take a considerable number of years to reach its final and irrevocable ruling. For an entity to engage in this process, a minimum down payment of 50% of the total tax and surcharges assessed is required.

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

(i) *Open tax years – litigation tax cases:*

As disclosed in Note 29, tax audits have been completed by the Tax Authorities up to and including the financial year ended 31 December 2014. The Tax audit reports for years ended 31 December 2010 and 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 Company's 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 'Income tax receivable' if they relate to income tax, or in 'Trade and other receivables' 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.

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.

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 recognised in the 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, 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 Company obtained unqualified “Annual Tax Compliance Reports” from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013.

(ii) *Assessments of customs, duties and fines*

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 to €3,5 million, was heard at first instance, was dismissed and the Company has appealed to the Supreme Administrative Court against the decision, whereby the hearing is set for 9 June 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 and the relevant decision is pending.

The Company considers that the above amounts will be recovered.

34 Commitments

(a) Capital commitments

Significant contractual commitments amount to €41 million as at 31 December 2020 (31 December 2019: €34 million), which mainly relate to improvements in refining assets.

(b) Letters of Credit

The Company is 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 Company is not liable to settle the letter of credit and hence no such liability exists as at the year end.

(c) 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 two options (put and call) 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 Company and related parties. Such transactions are mainly comprised of sales and purchases of goods and services in the ordinary course of business.

	For the year ended	
	31 December 2020	**31 December 2019**
Sales of goods and services to related parties		
Group entities	1.565.689	2.871.274
Associates	984.367	397.245
Joint ventures	698	662
Total	**2.550.754**	**3.269.181**
Purchases of goods and services from related parties		
Group entities	43.643	54.908
Associates	747.755	454.389
Joint ventures	47.536	35.622
Total	**838.934**	**544.919**

Other operating income/(expenses) & other gains/(losses)-net for 2020 include income from subsidiaries, amounting to €4,3 million (2019: €4,5 million).

The statement of financial position includes balances, which derive from sales / purchases of goods and services in the ordinary course of business.

	As at	
	31 December 2020	**31 December 2019**
Balances due to related parties		
Group entities	23.086	14.469
Associates	8.049	8.732
Joint ventures	17.301	0
Total	**48.436**	**23.201**
Balances due from related parties		
Group entities	101.433	247.232
Associates	48.286	14.283
Joint ventures	394	256
Total	**150.113**	**261.771**

Transactions have been carried out with the following related parties:

a) Hellenic Petroleum Group companies. Interests in subsidiaries are set out in Note 9.

b) 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. (previously Public Gas Corporation of Greece S.A.)

(All amounts in Euro thousands unless otherwise stated)

- DEPA Infrastructure S.A.
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A.
- D.M.E.P. HOLDCO

The Company 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 €102 million (31 December 2019: €105 million)

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

- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Hellenic Distribution Network Operator SA (HEDNO)
- Hellenic Gas Transmission System Operator S.A. (DESFA)

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 €111 million (2019: €126 million);
- Purchases of goods and services amounted to €49 million (2019: €68 million);
- Receivable balances of €8 million (31 December 2019: €27 million); and
- Payable balances of €16 million (31 December 2019: €16 million).

d) 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 amounted as follows:

	For the year ended	
	31 December 2020	**31 December 2019**
Short-term employee benefits	4.576	4.615
Post-employment benefits	149	135
Termination benefits	-	1.633
Total	**4.725**	**6.383**

e) The Company has extended loans to its subsidiaries (Notes 10 and 12). The outstanding balance of these loans as at 31 December 2020 was €104 million (31 December 2019: €141 million). Interest income for the year was €5 million (2019: €7 million). All loans are at variable interest rates. The average interest rate on inter-company loans due was 3,64% (2019: 4,65%).

The Company has also received loans from its subsidiaries. The outstanding balance of these loans as at 31 December 2020 was €620 million (31 December 2019: €690 million). Interest expense for the year was €23 million (2019: €36 million). All loans are at variable interest rates. The average interest rate on inter-company loans was 4,05% (2019: 4,87%).

36 Events after the end of the reporting period

Other than the events already disclosed in Note 9, no other significant events took place after the end of the reporting period and up to the date of the publication of the financial statements.

2. Board of Directors' Consolidated Annual Report for 2020

Index

Annual Report of the Board of Directors of HELLENIC PETROLEUM SA on the Consolidated and Parent Company Financial Statements for the Financial Year from January 1st to December 31st, 2020

Introduction

Dear Shareholders,

This Board of Directors' report covers the twelve-month period ending 31.12.2020. The report has been prepared in accordance with the relevant provisions of Law 4548/2018, articles 150-154, Law 3556/2007, article 4, and decision 8/754/14.4.2016 of the Hellenic Capital Markets Commission. The Consolidated and Parent Company Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

This report includes a summary of the financial position and results of the Group (HELLENIC PETROLEUM) and the parent company HELLENIC PETROLEUM SA, description of significant events that took place during the current financial year, a description of anticipated significant risks and uncertainties for the following financial year, a disclosure of material transactions that took place between the Company and the Group and their related parties, presentation of qualitative information and estimates relating to the development of operations of the Company and the Group for the following financial year, as well as presentation of the most significant non-financial information that have an impact on the Company.

A. The Company and the Group

The Group is comprised of 68 companies, including the Parent Company, which is listed on the Athens and London Stock Exchanges (through GDRs). The list of subsidiaries and associate companies, the nature of their business, the percentage of ownership and consolidation method for each one of them, are included in an Appendix to this report. The present legal form of the Group is the result of the initial merger that took place in 1998 when the parent company was initially listed, as well as subsequent corporate transactions (acquisitions and mergers).

The Group has a business structure in place for the management and monitoring of its activities. Specifically, all Group activities are categorized in the following key segments (Strategic Business Units) as below:

- Refining, Supply and Trading
- Marketing (Domestic and International)
- Production and Trading of Petrochemicals
- Exploration and Production of Hydrocarbons
- Electricity Generation (from conventional and renewable energy sources) & Trading and Natural Gas

The Group is also involved in other activities, which, despite their strategic importance (e.g. Engineering Services), do not yet form a significant part of the Group's financial position.

A.1 HELLENIC PETROLEUM SA (Parent Company)

The Parent Company is listed on the Athens Exchange, while its shares are also traded in the form of GDRs (Global Depository Receipts) on the London Stock Exchange and its bonds, issued by its subsidiary HPF plc, on the Luxemburg Stock Exchange. Its shareholder structure on 31.12.2020 was:

- Paneuropean Oil and Industrial Holdings SA: 46.99%
- Greek State: 35.48%
- Institutional and private investors: 17.53%

A.2 Main Group Activities

The main activities of the Group cover a wide spectrum of the energy sector, making HELLENIC PETROLEUM one of the most important energy groups in South-Eastern Europe.

Key points per activity are summarised below:

a) Refining, Supply and Trading

The Refining, Supply and Trading segment is the Group's core business and main source of revenues and profitability.

Activities in Greece

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.

Each refinery has distinct technical characteristics, as outlined in the table below, which determine their financial performance and profitability.

Refinery	Daily Refining Capacity (Kbpd)	Annual Refining Capacity (mil. MT)	Configuration Type	Nelson Complexity Index
Aspropyrgos	148	7.5	Cracking (FCC)	9.7
Elefsina	106	5.3	Hydrocracking	12
Thessaloniki	90	4.5	Hydroskimming	5.8

In 2020, the international refining environment deteriorated significantly due to the COVID-19 pandemic. From April 2020 onwards, there has been a sharp drop in demand both in domestic and international fuel market and a decline in international refining margins to negative levels, resulting in the most unfavorable conditions historically for the global refining industry. The prolonged low margin environment resulted to loss-making operations for many refineries worldwide, but also in the region, with some of them proceeding to temporary or permanent shutdown or conversion of activities. In terms of the domestic market, motor fuels demand has partially recovered from the 4Q20 lows, however, it remains significantly lower than 2019 levels, especially in the aviation and bunkering sectors.

In these particularly unfavorable conditions and despite the five-year Aspropyrgos refinery extended maintenance program, the Group's refineries maintained high levels of operation. Production came up at 13.8m MT, similar levels to 2019. Total sales were lower at 14.4m MT (-5.4%), due to the decline of the domestic market, with the drop being more pronounced in the aviation (-70%) and bunkering (-30.5%) sectors, while exports increased by 11%, maintaining the Group's position as one of the most export-oriented in the region.

Refineries' operation, in line with plan, led the middle distillates yield (jet, gasoil and diesel), to 50.2%, with gasoline yield to 20.3%. Overall, the production of high value-added products amounted to 83.2%, among the highest in the European refining industry, while fuel oil was limited to only 5.8%. It is worth highlighting that, 2020 was the first full year of the new marine fuels' specifications (IMO / MARPOL) production, as well as the first year of bioethers production in order to meet the needs of the domestic gasoline market.

Improved refining operation, inventory management, storage facilities utilisation as well as the materialisation of storage/contango trades, resulted to significant financial benefits, offsetting to some extent the negative impact of the adverse international environment, compared to 2019.

Crude Oil Supply

Crude oil supplies are controlled centrally and carried through term contracts and spot purchases.

Due to the COVID-19 pandemic and declining demand, OPEC++ agreed to an initial reduction of total oil production from May 1, 2020 by about 10 million bpd, which was adjusted in the following months. These decisions, combined with ongoing US sanctions on Iran and Venezuela and developments in Libya, had a significant impact on global supply. As a result, HELLENIC PETROLEUM adjusted its crude mix, reflecting the attractiveness of certain crude types vs others, while, due to the new marine fuel regulation (IMO) which entered into force at the beginning of 2020, part of the supply mix was changed accordingly. As a result, the main sources of crude supply in 2020 were Russia (27%), Kazakhstan (22%), Iraq (12%) and Algeria (12%), followed by Saudi Arabia (9%), Azerbaijan (7%), Egypt (6%) and the USA (4%).

The ability to access and the flexibility of the Group's refineries to process a wide range of crude oil types constitute one of its main competitive advantages, proved to be particularly important, both as a profitability contributor, as well as the ability of the company to respond to sharp supply shortages of specific types of crude oil, thus ensuring the uninterrupted supply of the markets where the Group operates.

Refinery Sales (Wholesale Trading)

HELLENIC PETROLEUM S.A. is engaged in ex-refinery sales of petroleum products to marketing companies in Greece, including its subsidiary, EKO ABEE, as well as to other specialty customers, such as the country's armed forces, while 50% to 60% of the production is exported. All of the Group's refinery products comply with the European standards (Euro VI).

International Activities

Group's international refining activities refer to the OKTA facility, which is located in Skopje and is connected to Thessaloniki refinery through a pipeline, with the ability to transport high value-added products (e.g. diesel). OKTA's location is one of its significant competitive advantages for the domestic distribution of products through marketing companies as well as for exports to neighbouring Balkan markets. OKTA's sales in 2020 amounted to 168 thousand tons, a decrease of 21% compared to 2019.

b) Production and Trading of Petrochemicals/Chemicals

Petrochemicals activities mainly focus on the production and marketing of polypropylene, BOPP film and solvents, as well as the trading of imported plastics and chemicals.

Based on its financial contribution, the propylene-polypropylene-BOPP value chain represents the main activity for petrochemicals. The polypropylene production plant in Thessaloniki sources propylene mainly from the Aspropyrgos refinery. Part of the polypropylene output is used as raw material in the BOPP film production unit in Komotini.

72% of sales volumes are directed to the markets of Turkey, Italy, the Balkans and the Iberian Peninsula for use as raw materials in local manufacturing.

c) Marketing

Marketing business is split into Domestic activities, through Greek subsidiary EKO ABEE and International activities.

Domestic Marketing

In Greece, the Group, through its subsidiary EKO ABEE, is active in the distribution and marketing of fuels through its EKO and BP brands, supplying a total of 1,703 service stations, 232 of which are company-operated.

EKO ABEE offers the most wide-ranging fuels supply network in the country comprising 15 fuel storage and distribution facilities, 24 aircraft refueling stations in the major Greek airports, 2 LPG bottling plants and 1 lubricants production and packing site.

The COVID-19 pandemic had a major impact to the domestic fuels' consumption. The traffic restrictions imposed combined with the significant decrease in tourism resulted in a drop of gasoline consumption by 17% compared to 2019, while auto diesel demand was 9% lower. Aviation fuels consumption dropped by 67% while the decrease of coastal shipping routes and the loss of cruise traffic resulted in a 33% decrease of marine fuels.

Despite the unprecedented circumstances, EKO maintained the safe and continuous operation of its facilities and supply of all market segments. EKO and BP market shares remained high for most products, sustaining the Company's leading position in retail, industrial fuels, aviation as well as bunkering.

The Group has agreed with BP plc to extend the exclusive use of the BP trademarks for ground fuels in Greece until the end of 2025.

International Marketing

The Group international business operates through its subsidiaries in Cyprus, Bulgaria, Serbia, Montenegro and the Republic of North Macedonia. The petrol stations' network consists of 315 petrol stations, including 27 petrol stations that bear the brand name of OKTA, a Group subsidiary in the Republic of North Macedonia. In Cyprus and Montenegro, the local subsidiaries (from the acquisition of pre-existing companies), hold leading positions in their markets. In Bulgaria and Serbia, where activities began greenfield, the Group's subsidiaries, are currently among the five largest in their sector.

d) Exploration and Production of Hydrocarbons

HELPE Group exploration and production activities are focused in Greece with a promising portfolio of assets:

- HELLENIC PETROLEUM has a 25% working interest in the Sea of Thrace concession, North Aegean; covering a total area of 1,600 sq. km.
- The Group has a 50% working interest, as Operator, through HELPE Patraikos in a Joint Venture with EDISON International E&P S.p.A. (50%) in the offshore block of 'Patraikos Gulf (West)', covering an area of 1,419 sq. km. In December 2020, the acquisition of EDISON E&P (parent company of EDISON International E&P S.p.A.,) by Energean Capital Ltd. was completed.
- The Group, has exclusive rights of hydrocarbons exploration and production (100%, Operator), through its subsidiaries HELPE Arta-Preveza and HELPE N.W. Peloponnisos, in the onshore blocks of 'Arta-Preveza' and 'N.W. Peloponnese', covering an area of 4,762.90 and 3,778.30 sq. km, respectively.
- The Group has a 25% working interest, through HELPE West Kerkyra, in a Joint Venture with TOTAL (50%, Operator) and EDISON International E&P S.p.A. (25%) in the offshore block of Ionian Sea 'Block 2', covering an area of 2,422.10 sq. km. In December 2020, the transfer of rights of TOTAL 50% working interest to Energean Hellas Ltd., including operatorship were completed. Currently, HELPE West Kerkyra participates in 'Block 2' with 25% working interest in Joint Venture with Energean Hellas Ltd (Operator, 50%) and EDISON International E&P S.p.A. (25%).
- The Group was awarded rights of hydrocarbons exploration and production (100%, Operator), through HELPE Kyparissiakos Gulf, in the offshore block of Kyparissiakos Gulf 'Block 10', covering an area of 3,420.60 sq. km.
- The Group has a 50% working interest, through HELPE Ionian, in a Joint Venture with REPSOL (50%, Operator), in the offshore block 'Ionian' covering an area of 6,671.13 sq. km.
- The Group has a 20% working interest, through HELPE West Crete and HELPE South West Crete, in a Joint Venture with TOTAL (40%, Operator) and ExxonMobil (40%), in the offshore blocks 'West Crete' and 'South West Crete', covering areas of 20,058.40 and 19,868.37 sq. km, respectively.

- HELLENIC PETROLEUM has submitted the sole offer for the offshore 'Block 1', north of Corfu Island and is expecting the outcome of the process.

e) Electric Power and Natural Gas

Power Generation and Trading

The Group is active in the generation, trading and supply of power in Greece through its participation (50%) in the JV Elpedison B.V.. The remaining 50% is held by EDISON International.

ELPEDISON S.A. is currently the second largest independent power producer in Greece with a total installed capacity of 810 MW (comprising a 390 MW plant in Thessaloniki, since 2005 and a 420 MW plant in Thisvi, since 2010). In addition, RAE has granted ELPEDISON S.A. with a power generation permit for a new combined cycle gas fired plant at Thessaloniki, with a nominal capacity of 826 MW.

Natural Gas

The Group is active in the natural gas sector through its participation in the companies that emerged from DEPA's corporate transformation (35% HELLENIC PETROLEUM SA, 65% Hellenic Republic Asset Development Fund -HRDAF-). The activities include: a) the supply of Natural Gas in Greece (through long-term contracts as well as spot cargoes of LNG), b) the supply of Natural Gas to large scale customers (power generation plants, industries and supply companies), c) natural gas supply through EPA Attiki to small and medium scale consumers and d) the distribution of medium and low-pressure gas through DEPA INFRASTRUCTURE, as well as in international gas transportation projects through DEPA INTERNATIONAL PROJECTS S.A..

Corporate transformation of DEPA Group

In the context of the implementation of Law 4643/2019 and the transformation process of the DEPA Group, DEPA proceeded with the partial spinoff of the infrastructure sector and transferred it to a new company established for this purpose on 30.04.2020, under the name "DEPA INFRASTRUCTURE S.A." The shares of DEPA INFRASTRUCTURE S.A. were delivered directly to the shareholders of DEPA S.A. (HRADF and HELPE) in proportion to their shareholding in DEPA S.A., i.e. 65% in HRADF and 35% in HELPE. DEPA INFRASTRUCTURE S.A. includes, among others, the participations of DEPA S.A. to the companies "ATTICA GAS DISTRIBUTION COMPANY S.A." (100%), "GAS DISTRIBUTION COMPANY OF THESSALONIKI THESSALY S.A." (51%) and "PUBLIC ENTERPRISE OF GAS DISTRIBUTION NETWORKS S.A." (100%).

In addition, the demerger of the international projects sector of DEPA S.A. took place and was transferred to a new company founded on 11.05.2020, under the name "DEPA INTERNATIONAL PROJECTS S.A." whose shares were delivered to DEPA S.A. and subsequently on 19 January 2021, directly to the shareholders of DEPA S.A. (HRADF and HELPE), in proportion to their shareholding in DEPA S.A., i.e. 65% in HRADF and 35% in HELPE.

After the completion of the partial spinoff and demerger as described above, on 20.05.2020 DEPA was renamed "DEPA COMMERCIAL S.A." which, together with its subsidiary "Attica Gas Supply Company – Hellenic Energy Company" ("EPA") carries out all commercial (wholesale and retail) activities.

DEPA INFRASTRUCTURE Privatization Process

In December 2019, HRADF S.A. invited interested parties to submit expressions of interest for their participation in the international competition process for the acquisition of 100% of the share capital of the company "DEPA INFRASTRUCTURE S.A."

At the same time, HELLENIC PETROLEUM S.A. has concluded a Memorandum of Understanding with HRADF S.A. for the joint sale of 100% of DEPA S.A.

In June 2020, the first phase of the selection of prospective investors was completed, with six (6) investment schemes qualifying to participate in the next phase of the competition.

The above pre-selected investment schemes have entered the second phase of the competition (submission of Binding Offers) and have gained access to the Virtual Data Room (VDR), where financial data and other information about DEPA Infrastructure S.A have been posted and are being updated periodically. Prospective investors are currently in the process of performing a Due Diligence of the Company and Binding Offers are scheduled to be submitted in March 2021, according to the tender timetable.

DEPA COMMERCIAL Privatization Process

In January 2020, HELLENIC PETROLEUM S.A signed a Memorandum of Understanding (MoU) with the "Hellenic Republic Asset Development Fund S.A.", regarding HELPE's participation in the international tender process to be run by the HRADF for the sale of the Fund's stake (65%) in DEPA Commercial S.A.

The MoU provides that:

- HELPE will participate in the above-mentioned tender process, as an interested party for the acquisition of 65% of DEPA Commercial S.A. that it does not currently own.
- In the event that HELPE is not the Preferred Bidder, the granting of a call option to the Preferred Bidder and a put option to HELPE with respect to its 35% stake, that will ensure the full acquisition of DEPA Commercial S.A. by the Preferred Bidder and HELPE's exit from the current qualified minority participation in DEPA Commercial S.A..

In January 2020, at the invitation of TAPED S.A., interested parties submitted expressions of interest for their participation in the international tender for the acquisition of 100% of the share capital of the company "DEPA COMMERCIAL S.A.". With the completion of the first pre-selection phase in June 2020, seven (7) investment schemes qualified to participate in the next phase of the competition. HELLENIC PETROLEUM S.A. is among the qualified investors, in a joint venture with EDISON S.A..

The above investment schemes, during the 2nd phase of the competition (submission of Binding Offers) have gained access to the Virtual Data Room (VDR) and are currently in the process of performing a Due Diligence of the Company. Binding Offers are scheduled to be submitted in March 2021, according to the tender timetable.

f) Renewable Energy Sources (R.E.S.)

HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES S.A. (HELPE Renewables) was founded in 2006 and is a fully owned subsidiary. HELPE Renewables plans to develop significant renewable capacity in the next few years, leading to a diversification in the Group's energy portfolio and contributing to balancing its greenhouse gas emissions, with a plan to reach 600 MW of installed capacity until 2024

The following projects are in operation:

- 7 PV parks located on property owned by the Group with a total nominal capacity of 19 MW. These include 4 P/V projects with a total capacity of 17.6 MW from the first tender process organized by RAE (2016).
- A wind farm with a capacity of 7 MW in Pylos in Messinia.
- 14 PV with net-metering systems totaling approximately 192 KW, installed at EKO and BP fuel stations.

More than 1.3 GW of projects, mainly PV and wind, are currently at various stages of development, including the Kozani PV project.

HELPE Renewables follows the Group's Health, Safety and Environment procedures with regards to compliance, reporting, risk and accidents prevention and management, both during the construction phase as well as operation. An S&E engineer is appointed for each new project with the responsibility to monitor relevant issues, supervise works and the S&E licensing stage, validity term and potential renewals.

B. Major Events of Financial Year 2020

B.1 Business Environment

a) Global Economy[1]

2020 was defined by the COVID-19 pandemic, as it disrupted international economic activity, with the growth rate of the global economy slowing to the lowest levels post-end WW2 crisis estimated at -4.3% compared to last year (2.3% in 2019), amid weakening activity in the services, transport and investment. GDP in advanced economies declined by -5.4% from 1.6% and in emerging economies from 3.6% in 2019 to -2.6% in 2020.

In the Euro Area, economic activity deteriorated significantly. GDP contracted unprecedentedly by an estimated -7.4%, compared to 1.3% growth in 2019 and 1.9% in 2018. Several services sectors vital to the area's economy—tourism in particular—remain depressed and are unlikely to recover until effective management of the pandemic. Despite a worsening pandemic, manufacturing has continued to recover, supported by strengthening international demand. Additionally, the recently announced Brexit deal between the United Kingdom and the European Union is likely to contribute to a further decline in trade uncertainty.

In the U.S., one of the countries with the highest number of COVID-19 cases and deaths, economic activity is estimated to have contracted by 3.6% in 2020, versus 2.2% last year. Policy uncertainty has weighed on investment and confidence; also the lingering trade disputes with China affected exports. Substantial fiscal support to household incomes—far exceeding similar measures during the previous global financial crises-, contributed to an initial rebound in the 3Q20, which subsequently subsided due to a broad resurgence of the pandemic.

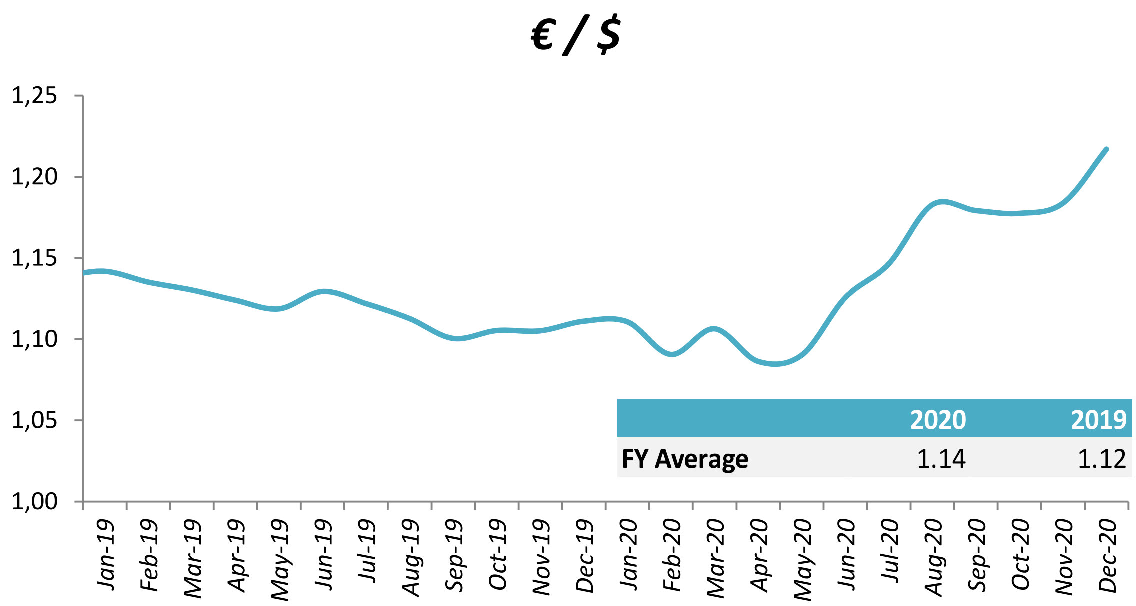
With regard to emerging economies, growth in China, from which the pandemic COVID-19 begun at the end of 2019, although it decelerated to an estimated 2.0% in 2020 (vs 6.1% in 2019) —the slowest pace since 1976- helped by effective control of the pandemic and public investment-led stimulus. The recovery has been solid but uneven, with consumer services and lagged rebound in exports, trailing industrial production. In Turkey, economy avoided a contraction in 2020, with activity growing an estimated 0.5% in 2020 vs 0.9% in 2019, amid a substantial expansion in credit, devaluation of lira, weak international tourism and tight monetary policy.

b) Financial Indicators

In 2020, EUR / USD exchange rate was on average 1.14 versus 1.12 in 2019. Uncertainty from the COVID-19 pandemic crisis increased volatility in currency markets. The main drivers of Euro strengthening were the monetary and fiscal policy in the US and the Eurozone.

[1] *Source: World Bank, World Economic Outlook Update, January 2021*

€/$ Exchange rate



	2020	2019
FY Average	1.14	1.12

c) Petroleum Industry[2,3,4]

World oil demand is estimated to have contracted by 9.8 mbd y-o-y in 2020, taking global demand to 90.0 mbd. In 2021, world oil demand is forecast to increase by 5.9 mbd, to total 95.9 mbd, mainly from non-OECD countries. Demand in Europe declined by 1.95 mbd and in North America declined by 2.25 mbd, affected in both regions by the COVID-19 pandemic with decline in ground and aviation fuels and economic activity slowdown. Demand in Asian OECD was lower by 0.74 mbd affected by significant y-o-y declines, especially jet kerosene and light distillates.

Global oil supply in 2020 declined by 6.4 mbd compared to 2019. OPEC crude oil production in 2020 declined by 3.7 mbd compared to a year earlier, the lowest annual average for OPEC since 2002. Non-OPEC supply decline by 2.7 mbd, with more than 90% of this decline come from the three largest non-OPEC producers: the US, Russia, and Canada.

The OPEC+ production cuts in April 2020 (extended in June), along with record oil supply disruption levels, reversed the inventory builds that resulted from the historic demand declines during the 2Q20. OPEC members' high degree of compliance to the production cut agreement contributed to the falling inventories. On January 5, 2021, OPEC+ announced modest production increases from Russia and Kazakhstan in February and March (totaling 75 tbd per month). Saudi Arabia announced that it would voluntarily cut production by an additional 1.0 mbd during February and March, resulting in lower overall OPEC+ forecast production in the 1Q21.

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[2] *Source: OPEC, "Monthly Oil Market Report", January 2021*

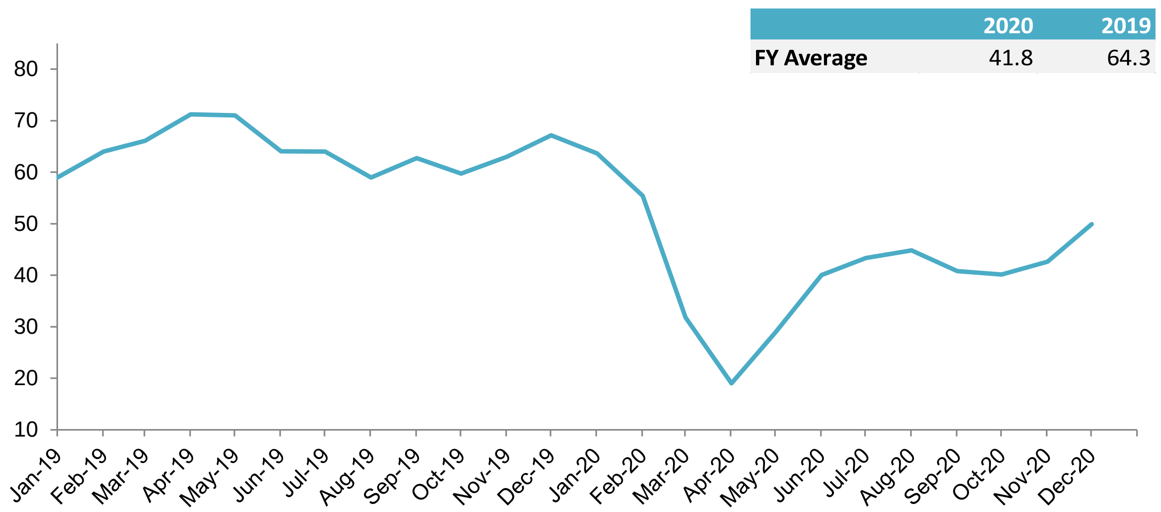
[3] *EIA, Short-Term Energy Outlook, January 2021*

[4] *IEA, Oil Market Report: December 2020*

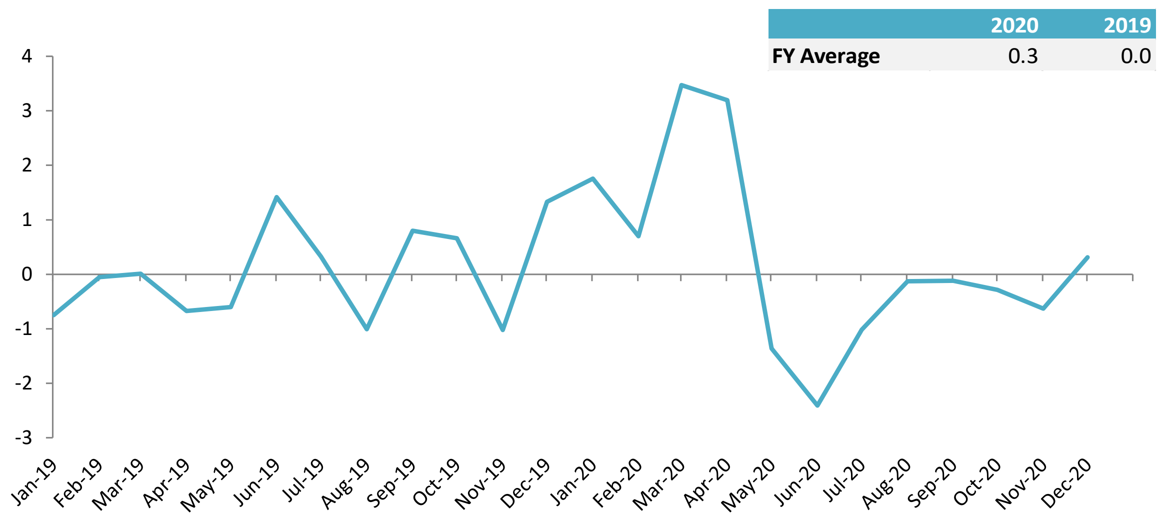
Brent crude oil averaged $41.8/bbl in 2020, down 35% vs 2019. The COVID-19 pandemic had a significant negative effect in oil prices with Brent prices reaching in mid-April $13/bbl. Despite the productions cuts, the lockdown-induced economic recession has resulted in the sharpest downturn in energy and oil demand in history, with oil markets plummeting and Brent halving as the crisis unfolded. The summer holiday period, along with the ease of lockdowns in the 3Q20 and optimism around the start of vaccination programmes in 4Q20, helped Brent prices rise over $50/bbl at the end of the year.

In terms of crude oil differentials, the Brent-WTI averaged $2.1/bbl in FY20, a sharp decline of 71% versus 2019 due to the pandemic implications and the decline in US supply. Brent-Urals spread in 2020 increased by $0.3/bbl, maintaining almost parity with Brent due the reduction in the supply of high sulfur crudes, in the context of production reduction by OPEC++ countries.

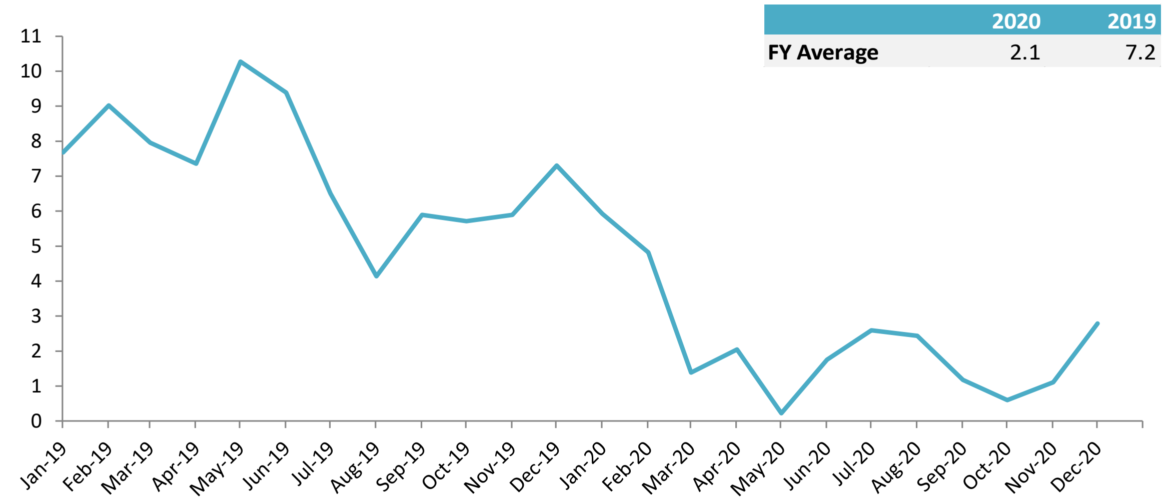
Brent Crude oil Prices ($/bbl)



Brent- Urals spread ($/ bbl)

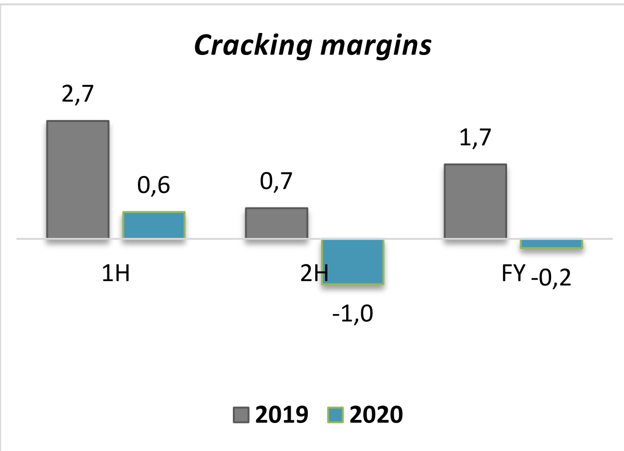


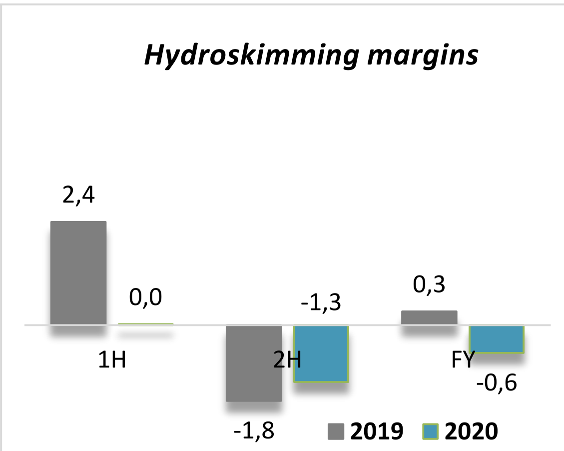
Brent- WTI spread ($/ bbl)



Benchmark refining margins

Benchmark margins for Mediterranean[5] refineries were significantly weaker in 2020, at the lowest levels for hydroskimming in the last 9 years and historical low for cracking. Key driver was the very weak product demand due to the COVID-19 pandemic. Med benchmark cracking margin averaged at $-0.2/bbl in 2020, $1.9/bbl lower y-o-y and Med Benchmark Hydroskimming margin $-0.6/bbl, reduced by $0.9/bbl compared to 2019. In 2H20 refining margins were at negative levels on the back of very low product cracks and Brent-Urals differential.





Oil product cracks ($/bbl)[6]

Gasoline and diesel cracks were lower vs 2019, while naphtha and HSFO increased. Gasoline crack at $3.9/bbl in 2020 ($7.1/bbl FY19) and diesel crack at $6.8/bbl in 2020 ($14.4/bbl FY19), both decreasing

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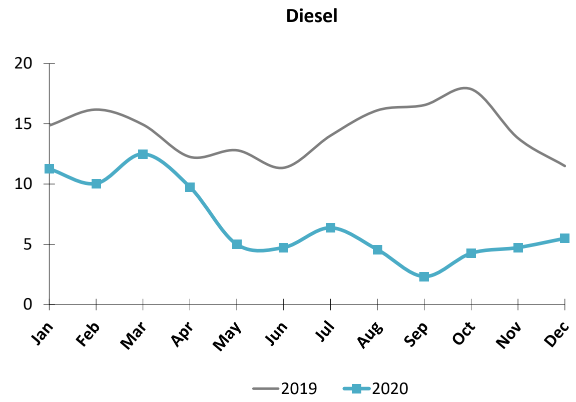
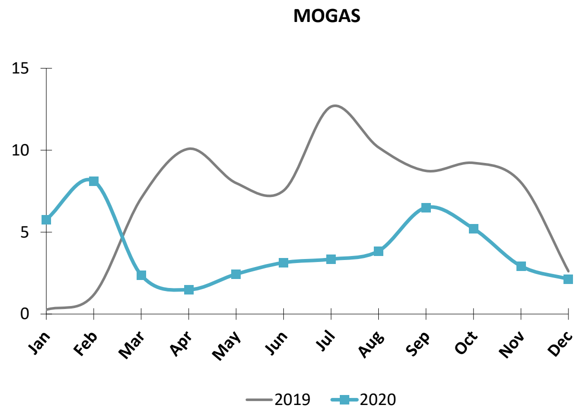
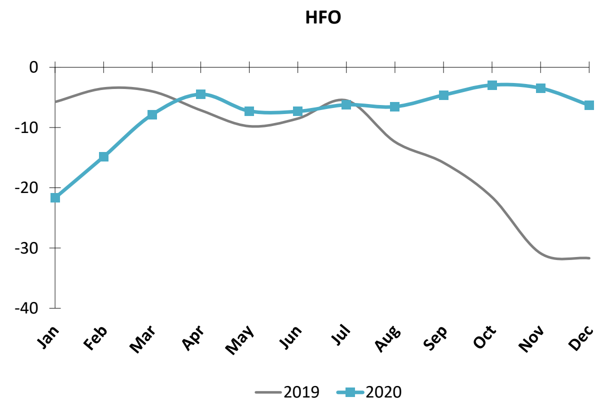
[5] *Πηγή: Reuters, January 2021*

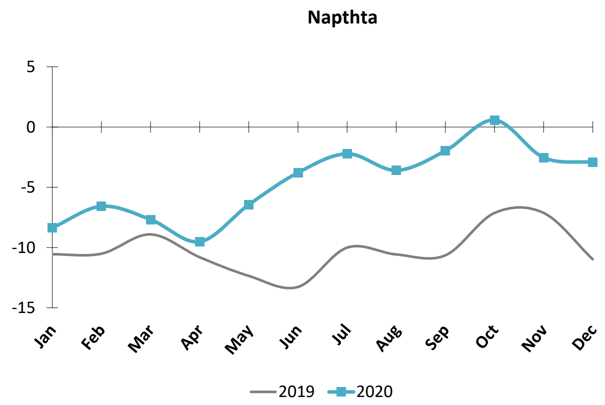
[6] *ING, A slow grind higher for refined products, December 2020*

sharply by 45% and 53% respectively. HSFO crack averaged at $-7.8/bbl in 2020 vs $-13/bbl in 2019 and naphtha averaged at $-4.6/bbl vs $-10.2/bbl in 2019. The key factor that drove naphtha's increase was its standing as feedstock of choice for the petrochemical industry. Regarding HSFO's strengthened performance, bunker fuel demand has not been as hardly hit as auto and jet fuel demand during the pandemic and the significant OPEC+ cuts tightened its supply further.









d) Greek Market[7][8][9][10]

2020 was mainly affected by the COVID-19, as it disrupted the economies at a global level and weighed heavily on many activities. In Greece, many businesses temporarily closed and tourist receipts dropped sharply, resulting in a sizeable output contraction as shown by an estimated -9.5% decline in GDP (vs 1.9% in 2019).

Greece's domestic consumer and services activity rebounded after restrictions were lifted in May and June. However, tourist arrivals were exceptionally weak through the summer season, due to uncertainty over the health situation and containment policies, in Greece and other countries. This has weighed heavily on demand, turnover, employment and exports. In the 3Q20, accommodation and food service sector turnover was 50% lower y-o-y. This has reduced domestic demand, contributing to notable

[7] *Source: IOBE, 3 Months Report on Greek Economy, Issue 4o/2020, January 2021*

[8] *OECD Economic Outlook, Volume 2020, January 2021*

[9] *EC, Economic forecast for Greece, https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/greece/economic-forecast-greece_en*

[10] *Bloomberg, Greek Bond Yields Fall to Record as Scars of Debt Crisis Fade, October 2020*

turnover drop in industry and wholesale and retail trade. Weak demand also weighed heavily on job creation, although support measures limited job losses.

The yield on Greece's benchmark bonds dropped to an all-time low, as support from the ECB and the EU mitigated investor concerns about Greek debt in the face of the coronavirus. Yields on the 10-year bonds fell as low as 0.88%, dropping below a previous low set in February, before the height of the pandemic crisis in Europe, since Greek debt has become eligible for ECB purchases.

Following the widespread resurgence of COVID-19 cases, since November 2020 Greece as the most Euro area countries have been re-imposing restrictions.

Domestic fuel demand in 2020 amounted to 6.3m MT, according to preliminary official data, a 7.9% decrease compared to 2019, being marginally higher than 2019 only in 2Q20 (+0.9%). Heating oil was the only product with a significant increase of 15.3% due to heavier weather conditions and the lockdown restrictions. Auto-fuels demand recorded a 13% decline, with diesel 9.4% and gasoline 16.7% lower, as a result of the mobility restrictions due to COVID-19 pandemic.

B.2 Business Developments

a) Financial highlights

Tables below present the main operational and financial Group indicators for 2020:

Operational Data	2020	2019
Refinery sales (in million metric tons)	14.4	15.2
Marketing sales (in million metric tons)	3.9	4.9
Refinery production (in million metric tons)	13.8	14.24
Group employees	3,544	3,606

Group Financial Data (in million €)	2020	2019
Net sales	5,782	8,857
Reported EBITDA[11]	-253	574
Inventory effect – Loss (gain)[11]	525	-24
One offs[11]	62	22
Adjusted EBITDA[11]	333	572
Reported net income (attributable to the owners of the Parent Company)	-397	164
Adjusted net income[11]	5	185

The Group's operating profitability in 2020 was negatively affected by the consequences of the COVID-19 pandemic, which had an adverse effect on economic activity in Greece and globally. The weak refining environment with the Med benchmark margins deteriorating significantly, the weak demand as well as reduced refining units availability due to the full turnaround at the Aspropyrgos refinery (the largest maintenance project in the history of the Group), led Adjusted EBITDA to €333 million (2019: €572 million). The effects of the above were partially offset by the increase in exports and by taking advantage of the Group's storage facilities through storage/contango trades.

The above, combined with the significantly high inventory valuation losses (€525 million losses against €24 million profits in 2019) due to crude price drop, led Reported EBITDA to -€253 million and Reported Net Income to -€397 million. Losses due to inventory valuation are also reflected in the company's balance sheet, affecting the amount of working capital and total assets, as well as Equity, while Net Debt increased.

[11] *The selected alternative performance measure indicators are listed in Chapter G*

As a result of lower availability, production at the Group's refineries was 3% lower at 13.8m MT, with a respective decline in sales at 5%, which came in at 14.4m MT.

In terms of Adjusted Net Income, (as it is defined in chapter G), the negative impact of the environment, was moderated by the decrease in financial expenses.

Balance Sheet / Cash Flow (in million €)	2020	2019
Total Assets	6,775	7,092
Total Equity	1,849	2,327
Capital Employed[11]	3,521	3,869
Net Debt[11]	1,672	1,543
Net Cash Flows (operating & investing cash flows)	172	268
Capital Investments	295	246
% of debt on capital employed - Debt Gearing	47%	40%

b) Share performance

In 2020, the ATHEX General Index fell by 11.75% vs 2019, mainly affected by the impact of the COVID-19 pandemic, with increased volatility, reflecting the financial performance of listed companies depending on economic activity sector. HELPE share price recorded a decrease of 38.43%, closing at €5.40 on 31.12.2020, with an annual average trading volume of 112 thousand and an average share price of €5.85 over the course of the year.

On 27th February 2020, the BoD, proposed to the AGM of 24th June 2020, the distribution of a €0.25/share final dividend, resulting in a total FY19 distribution of €0.5/share. Moreover, on Tuesday, 03.03.2020 the refund payment of a 5% withholding tax from the distribution of 2018 interim dividend started, following the reduction in the withholding tax rate from 15%, which was the applicable rate on 17.12.18 when the 2018 interim dividend was paid, to 10% according to the provisions of paragraph 1 of article 65 of law 4603/2019. On February 25, 2021, the Board of Directors proposed to the General Meeting the distribution of a final dividend of €0.10/share.

c) Key Developments

The key business developments were as follows:

- Successful management of the COVID-19 crisis, especially in terms of health and safety issues, as well as of the negative impact on the international environment that affected our core business, due to the large drop in demand. The main priorities were the health and safety of the staff and contractors in all the Group’s facilities, the continuous operation of the facilities and the uninterrupted supply of the markets, as well as ensuring liquidity, risk management and taking advantage of the opportunities that will arise.

- Successful completion of the full turnaround program of the Aspropyrgos Refinery, the largest in the history of the Group, despite the challenges.

- Production and sales maintained at high levels at 13.8 and 14.4 million MT respectively, with exports increasing by 11%.

- Taking advantage of storage facilities and market opportunities for the realisation of storage/contango trades with a financial benefit of $70 million.

- Acquisition and start of construction activities of a 204MW PV project in Kozani, which is an important step for the Group's strategy implementation for RES development.

- Additional €99.9 million bond (retap) issue, maturing October 2024, with a 2.42% coupon and participation of international institutional investors, including the EBRD. The proceeds of the issue will be used to finance the construction of the PV project in Kozani.

d) COVID-19 pandemic impact, measures and future planning

The main development since the beginning of 2020 has, without a doubt, been the COVID-19 pandemic, which has negatively impacted and continuous to affect the international economic activity, oil industry and the capital markets (see further analysis of the macroeconomic environment in section B1).

The decline in crude oil prices, the significant fall in refining margins as well as in demand from 2Q20, have affected the financial results of the Group, with the decline in comparable profitability and the high inventory valuation losses affecting respectively the financial results and the balance sheet as presented in section B2 (a) and the IFRS financial statements.

In this environment, HELPE Group's main priorities from the start of the pandemic, are the health safety of its staff and contractors in its facilities, the smooth operation and supply of the market, as well as ensuring liquidity, so that it can both successfully overcome the current situation and also update its strategy and planning, considering developments and changes in the business environment.

The Group also immediately responded to the outbreak of the pandemic COVID-19 and since the end of February has taken various initiatives, 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 uninterrupted supply of 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 with frequent revisions based on developments and instructions from the State, 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 (increase of its medical network, participation of an infectious disease specialist, psychological support line, regular publication of special newsletter).

- Conducting in total over 31,000 PCR (11,265) and rapid (20,499) tests on the Group's employees in 2020.

- Regular disinfection in all workplaces and appropriate disposal of personal protection equipment (PPE).

- Supporting the Greek society and the National Health System by implementing a donation program of €8 million.

In December 2020, the Group completed all the procedures for the certification "CoVid-Shield" by TÜV AUSTRIA Hellas, at Excellent level, for its industrial facilities and offices, in all the countries in which it operates.

In addition, throughout the network of EKO and BP gas stations, information has been sent about the unified Group Policy, regarding the implementation of recommendations and precautions for the protection of customers and staff of gas stations.

All Group companies have set up Crisis Management Committees and issued protection or emergency plans, following the provisions of the Group's unified Policy.

In order to prevent the transmission of COVID-19, preparedness exercises are carried out at the refineries, head offices and marketing and distribution facilities; furthermore individual protection measures are applied as well as stricter procedures for example during the contact of the port staff with the ship crews.

The evolution of the pandemic, in Greece and globally, affected the financial results and statements for 2020, with the effects expected to continue, at least in 2021. Within 2021, the demand for petroleum products in relation to 2020, is expected to recover globally and also in our country, with a positive impact on the Group's results. In each case, it is not possible to estimate the impact in the future as well as the course of the recovery, as it is defined by drivers that the Group cannot influence, such as: international oil prices, benchmark refining margins, euro/dollar exchange rate, domestic and regional demand, development and effectiveness of the vaccination program globally, the impact of the fiscal and monetary policy measures, etc.. The competitive asset base, logistics infrastructure, strong operating performance and adequate financial liquidity are competitive advantages that will support the Group in managing the crisis.

Information systems and COVID-19 management

The COVID-19 pandemic and the need for remote work triggered an increased demand of remote access to information systems in levels that were unprecedented for the Group. This challenge was successfully addressed by investing in technology in order to allow remote access to the systems and provide a seamless tele-working experience. In parallel, a number of initiatives were performed for strengthening IT infrastructure and communications, increasing user awareness in the areas of cyber security and optimal use of IT assets. The main measures performed are shown below:

- Implementation of Multifactor Authentication (MFA) in every aspect of remote access
- Installation of Encryption for all Laptops
- Implementation of Antimalware/Antispyware End Point Protection for all PCs and Laptops
- Continuous distribution of Security Awareness material and Remote Working Best Practices Quarterly Booklets
- Establishment of Security Awareness Platform for users to be informed about threats, risks and best practices of using IT assets

C. Review per Segment – Performance and Financial Position

The key developments and financial indicators for each of the Group main activities are:

a) Refining, Supply and Trading

Financial results and operational indicators:

Financial Results (€ million)	2020	2019
Sales	**4,893**	7,754
Adjusted EBITDA[11]	**187**	354
Operational Indicators		
Sales Volume (000s of MT)	**14,397**	15,216
FCC benchmark refining margin (Year average)	**$1.3/bbl**	$3.3/bbl.

Key points for Refining, Supply and Trading in 2020:

- Significant disruption in the global oil market due to the pandemic, with a c. 10% sharp drop in global demand, which led to the collapse of international crude oil prices below $20/bbl, having a gradual recovery from May and averaging at $42/bbl, the lowest levels in the last 16 years. The international crude oil and product prices had a negative impact on overall sales.
- Significant decline in refining margins to historic low levels, recording negative values periodically, even for complex refineries, as gasoline and diesel cracks reached historic lows, while the Brent-Urals differential was also at very tight levels. The historically low refining margins were the main factor that affected the segment's profitability.
- Safe and successful full turnaround at Aspropyrgos refinery despite the additional health and safety challenges due to the pandemic.
- Successful Aspropyrgos refinery operation for the production of IMO fuels as well as of the bioether production units, after the revamps completed in January 2020.

b) Petrochemicals

Financial Data and basic operational indicators:

Financial Results (€ million)	2020	2019
Sales	248	299
Adjusted EBITDA[11]	**61**	**93**
Operational Indicators		

Sales Volume (kMT) – Total	272	283
Polypropylene margin (€/ton)	387	427

Key points for Petrochemicals in 2020:

- In 2020, the impact of the pandemic COVID-19 negatively affected the global business environment as well as the benchmark petrochemical margins.
- Additionally, the planned maintenance shutdown of Aspropyrgos refinery and Thessaloniki polypropylene unit, negatively affected production volumes and profitability.
- The sustained vertical integration between the units, helped to maintain petrochemicals profitability at satisfactory levels, despite the weaker benchmark polypropylene margins.
- In a highly competitive and volatile environment, HELLENIC PETROLEUM managed to fully exploit its production units.

c) Marketing

Financial Results (€ million)	2020	2019
Sales	**1,986**	3,258
Adjusted EBITDA[11]	**97**	138
Operational Indicators		
Sales Volume (k mT) – Total	**3,944**	4,928
Sales Volume (k mT) – Greece	**2,996**	3,870
Fuel stations – Greece	**1,703**	1,722
Fuel stations – International	**288**	285

Key points for the Domestic Marketing activities in 2020:

- Launch of BP Super Unleaded 98-octane gasoline in BP petrol stations.
- Further increase of the share of differentiated fuels sales (98 & 100 octane gasolines, premium auto diesel) to the total petrol stations' automotive fuels sales.
- Significant increase in sales of heating gasoil.
- Emphasis on the development of company-operated petrol stations as well as the range of products and services provided through points of sale.
- Leading position in aviation and marine fuels was sustained.

Key points for the International Marketing activities in 2020:

- The significant decline in economic activity in combination with the mobility restriction measures in response to the COVID-19 pandemic led to a corresponding reduction in fuel demand in most of the Group's international subsidiaries. As a result, 2020 has been marked with a decline in profitability partly compensated by the overall reduction in operating expenses and the improved margins. Despite the adverse environment, the Group has managed to secure the continuous supply of fuels in the markets while continuing to a great extend its investment program.

- In Cyprus, the decrease in sales led to the decline in profitability despite the improvement in retail margins and the retail network growth. During 2020 the new fuels terminal in Vasiliko started commercial operation.

- In Bulgaria, the contraction in profitability due to the drop in retail sales has been partly compensated by the higher wholesale volumes.

- In Montenegro, the shortfall in volumes was more severe due to the reduced demand for aviation fuels and the anemic touristic season. Despite the mobility restrictions, the investments on the refurbishment of the existing petrol stations had been continued without significant delays.

- EKO Serbia's profitability has been marginally improved as the higher retail margins and the savings in operating expenses fully offset the effect coming from the drop in volumes and decrease in NFR revenues.

d) Exploration and Production of Hydrocarbons

In Patraikos Gulf (West) block, on December 11th 2020, the Lessor, following Operator's Application to HHRM, granted its consent for a fifteen month (15) extension of the Second Exploration Phase (till January 2nd 2023) for the fulfillment of the contractual obligations. In 2020, the Environmental Social Impact Assessment (ESIA) for the drilling of the well was submitted to the Competent Authorities. Environmental permitting is ongoing.

In the onshore area of 'Arta-Preveza', on August 5th 2020, the Lessee provided notice to the Lessor, for the suspension of the seismic acquisition campaign, due to the delayed environmental permitting (including the land permission by the municipalities).

In the onshore area of 'N.W. Peloponnese', geological and environmental studies are ongoing, as well as the required environmental permitting for the execution of the seismic campaign. Seismic preparations are also ongoing. On August 5th 2020, the Lessee applied for a twenty-month (20) extension of the current 1st Exploration Phase.

In the lease area of Kyparissiakos Gulf “Block 10” in 2020, environmental studies were prepared and submitted (Environmental Baseline Report and Environmental Action Plan). Environmental permitting prior to the seismic acquisition is ongoing.

In the offshore areas of ‘Block 2’ and ‘Ionian’ geological studies are ongoing, while the environmental studies were submitted to the Competent Authorities. Environmental permitting is ongoing.

In the offshore areas of ‘West Crete’ and ‘South West Crete’, the 1st Exploration Phase is in progress with geological studies to be ongoing. In addition, the environmental studies were submitted to the Competent Authorities and the environmental permitting is in progress.

e) Electric Power and Natural Gas operations

The Group's power and natural gas activities relate to the Group’s participations to ELPEDISON BV (50% HELLENIC PETROLEUM S.A., 50% EDISON) and DEPA S.A. (35% HELLENIC PETROLEUM S.A., 65% Hellenic Republic Asset Development Fund - HRADF) respectively. The contribution of Power and Gas activities to the financial results of HELLENIC PETROLEUM Group, according to the companies' provisional financial statements, amounted to €29m in 2020 vs €15m in 2019.

ELPEDISON S.A.'s results in 2020 were significantly improved compared the same period in 2019, as profitability margins in the electricity generation and retail sectors moved higher, despite a decrease in electricity demand due to the COVID-19 pandemic.

The most important driver that positively affected electricity production margins in 2020 was lower gas cost, which occurred due to supply optimisation. In addition, the higher cost of CO_2 allowances, favored the operation of natural gas-fueled power plants over lignite plants, enhancing their participation in the energy mix of the Greek System compared to 2019 (see chart "Greek Energy Mix").

In the retail power market, intense competition between alternative electricity providers continued into 2020. In this environment, the Company's market share increased, reaching about 4.65% (compared to 2019: 4.35%, Greek Energy Exchange) with an expansion of the customer base in Low and Medium Voltage (domestic and industrial customers).

ELPEDISON supplies approximately 300 thousand customers at the end of the year with sales of around 2,500 GWh, and thus, is included among the largest alternative electricity suppliers.

It is worth noting that during the 4Q20, after significant delays, the Target Model was launched in the Greek electricity market, creating the conditions for the correction of several chronic distortions and further strengthening of competition.

Finally, in 2020 ELPEDISON further improved its position in the liberalized natural gas supply market, expanding its customer base, mainly in the regions of Attica, Thessaloniki and Thessaly and thus, enhancing its commercial development as an integrated energy provider. The Company continued to import significant quantities of LNG through DESFA's terminal in Revythousa, part of which it channeled into the wholesale and retail markets.

In 2020, domestic consumption of Natural Gas increased by 10% compared to the same period last year (domestic consumption 2020 at 5.5 bcm), mainly due to increased demand from electricity producers and industrial consumers.

During the course of the year, the low cost of Liquefied Natural Gas (LNG), combined with the capacity upgrade at the Revithoussa LNG terminal, enabled alternative supply to large DEPA customers, such as electricity producers, leading to a reduction in DEPA's sales and market share. These events intensified competition in the Greek market and led to a decrease in DEPA Companies' contribution to HELLENIC PETROLEUM Group's Net Income, compared to 2019, which came in at €21m.

f) Renewable Energy Sources (RES)

On February 17, 2020, HELPE signed an agreement for the acquisition of a portfolio of photovoltaic projects at final permitting stage, in the area of Kozani, N. Greece from the German RES developer and contractor JUWI. The transaction was completed on October 1st, 2020, and the project's construction started in November 2020.

The project's total installed capacity is 204 MW, making it the largest RES plant both in Greece and in Southeast Europe as well as one of the largest PV plants in Europe. Its annual energy generation is estimated at around 350 GWh and is sufficient to power 75,000 homes with zero-emission energy, leading to a CO_2 emission avoidance of around 320,000 tons p.a..

The total investment will amount to €130m and will significantly benefit the economy, particularly in N. Greece: more than 35% of the equipment, materials and labor will come from Greece, while over 300 jobs will be created during the construction phase and dozens of direct and indirect jobs will be created during operation that will be mostly covered by local workforce. At the same time, the implementation of a Stakeholder Engagement Plan ensures the minimization of the impact on the local community.

Moreover, the construction of a PV project of 2MW, in Mandra, adjacent to the Elefsina refinery, is expected in 2021.

Finally, HELPE Renewables continues to assess investments in Net-metering at the Group's facilities, connected to the LV and MV networks.

D. Corporate Governance Statement

The present statement has been prepared in accordance with the provisions of articles 152 and 153 of L. 4548/2018; it is included in the Company's Annual Management Report for the 2020 fiscal period, as a special part thereof, and is available via the Company's website at: https://www.helpe.gr/investor-relations/corporate-governance/statement-of-corporate-governance/

The institutional framework governing the Company's operation and obligations is L. 4548/2018 on the reform of the law of sociétés anonymes and L. 3016/2002.

The Company's Articles of Association, as amended by the Extraordinary General Meeting of 20 December 2019 in order to be aligned with the provisions of L. 4548/2018, is available via the Company's website at: https://www.helpe.gr/investor-relations/corporate-governance/articles-of-association-data.

As a company the shares of which are traded on the Athens Stock Exchange, the Company has additional obligations in respect of the individual sections of governance, investors' and supervisory authorities' information, financial statements' publication, etc. The principal laws describing and imposing the additional obligations are the L. 3016/2002, L. 3556/2007, the L. 4374/2016, the Athens Stock Exchange Regulation, the provisions of article 44 of L. 4449/2017 (Audit Committee) as amended by article 74 of L.4706/2020 and currently in force, together with the letter no. 1508/17.7.2020 of the Hellenic Capital Market Commission and the decision no 5/204/14.11.2000 of the Board of Directors of the Hellenic Capital Market Commission, as in force. The L. 4706/2020 on "Corporate governance of sociétés anonymes, provisions for capital market modernisation, transposition of EU Parliament and Council Directive 2017/828 into Greek law, measures for the implementation of EU Regulation 2017/1131, and other provisions" will replace L. 3016/2002 on corporate governance as of 17.7.2021. Upon the enforcement of the new law, corporate governance's issues, which are basically self-regulated through soft law, the Code for Corporate Governance, shall be subject to mandatory rules without any deviation possibility.

The Company shall ensure the timely implementation of its corporate governance framework with the provisions of L. 4706/2020, as well as the decisions of the Hellenic Capital Market Commission already issued or expected to be issued by delegation of the law.

D.1 Corporate Governance Code

The Company has adopted the **Corporate Governance Code for Listed Companies of the Hellenic Corporate Governance Council (HCGC)** (or "Code"). This Code can be found on the HCGC's website, at the following e-address: https://www.athexgroup.gr/el/web/guest/esed-hellenic-cgc.

Apart from the HCGC's website, the Code is also available to all employees through the company intranet, as well as in hard copy through the Group Finance and Human Resources.

During 2020, the Company complied with the provisions of the above Code with the deviations mentioned below in paragraph D.2., while it intends to adopt appropriate policies and proposals to minimize existing deviations from the provisions of the Code.

In addition to the provisions of the Code, in the course of 2020, the Company complied with all relevant provisions of the Greek legislation.

D.2 Deviations from the Corporate Governance Code

On occasion, the Company may deviate from or not fully apply certain provisions of the Code (noted in *italics*).

- With regard to the size and composition of the Board of Directors (or "BoD"):
    - Based on the Company's shareholding composition, certain rules have been formulated in relation to the appointment and replacement of BoD members, which are explicitly mentioned in the Company's Articles of Association, also in accordance with the applicable provisions of Law 3429/2005. The "Greek State" appoints seven (7) members out of a total of thirteen (13) members of the BoD, as long as it holds, directly or indirectly, through the Hellenic Republic Asset Development Fund, at least 35% of the shares. The shareholder "Paneuropean Oil and Industrial Holdings SA" and its associated undertakings appoint two (2) members of the BoD, on precondition that they hold at least 16.654% of the total voting shares of the Company. It is obligatory for two (2) members of the BoD to be representatives of the employees, elected by them in the Company and two (2) members are representatives of the minority shareholders, elected by the Special General Meeting of the rest of the shareholders (i.e. of shareholders other than the Greek State and Paneuropean Oil and Industrial Holdings SA and/or undertakings associated to the latter) *A.II (2.3, 2.4 & 2.8).*

- With regard to electing candidate BoD members:
    - All rules for the appointment and replacement of BoD members, as described above, apply on the subject of electing candidate BoD members. The BoD term is set at five (5) years, extended until the end of the period within which the immediately next Annual General Meeting of shareholders must be held. A.*V (5.1, 5.2, 5.4, 5.5, 5.6, 5.7, 5.8).*

- With regard to the operation, in general, and evaluation of the BoD:
    - Apart from the evaluation of the BoD through its Activities Report submitted to the Annual General Meeting of shareholders, the BoD monitors and reconsiders the implementation of its decisions annually. It is expected that, as part of the necessary updating of the Company's corporate governance system in order to comply with the provisions of L 4706-2020, the evaluation of the BoD's performance will be assigned to an external consultant. *A.VII (7.1 & 7.2).*

- With regard to the level and structure of remuneration:
    - There is no specific operating regulation for the operation of the Remuneration & Succession Planning Committee of the BoD; this is governed by the operational rules regarding collective bodies (Invitation by its Chairman, Agenda, minutes recording, etc.). *C.I (1.6, 1.7, 1.8, 1.9).*

- With regard to the General Meeting of shareholders:

- Without prejudice to those stated above as regards the election of BoD members, the Company complies with all provisions of L. 4/2018 and respective provisions of the Code. *D.II (1.1).*

D.3 Corporate Governance Practices Exceeding Legal Requirements

In the context of implementing a structured and adequate system of corporate governance, the Company has applied specific practices of good corporate governance, some of which are on top of those provided by the applicable legislation.

Specifically, the Company applies the following additional corporate governance practices, all of which are related to the size, composition, responsibilities and overall operation of the BoD:

- Due to the nature and objective of the Company, the complexity of matters and the necessary legal support of the Group, which includes a number of operations and subsidiaries in Greece and abroad, and in order to assist it in its work, the BoD has established committees that comprise of its members, with advisory, supervisory or approving authorities. These committees are outlined below (a detailed reference to them shall be made at the end of this Statement, under paragraph "Other BoD Committees").

    I. Audit Committee
    II. Crude oil and Products Supply Committee
    III. Finance & Financial Planning Committee
    IV. Labour Issues Committee
    V. Remuneration & Succession Planning Committee

- In addition to the above committees of the BoD, committees with an advisory and coordinating role have been established and operate in the Company. They comprise of senior executives of the Company and their goal is to support the work of the Management. The principal such committees are the following:

    I. Group Executive Committee
    II. Manufacturing Activities Committee
    III. Domestic & International Fuels Marketing Committee
    IV. Oil Supply and Sales Committee
    V. Group Credit Committee
    VI. Investment Evaluation Committee
    VII. Electricity, Natural Gas & Renewable Energy Sources Committee
    VIII. Exploration and Production Committee

- The BoD has adopted provisions in the Company's Internal Operating Regulation on the prohibition of stock exchange transactions by the Chairman of the BoD, the CEO and other members of the BoD, for as long as they serve as either Chairman of the BoD or CEO of an associated company. The BoD has also adopted a Procedure of Monitoring and Disclosure of Significant Participations and Transactions on the Company's shares, as well as a procedure of Monitoring and Disclosing Transactions and Financial Activity with the Company's key clients and suppliers.

The Code of Conduct, which has been adopted since 2011, is expected to be revised during 2021, as part of the broader amendment of the corporate governance system in compliance with the provisions of Law 4705/2020.

Plurality Policy

Due to the manner of appointing and replacing BoD members, as stated in paragraph D2 above, it is not possible for the Company to apply a policy of plurality in the BoD.

D.4 Main Features of the System of Internal Controls and Risk Management in relation to the Financial Reporting Process

The System of Internal Controls and Risk Management of the Company in relation to the financial reporting process include controls and audit mechanisms at different levels within the Organization, that are described below:

a) Group Level Controls

Risk identification, assessment, measurement and management

The range, the size and the complexity of the activities of the Group requires a comprehensive system of methodical approach and risk management, which is applied by all Group's companies.

The prevention and management of the risks is a core part of the Group's strategy.

The identification and assessment of risks takes place mainly during the strategic planning and the annual preparation of the business plan. The benefits and opportunities are examined both in the context of the company's activities, but also in relation to the several and different stakeholders who may be affected.

The issues examined vary subject to market and industry conditions and include indicatively, political developments in the markets where the Group operates or procures significant quantities of crude oil, changes in technology, changes in the regulation, macro-economic indicators and the competitive environment.

Planning and Monitoring / Budget

Group performance is monitored through a detailed budget by operating sector and market. The budget shall be adjusted systematically to take into account the development of the Group's financials that depend greatly on external factors, such as the international refining environment, crude oil prices and the euro / dollar exchange rate. Management monitors the development of the Group's financial results through regularly issued reports, budget comparisons with the actual results, as well as through Management Team meetings.

Adequacy of the Internal Controls System

The Internal Control System consists of the policies, procedures and tasks which have been designed and implemented by the Management Team for the effective management of risks, achievement of business objectives, reliability of financial and administrative information and compliance with the laws and regulations.

The Group's Independent Internal Audit Department, by means of periodic assessments, ensures that the identification procedures and risk management applied by the Management are sufficient, that the Internal Control System operates effectively and that information provided to the BoD relative to the Internal Control System, is reliable and of good quality. Towards that direction, the last update of the organizational chart of Group's Internal Audit Department includes a separate function of quality assurance of audit activities through the compliance with related Standards.

The Internal Audit Department shall draw up short-term (annual) and long-term (three-year) rolling Audit Plan based on ad-hoc risk assessment, as well as on other issues identified by the Audit Committee and the Management Team and on previous audit reports. The Audit Committee is the supervisory body of the Internal Audit Department. The overall Audit Plan is approved by the Audit Committee.

The Internal Audit Department submits quarterly reports to the Audit Committee, so that the monitoring of the adequacy of the Internal Control System is consistent.

The reports of the Management Team and the Internal Audit Department provide the assessment of significant risks and the effectiveness of the Internal Control System relative to their management. Through these reports the identified weaknesses together with their possible impact, as well as with the actions of the Management team to resolve them are being communicated. The results of the controls and the monitoring of the implementation of the agreed improvement actions considered the Risk Management System of the company.

To ensure the independence of the audit of the Group's annual financial statements, the BoD has a specific policy to form recommendations to the General Meeting of shareholders for the election of the External Auditor. This policy, among others, calls for the selection of the same auditing company for the whole Group, as well as the audit of the consolidated financial statements and tax compliance certificates. The selection of the independent External Auditor is made among leading internationally acclaimed firms.

Roles and Responsibilities of the BoD

The role and responsibilities of the BoD are described in the Internal Procedures Manual of the Company, which is approved by the BoD.

Fraud prevention and detection

In the context of risk management, the areas that are considered to be of high risk for financial fraud are monitored through appropriate internal controls and enhanced security measures. Examples include the existence of detailed organizational charts, process manuals on several areas (procurement, oil products supply, credit, treasury management), as well as detailed procedures and approval authority levels. In addition to the internal controls applied by each department, all Company activities are subject to audits from the Internal Audit Department, the results of which are presented to the BoD.

Internal Procedures Manual

The Company has drafted an Internal Procedures Manual, which is approved by the BOD of the company. The Internal Procedures Manual includes definitions of the roles and responsibilities of each position emphasising the segregation of duties within the Company.

Group's Code of Conduct

The company in the context of the fundamental obligation of good corporate governance, it has drafted and adopted since 2011 the Code of Conduct, approved by the BoD of the company. The Code of Conduct summarizes the principles according to which any person, employee or third party involved in the operation of the Group, as well as collective body, should act within the framework of their duties. For this reason, the Code constitutes a practical guide of the day-to-day tasks of all employees of the Group, but also of third parties who cooperate with it.

b) Information Technology General Controls

The Group's IT and Digital Transformation Department is responsible for developing the technology and IT strategy. It is also responsible for the support of IT systems and applications through the drafting and updating of operation manuals, in cooperation with external consultant where this is necessary.

The Company has developed an adequate framework for monitoring and control of its information systems, which is defined by a set of internal controls, policies and procedures, and through a series of interventions and implementations, has ensured compliance with all required regulatory frameworks and guidelines (e.g. Personal Data Protection Regulation, Critical Infrastructure Directive).

Among these are documented job descriptions, roles and responsibilities of the Group IT Department as well as the development of an IT Strategic Plan, which is updated annually. In addition, access rights have been set in several information systems for all employees, according to their position and role, while an entry log for all the Group's IT systems is also kept.

Finally, a specific procedure has been designed to ensure safe operation in the Group's systems through the existence of alternative systems in case of disaster (Disaster Recovery Sites) as well as a Business Continuity Plan is under development.

c) Internal Controls over Financial Reporting

As part of the process for the preparation of financial statements, specific controls are in place, utilising tools and methodologies in line with the best international practices. Some of the main areas of such controls, relevant to the preparation of the financial statements, are the following:

Organisation – Segregation of Duties

- The assignment of duties and authorities to senior Management of the Company, as well as middle and lower management levels, ensures the effectiveness of the Internal Control System and safeguards appropriate segregation of duties.
- Adequate staffing of financial services with individuals who possess the necessary technical skills and experience to carry out their duties.

Accounting monitoring and preparation of financial statements

- Existence of common policies and monitoring procedures of accounting departments of the Group's subsidiaries which include, amongst others, definitions, accounting principles adopted by the Company and its subsidiaries, guidelines for the preparation of financial statements and consolidation.

- Automatic checks and validations between different transactional and reporting systems. In cases of non-recurring transactions, special approval is required.

Safeguarding of assets

- Existence of internal controls regarding fixed assets, inventories, cash and cash equivalents and other assets of the company, such as physical security of cash or warehouses, inventory counts and reconciliations of physically counted quantities with the recorded ones.

- Schedule of monthly inventory counts to confirm inventory levels of physical and accounting warehouses. Use of a detailed manual to conduct inventory counts.

Chart of Authorities

- Existence of a chart of authorities, which depicts assigned authorities to various Company executives, in order to complete certain transactions or actions (e.g. payments, receipts, contracts, etc.).

D.5 Information Required by Article 10, Paragraph 1 of the EU Directive 2004/25/EC, on public takeover bids

Publication of the requisite information, in accordance with article 10 par. 1 of Directive 2004/25/EC of the European Parliament and Council, is included in part J of this Report, per article 4 par. 7 of L. 3556/2007.

D.6 General Meeting of Shareholders and Shareholders' Rights

The operation of the General Meeting of Shareholders, its role and responsibilities, convocation, participation requirements, the ordinary and extraordinary quorum and majority of the participants, the Presiding Board and the Agenda, are described in the Company's Articles of Association. According to articles 20 par. 2, indent (d), and 21 of the Company's Articles of Association, a Special General Meeting of the Company's minority shareholders (i.e. of the shareholders other than the HRADF and "Paneuropean Oil and Industrial Holdings S.A." or/and the latter's associated undertakings) is convened at the end of the term of the BoD, in order to elect two (2) representatives in the BoD. The members elected by the General Assembly constitute the only independent members of the Company's BoD.

All Shareholders are entitled to participate in the General Meeting, provided that they hold Company's shares on the record date, that is, at the start of the fifth (5^{th}) day prior to the date of the General Meeting.

The shareholding capacity is evidenced through the Company's direct electronic connection with the records of depository (Hellenic Exchanges S.A.). This electronic certificate must be received by the Company three days ahead of the date set for the General Meeting, at the latest.

Participation in the General Meeting does not require share blocking or compliance with any other similar procedure, restricting the sale and transfer of shares during the period between the record date and that of the respective General Meeting.

Shareholders have the right to participate in the General Meeting, either in person or through one or more appointed proxy holders (shareholders, or not).

Each shareholder may appoint up to three (3) proxy holders. However, if a shareholder has shares of the Company held in more than one securities account, the above limitation shall not prevent the shareholder from appointing a separate proxy holder for each of the securities account, where shares are held.

A proxy holder, acting on behalf of several shareholders, may vote differently in respect of shares held by each shareholder represented.

Legal entities may participate in the General Meeting through their representatives.

Proxy holders are appointed or revoked by written notification to the Company, at least forty-eight hours prior to the date set for the General Meeting.

The proxy form is available to the shareholders in electronic form on the Company's website and allows them to authorize their representatives to vote in favor, against or to abstain from voting, separately in respect of each item on the agenda.

The Company ensures that all valid proxy appointments received for participation in the General Meeting are properly recorded and taken into account.

Prior to the commencement of the General Meeting, the shareholders' proxy holders are obliged to disclose to the Company any information or event, which could create conflict with the rights of the shareholders they represent.

Shareholders' rights prior to the General Meeting

The Company is under an obligation to post on its website its annual Financial Statements, as well as the relevant reports of the Board of Directors and Auditors, ten (10) days prior to the Annual General Meeting.

Minority Rights

1. On request by any Shareholder, submitted to the Company at least five (5) days prior to the General Meeting, the Board of Directors is under an obligation to provide the General Meeting with the specific information requested on the Company's affairs, to the extent such information is useful to the actual assessment of the items of the agenda. There is no obligation to provide information where such is already available on the Company's website, particularly in the form of questions and answers.

The Board of Directors may refuse to provide the above information on the basis of adequate cause, which is recorded in the minutes. Any dispute as to the validity or not of the reasoning for refusing to provide information is resolved by the One-Member First Instance Court of Athens by a judgment thereof, issued according to the interim measures procedure.

2. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is under an obligation to convene an extraordinary General Meeting, setting its date within a period of forty-five (45) days following the day of service of the relevant request to the Chairman of the Board of Directors. The relevant request must include the requested General Meeting's agenda. In case no General Meeting is convened by the Board of Directors within twenty (20) days from service of the relevant request, the latter can be filed before the One-Member First Instance Court of Athens, which shall determine the place and time for the General Meeting, as well as it agenda, by applying the interim measures procedure.

3. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is under an obligation to include additional issues in the agenda of the General Meeting that has been already convoked, provided the relevant request has come to it at least fifteen days prior to the General Meeting. The additional items must be published or notified, at the Board of Director's responsibility, at least seven (7) days prior to the General Meeting. The revised agenda, together with the reasoning or draft decision that has been submitted to the shareholders, must be published in the same way as the original agenda and be available on the Company's website, at least thirteen (13) days prior to the date of the General Meeting.

4. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is under an obligation to make available to the shareholders, by posting on the Company's website at least six (6) days prior to the date of the General Meeting, drafts of the decisions on issues included in the original or the revised agenda, if the relevant request has been received by the Board of Directors at least seven (7) days prior to the date of the General Meeting.

5. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is obliged to adjourn, only once, decision-making by the General Meeting, whether ordinary or extraordinary, on all or some of the issues on the agenda and set as new date for the General Meeting that which is set out on the Shareholders' request; however, such date cannot be more than twenty (20) days after the date of the adjourned General Meeting.

6. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is obliged to announce to the Annual General Meeting, the amounts paid to each member of the Board of Directors or to the Company's Managers over the last two years, as well as any benefit granted those persons, on account of any cause or Company contract with them. The Board of Directors may refuse to provide the above information on the basis of adequate cause, which is recorded in the Minutes.

7. On request by Shareholders representing 1/20 of the paid-in share capital, decisions on any item on the agenda of a General Meeting are taken by roll-call vote.

8. On request by Shareholders representing 1/20 of the paid-in share capital, the One-Member First Instance Court of Athens can order the Company's audit if acts violating provisions of laws, or of the Company's Articles of Association, or of decisions of the General Meeting of Shareholders, are thought likely. In any case, the request for audit must be submitted within three (3) years after approval of the financial statements for the fiscal period within which the reported acts have taken place.

9. On request by Shareholders representing 1/20 of the paid-in share capital, which is submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is under an obligation to provide to the General Meeting information on the course of the company affairs and the Company's assets' status. The Board of Directors may refuse to provide such information on the basis of adequate cause and with reasoning that is recorded in the Minutes. Any dispute as to the validity or not of the reasoning for refusing to provide information is resolved by the One-Member First Instance Court of Athens by a judgment thereof, issued according to the interim measures procedure.

10. On request by Shareholders representing 1/5 of the paid-in share capital, the One-Member First Instance Court of Athens can order the Company's audit if, from its overall course, it is deduced that the management of company affairs is not exercised as prescribed by due and prudent administration.

Right to Dividend

The minimum dividend that is mandatorily distributed by the Company equals the minimum annual dividend provided by article 161 par. 2 of L. 4548/2018, which amounts, at minimum, to a 35% of the Company's net income, after the withholdings required for creating a statutory reserve. The General Assembly may with a special quorum (½ of the paid up share capital) and vote majority (2/3 of the present or represented share capital) resolve to reduce the above minimum dividend paid to the shareholders up to 10% of the annual unconsolidated distributable net profits. The General Assembly may with a special quorum (½ of the paid up share capital) and vote majority of 80% of the present or represented share capital exclude the distribution of the above minimum dividend.

Dividend is paid within two (2) months from the date of the Annual General Meeting of Shareholders that approves the Company's annual and consolidated financial statements.

The date and means of payment of the dividend are published on the Athens Stock Exchange and the Company's websites, as well as in the Press.

According to Greek law, dividends, which remain unclaimed for a period of five years after the date on, are transferred to the Greek State.

Shareholders' Information

The Investor Relations Department is responsible for monitoring and managing the Company's relationship with its shareholders and financial community and for ensuring that investors and financial analysts, both in Greece and abroad, are informed in a timely, accurate and equal manner.

The Company, having shares listed in the stock exchange, is obliged to publish announcements in compliance with Regulation (EU) 596/2014 of the European Parliament and Council on Market Abuse (MAR), Greek Laws 4443/2016 and 3556/2007 and the decisions of the Hellenic Capital Market

Commission. Publication of the above information is made in a way, which ensures that the investment community will have a fast and equal access to it.

All relevant publications/announcements are available, on both the Athens Stock Exchange and the Company's websites and are notified to the Hellenic Capital Market Commission.

D.7 Composition & Operation of the Board of Directors, Supervisory Bodies and Company Committees

Board of Directors (BoD)

General

The Company is managed by a BoD, comprising of 13 members, with a term of five years, extended until the end of the period provided for the convening of the following Ordinary General Meeting of the Company's Shareholders.

The current BoD members are the following:

- Ioannis Papathanasiou, Chairman, Non-executive member of the BoD, Representative of the Greek State
- Andreas Shiamishis, CEO, Executive member of the BoD, Representative of Paneuropean Oil and Industrial Holdings
- Georgios Alexopoulos, Executive member of the BoD, Representative of the Greek State
- Theodoros-Achilleas Vardas, Non-executive member of the BoD, Representative of Paneuropean Oil and Industrial Holdings
- Michael Kefalogiannis, Non-executive member of the BoD, Representative of the Greek State
- Alexandros Metaxas, Non-executive member of the BoD, Representative of the Greek State
- Ioannis Aivazis, Non-executive member of the BoD, Representative of the Greek State
- Loukas Papazoglou, Non-executive member of the BoD, Representative of the Greek State
- Alkiviades Psarras, Non-executive member of the BoD, Representative of the Greek State
- Constantinos Papagiannopoulos, Non-executive member of the BoD, Employees' representative
- Georgios Papakonstantinou, Non-executive member of the BoD, Employees' representative
- Theodoros Pantalakis, Independent, non-executive member of the BoD, minority shareholders' representative
- Spyridon Pantelias, Independent, non-executive member of the BoD, minority shareholders' representative

The office of the BoD expires on 17.4.2023.

The size and composition of the BoD is described in detail in section D.2 of this report. The BoD convened seventeen (17) times in 2020. The table below shows the Board members' attendance of the BoD meetings.

BoD meetings during 2020

BoD composition	Status	Attendance of BoD meetings during 2020 *(total 17)*
Ioannis Papathanasiou	Chairman – Non-executive member	17
Andreas Shiamishis	CEO- Executive member	17
Georgios Alexopoulos	Executive member	17
Theodoros- Achilleas Vardas	Non –executive member	16
Michael Kefalogiannis	Non- executive member	15
Alexandros Metaxas	Non- executive member	16
Iordanis Aivazis	Non- executive member	16
Loukas Papazoglou	Non-executive member	17
Alkiviades Psarras	Non- executive member	15
Constantinos Papagiannopoulos	Employees' representative – Non- executive member	17
Georgios Papakonstantinou	Employees' representative – Non- executive member	17
Theodoros Pantalakis	Independent non-executive member	16
Spyridon Pantelias	Independent non-executive member	17

<u>Roles and Responsibilities of the BoD</u>

The BoD is the supreme executive body of the Company and to a major extent formulates its strategy and supervises and controls the management of its assets. The composition and qualities of the members of the BoD are determined by Law and the Company's Articles of Association. Chief obligation and duty of the BoD members is to constantly pursue the strengthening of the Company's long-term economic value and to protect the general company interest.

In order to achieve the company objectives and smooth operation of the Company, the BoD may cede part of its authorities, except those requiring collective action, as well as the administration or management of the affairs or the Company's representation to the Executive Committee, the CEO, or to one or more BoD members (executive and non-executive), to Company managers or employees. BoD members and any third party to whom BoD authorities have been delegated by the BoD are prohibited from pursuing personal interests that conflict with those of the Company. BoD members and any third party to whom BoD authorities have been delegated, have to promptly disclose to the rest of the BoD members any personal interests which might arise as a result of Company transactions that fall within their duties, as well as any other conflict of personal interest with those of the Company or associated undertakings thereof, arising in exercising their duties.

- Indicatively, the BoD decides and approves, the following:

I. The Business Plan of the Company and the Group,
II. The Annual Business Plan and Budget of the Company and the Group,

III. Any necessary change to the above,
IV. The issuance of ordinary bond loans,
V. The Annual Report of transactions between the Company and its associated companies,
VI. The Annual and Interim Financial Reports, including the Financial Statements of the Company and the Group,
VII. The establishment of / participation in companies or joint ventures, company acquisitions, the establishment or termination of facilities – of over €1 million in each case,
VIII. Agreements for participating in consortia for the exploration and production of hydrocarbons,
IX. The final termination of manufacturing operations,
X. Regulations governing the Company's operation and any amendments thereto,
XI. The basic organizational structure of the Company and its amendments,
XII. The appointment / revocation of General Managers
XIII. The Company Collective Labour Agreement (CCLA),
XIV. The Internal Operating Regulation,
XV. The determination of the of the Company's managers' remuneration policy,
XVI. The Company's managers' hiring processes and the assessment of their performance,
XVII. Any other matter stipulated by the applicable Company regulations.

Executive and non-executive members of the BoD

The BoD determines the responsibilities and status of its members, as executive or non-executive, each time it is constituted. The number of non-executive members of the BoD cannot be less than one-third of the total number of its members.

Chairman of the BoD

The Chairman is responsible for convening, chairing and administering the meetings, for keeping the Minutes and signing the relevant decisions and for the overall operation of the BoD, as provided by the Company's Articles of Association and the law.

The Group's Internal Audit General Division reports to the Chairman.

CEO

The Chief Executive Officer is the highest executive body and legal representative of the Company and is responsible for all business sectors and all its operations.

The concise curricula vitae of the BoD members are set out in the Appendix to this report.

Audit Committee

The Audit Committee is appointed by the General Meeting of Shareholders and is comprised of three (3) non-executive and, in their majority, independent members of the BoD. The members of the current Audit Committee were either elected by the AGM of the Company's shareholders of 6th June 2018, in respect of its Chairman, Mr. Spyridon Pantelias and its member, Theodoros Pantalakis, both independent non-executive BoD members, or appointed by the BoD by its decision no. 1368 of 23.7.2020 in respect of its third member Mr. Iordanis Aivazis, non-executive member of the BoD, following an authorisation granted by a relevant decision of the Annual General Meeting of the Company's shareholders of 24th June 2020. The Audit Committee, as provided in article 44 of Law 4449/2017, has the following responsibilities:

1. Monitors the process and the performance of the statutory audit of the Company's individual and consolidated financial statements. In that framework, it informs the Board of Directors by submitting a relevant report on the issues arising from the conduct of the statutory audit, explaining in detail:
a) The contribution of the statutory audit to the quality and integrity of the Company's financial reporting, i.e. the accuracy, completeness and correctness of the financial information, including the relevant disclosures that are approved by the Board of Directors, and is published.
b) Its role in the above-mentioned under (a) procedure, i.e. the recording of the actions carried out by the Audit Committee in the process of conducting the statutory audit.

2. It monitors, reviews and evaluates the preparation of financial information, i.e. the mechanisms and production systems, as well as the flow and dissemination of the financial information produced by the Company's organizational units that are involved in the process. The Audit Committee informs the Board of Directors of its findings and submits proposals for any improvements in the procedure, if deemed appropriate.

3. The Audit Committee examines and evaluates the adequacy and effectiveness of all Company policies, processes and controls, in relation to the internal audit system, on one hand, and the risk assessment and management, in relation to the financial reporting, on the other hand. With regard to the internal audit function, the Audit Committee monitors and inspects the proper operation of the Group Internal Audit General Division and evaluates its work, adequacy and effectiveness, without however infringing its independence. It also reviews any disclosures regarding the internal audit and the Company's main risks and uncertainties with regard to financial reporting. In this context, the Audit Committee informs the Board of Directors of its findings and makes suggestions for improvement, if deemed appropriate.

4. It reviews and monitors the independence of the statutory auditors or audit firms in accordance with Law 4449/2017 (Articles 21, 22, 23, 26 and 27) and Article 6 of Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16th April 2014; in particular, the appropriateness of providing non-audit services to the audited entity, in accordance with Article 5 of the Regulation.

5. It is responsible for selecting auditors or audit firms and proposes the statutory auditors or audit firms to be appointed by decision of the General Meeting.

During 2020, the Audit Committee, in exercising its powers, held ten (10) meetings:

Jointly with the Finance and Financial Planning Committee of the BoD, it recommended to the BoD to approve the 2020 Annual Financial Report, the half-year report and the interim announcements regarding the Company's financial performance.

It monitored the effectiveness of the Company's internal control and it approved the planning of internal controls for the year 2020.

Throughout the year, the Committee received all the internal audit reports and held regular meetings with the General Manager of Internal Audit, so that, in addition to the internal audit reports, operational and organizational matters could be discussed. Furthermore, throughout the year, the Committee received quarterly progress reports on the most significant findings, which were notified to the BoD, including the most significant findings and the ways of countering them.

The Audit Committee held two separate meetings with the external certified auditors of the Company, on 27 February and 22 December, as well as one joint with the Finance and Financial Planning Committee on 27 August. Following the evaluation of the experience and the expertise of the audit team of Ernst & Young (EY), the Audit Committee concluded that the audit procedure followed by the auditors was effective and found that the auditors were objective and impartial.

Given that, following the relevant procurement procedure, EY has undertaken the statutory audit of the financial statements of the Company from the year 2017 and given that the so far audit experience was satisfactory, the Audit Committee suggested the reappointment of EY as audit company for the audit of fiscal year 2020 (4th consecutive year).

Following the unanimous acceptance by the Board of Directors on the Audit Committee's recommendation, on 24th June 2020, the Annual General Meeting of Shareholders approved the reappointment of EY for conducting the statutory audit of the fiscal year 2020.

Following requests by the external certified auditors regarding the provisions of services, beyond audit services, to the Company and its affiliates, the Audit Committee approved their provision after having ascertained, in each case, that: (i) the services are permitted to be provided by the Company's external certified auditors under the relevant legislation and (ii) the fees for the provision of such services do not undermine the independence of the external auditors.

Remuneration and Succession Planning Committee

In its present composition, the Company's Remuneration and Succession Planning Committee consists of three (3) non-executive BoD members, with its Chairman is being independent non-executive BoD member (Theodoros Pantalakis, Chairman, Theodoros Vardas, member, Iordanis Aivazis, member). Within 2020, it held four (4) meetings.

The role of the committee is to assists the BoD in ascertaining the adoption by the Company of fair and responsible remuneration policy and practices with a clear link to corporate and individual performance, taking into account level of pay of other companies of similar size for roles of similar scope and responsibility.

The BoD has delegated to the Remuneration and Succession Planning Committee the responsibility to determine the remuneration policy for Company's executives and managers and to ensure its application. The Committee proposes the remuneration policy via the BoD to the General Meeting of the Company's shareholders. Finally, it caters for a suitable succession plan of the General Managers and the Managers of the Company to be in place at all times and submits relevant proposals to the BoD.

Other Board of Directors Committees

In the above framework of strengthening corporate governance structures, the Board of Directors is also assisted by other Committees, which are appointed by its decision. Specifically, these current committees are:

The Oil Products Procurement Committee, which consists of five (5) members of the Board of Directors, of which one (1) is an executive member (Georgios Alexopoulos, Chairman, Theodoros Vardas, member, Michael Kefalogiannis, member, Loukas Papazoglou, member, Alkiviades Psarras, member).

The Oil Products Procurement Committee:

- Awards tenders and approves crude oil and product supply, after all members have reached a unanimous decision concerning the purchase, sale and transportation of crude oil and products (for transactions exceeding 100 million Euros).
- Approves the cooperation framework in cases where crude oil supplies are sourced directly from a state body of an oil producing country that unilaterally determines sales prices.
- Oversees the registration of customers/suppliers on the Company's Customer/Suppliers Registries.

Within 2020, the Petroleum Procurement Committee held eleven (11) meetings.

The Finance and Financial Planning Committee, consists of four (4) non-executive members and two (2) independent members of the Board of Directors (Theodoros Pantalakis, Chairman, Spyridon Pantelias, member, Loukas Papazoglou, member, and Michael Kefalogiannis, member). Within 2020, the Finance and Financial Planning Committee held nine (9) meetings. The Finance and Financial Planning Commission assists the Group Financial Services General Division on issues relating to:

- Financial planning
- Insurance coverage
- Group financial results,

operating in a complementary manner to the latter with the Audit Committee and examining in detail other matters that are important to the Group which affect its financial performance and course. Due to its subject matter, the Finance and Financial Planning Committee usually convenes jointly with the Audit Committee.

The Labour Issues Committee, consists of two (2) non-executive members of the Board of Directors (Alkiviades Psarras, Chairman and Alexandros Metaxas, member) and the President of the most representative union of employees, or his deputy. The Labour Issues Committee held no meetings in 2020. It was established in accordance with the Company's Internal Labor Regulation and is competent for deciding as an appeal Body on any appeal against disciplinary sanctions imposed by the Company's competent disciplinary Body.

Executive Committee

The Company has an Executive Committee, the responsibilities and function of which have been determined by a number of Board decisions; the most recent of them is decision no. 1337/2/29.11.2018. Its composition is determined by Management decisions.

Responsibilities:

The Group Executive Committee is both advisory and executive in nature, to the extent that it is given specific executive powers by the Board of Directors. It processes and shapes strategic issues regarding all Group's business sectors, as well as the Group's domestic and foreign subsidiaries.

Indicatively (and without limitation), the main responsibilities of the Group's Executive Committee include:

- Formulating the strategy and development plan for the Group's activities, in the form of mid-term and annual business plans,
- monitoring the course of business of all activities of the Group, through the financial results and KPIs,
- monitoring, information and coordination of matters affecting the Group's activities and require a well-coordinated approach by the entire Management team.

Composition:

1. Chairman: the CEO of of the Company, Mr. Andreas Shiamishis.
2. Vice Chairman: the General Manager of Group Strategic Planning and New Business Activities, Mr. Georgios Alexopoulos, who will be acting for the Chairman in any case of absence or impediment of his.
3. The General Manager for Supply & Trading, Mr. Konstantinos Panas.
4. The Refinery General Manager, Mr.Georgios Dimogiorgas.
5. The Group Internal Audit General Manager, Mr. Aggelos Kokotos.
6. The International Marketing Director, Mr.Konstantinos Karahalios.
7. The Group CFO, Mr. Christian Thomas.
8. The Group Human Resources & Administrative Services General Manager, Mr. Alexandros Tzadimas.
9. The General Manager of Legal Services of the Group, Mr.Ioannis Apsouris.
10. The Group Senior Hygiene, Security, Environment and Sustainable Development Director, Ms Penelope Pagoni.

Remuneration Policy

The Company has established and applied certain rules and principles in determining the remuneration of the member of its BoD (the ¨Remuneration Policy¨) to contribute to its business strategy and long-term interest and sustainability.

The current Remuneration Policy was approved by the Extraordinary General Meeting of the shareholders of 20th December 2019 approved the remuneration policy, in compliance with article 110 of L. 4548/2018. In brief, its main provisions are:

- The standard of remuneration of the members of the BoD for participating in it, as well as in its Committees, is decided by the General Meeting of the Company's shareholders and consists of a fixed annual fee, payable on a monthly basis, and a per meeting fee. The total compensation was kept at the level approved by the Company's Annual General Meeting on 7 June 2019.
- The remuneration of the Chairman of the BoD, aside from the above compensation paid like the rest of the BoD members, is approved by a decision of the General Meeting, in accordance with the provisions of article 109 par. 1.
- The remuneration of the executive members of the BoD in an employment relationship with the Company are determined on the basis of the, pre-existing to their appointment in the BoD, employment contracts and their participation in the BoD does not alter their salary or additional benefits, neither does it change their employment contract in any way.
- The remuneration level of the executive members of the BoD consists by a fixed part, namely the salary, which is determined on the basis of the Company's remuneration policy, and a variable part, which depends on the achievement of the company and individual goals and applies for all managerial staff of the Company.
- The company goals are connected to the financial performance, as well as performance in other areas, such as safety at workplace, while individual goals are directly connected to the executive member's hierarchical level.
- The executive members of the BoD participate in group healthcare programs, as well as in pension plans, like all Company employees, and are eligible for benefits such as use of company car, fuel card, etc., like all managerial staff of the Company, in accordance with the Company's applicable benefits policy.
- The Company may set up and implement a mid- and long-term goals' and associated variable remuneration plan, aiming to equate the executives' long-term personal pursuits to the Company's and its shareholders' interests as it has done in the past. Depending on their kind, such plans shall receive all necessary approvals.

The Remuneration Policy is valid for a period of four years, unless revised or amended earlier by a General Meeting resolution, due to a material change in the circumstances on the basis of which it was drawn up, and is available through the Company's website at: https://www.helpe.gr/investor-relations/corporate-governance/politiki-apodochon-melon-ds/.

BoD members' compensation for their participation in BoD and Committees' meetings during 2020

For the financial year 2020 (1/1/ - 31/12/2020) the compensation paid to the BoD members is determined by the current Remuneration Policy.

In 2020, the Company prepared for the first time the remuneration report of the members of its BoD for the financial year 2019 in accordance with article 119 of L. 4548-2018. The remuneration report was discussed in the Annual Ordinary General Meeting of the Company´s shareholders held on 24th June 2020 which was attended by shareholders representing a percentage of 86.08% of the Company´s share capital, while the percentage of votes ‘‘in favor’’ amounted to 98.88% of the present shareholders.

The remuneration report for the financial year 2019 is available through the Company’s website at: https://www.helpe.gr/en/investor-relations/shareholders-meetings/annual-general-meeting/.

No stock options were granted and no stock award plan is in force regarding the financial year 2020.

E. Strategic Goals and Prospects

The Group intends to play a key role in the energy transition in the East Med region, though maximising returns in its core business and developing a diversified energy portfolio, focusing on the following areas:

- Improve core business, through operational excellence, digitalisation and energy efficiency
- Grow core business, through materialising opportunities to leverage previous investments to maximise value and developing an international trading platform
- Develop new business, by establishing a significant presence in Renewable Energy Sources and further growing in Power & Gas

Safe and environmentally friendly refining operations and product specs, improving governance and continuous competitiveness improvement are the key pillars of our strategy.

The acquisition and development of the 204MW PV project in Kozani was an important step in the implementation of the Group's energy transition strategy.

Refinery, Supply and Trading

Within 2020, Refinery, Supply & Trading sector’s contribution to the Group’s operating profitability was affected by the pandemic and, fluctuated at lower levels. In this environment, refinery performance improved, production sustained at high levels, while exports increased.

For 2021, the strategy of the Group aims at further strengthening the competitiveness of the refining sector and increase extroversion, in particular through:

- Focus on Safety, with emphasis on training, standardization and improvement of procedures
- Optimising operational performance through realisation of synergies between the refineries of the Group and improving the performance of conversion units and the energy efficiency of our refineries
- Recovery of domestic market sales, depending on the course of the COVID-19 pandemic
- Improvement of the operational optimization in the context of the Group's digital transformation program with expected financial benefits
- Examine investment opportunities in high return projects in the Group’s complex refineries, with emphasis on the vertical integration with petrochemicals

Domestic Marketing

The Domestic Marketing business plan for the next five years includes a framework of actions aimed at improving competitiveness, adapting to modern customer requirements and challenges to the economic environment. At the same time, energy efficiency and digital transformation are the key objectives for all activities.

International Marketing Activities

Growth in Southeast European markets remains a strategic objective. Priorities include sustaining the leading position in both Cyprus and Montenegro, the improvement of OKTA profitability, as well as the continuous expansion in the markets of Bulgaria and Serbia through targeted network growth and supply chain optimization.

F. Main Risks and Uncertainties for the Next Financial year

The major financial risks for the next financial year are discussed below in relation to key areas. The main sources of potential risks are the developments in the global economy and its impact in the developments in the European refining industry, including the price fluctuations in crude oil and oil products, as well as the exchange rate of euro / dollar. It is not possible to predict all different scenarios and the ways of responding in each, however, the Group is closely monitoring developments, adapting its operation and planning accordingly.

Coronavirus pandemic effects and the efforts to contain it were the key 2020 events, with a significant negative effect on the petroleum industry, as demand fell by around 9%, with an impact on international crude oil prices and refining margins. From 2021, a gradual recovery of fuel demand to pre-crisis levels is expected, which will further escalate in the coming years. In any case, the recovery will be affected by the evolution of the pandemic and the measures to deal with it, mainly the speed and effectiveness of vaccinations.

F.1 Financial Risk Management

Financial Risk Factors

The activities of the group are concentrated in oil refining, with petrochemicals, fuels marketing, exploration and production of hydrocarbons, as well as electricity production and trading. Therefore, the group is exposed to various financial risks such as fluctuations in the oil prices in international markets, exchange rate volatility, cash flow risks and risks of fair value fluctuations due to interest rates variations. In line with international best practices and in the context of the local market and legal framework, the overall risk management plan focuses on reducing the Group's potential exposure to market volatility and mitigating any negative impact on the Group's financial position, to the extent possible.

Product price risk management is conducted by the Commercial Risk Management Service, which is comprised of senior executives of the trading and financial departments, while financial risks are managed by the financial services of the Group, within the authorisations framework approved by the BoD.

The most important risks and uncertainties are discussed below.

a) Market Risk

(i) Exchange Rate Risk

Refining industry, is a US dollar dominated business, with local currency conversions, while operating costs are primarily expressed in local currency (euro). 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.

(ii) Product Price Fluctuation Risk

The core activity of the Group, refining, supply & trading, creates two types of exposure: to changes in absolute prices of crude oil and oil products, which affect the inventory value; and changes in refining margins, which affect cash flows.

As far as the risk of absolute product price fluctuations is concerned, the level of the exposure refers to the decrease in product prices and is determined by the closing inventory valuation, as the Group's policy is to present the closing stock at the lower between acquisition cost and net realizable value.

Crude oil and products' price fluctuations also affect the levels of working capital as higher prices increase the financing needs.

Exposure to risk associated with changes in refining margins depends on the fluctuation of each refinery's margin. Refining margins are calculated using Platts prices of crude oil and oil products, which are determined on a daily basis and are affected by the development of supply and demand of crude oil and oil products both regional (Mediterranean market) and globally. The fluctuations of refining margins impact the Group's profit margins accordingly.

The Group aims to hedge part of its exposure associated with price changes of crude oil, products and refinery margins, depending on the prevailing market conditions.

(iii) Cash Flow Risk and Risk of Fair Value Change due to Change in Interest Rates

The cash flow risk from changes in interest rates relates to the level of Group's borrowing with floating interest rates. Furthermore, due to the long-term investments in the sectors where the Group operates, significant increases in interest rates are likely to cause changes in fair values of such investments through the increase of the discount rate. The Group, during investment appraisal process uses a minimum return, which is significantly higher than current interest rates. Furthermore, part of the loans for the funding of investments (Eurobonds) are in fixed interest rates.

(iv) Energy transition - Risk of reduced product demand and increased operating costs

The global energy sector is in a transition phase with the main feature being a global shift of the energy mix to cleaner forms of energy, with a corresponding reduction of the more conventional forms, including oil. In addition, climate change policies, especially in the EU, are expected to increase operating costs. Indicatively, the increase in the number of CO_2 emission allowances that have to be acquired from the market from 2021, in combination with the rise in the price of allowance, increase the operating costs, both directly and indirectly through higher electricity cost.

In this context, the Group has already designed and implemented its strategy for the energy transition, which includes investments for diversification of its activities and growth in the electricity and gas sectors, as well as RES, improvement of the environmental performance of its facilities and reduction of emissions, as well as projects to increase competitiveness and reduce operating costs. In addition, the returns of

Group's business model that exceed the benchmark margins is a significant comparative advantage vs the competition in the Med region.

(b) Credit Risk

The credit risk management is co-ordinated centrally at Group level. Credit risk derives from cash and cash equivalents, bank deposits, derivative financial instruments, as well as exposure to credit risk of wholesale customers, including outstanding trade receivables from clients in Greece and internationally. Credit checks are performed for all customers by the Credit Control Department, in collaboration where necessary with external credit rating agencies.

For the effective management of the credit risk and the transaction behaviour of customers both in Greece and abroad, an integrated software has been developed for monitoring the exposure to credit risk while a central unit for managing trade receivables of settlement is also effectively in operation. Finally, the role of the Group's Credit Committee is of significant importance as it ensures the effective management of the credit risk of trade receivables of the Group's companies.

(c) Liquidity Risk

Liquidity risk is managed by ensuring that efficient cash resources and adequate credit limits with banks are maintained. Due to the dynamic nature of its activities, the Group seeks to maintain flexibility in funding through credit lines and other credit facilities.

F.2 Management of Capital Risk

The Group's objective in managing capital is to ensure the smooth operation of its activities and to maintain an optimum capital allocation, in order to reduce the cost of capital and increase its overall value.

In order for the Group to maintain or adjust its capital structure, it can alter the dividend paid to shareholders, return capital to shareholders, issue new shares or dispose of assets to reduce its debt.

In addition, the Group manages its debt obligations in order to differentiate the sources of financing (loans, credit lines, bonds, other), achieving the best possible allocation, considering a number of factors, including costs and maturity.

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. Following the exit of the UK from the EU and the subsequent agreement governing the relevant matters, there doesn't seem to be an impact in the existing HPF plc Eurobonds or in the Group's funding from international debt capital markets. The Group is closely following relevant developments and assessing alternatives regarding its funding through the international debt capital markets.

In line with industry practice, the Group monitors its capital structure through the gearing ratio, which is calculated by dividing the net debt by total capital employed (as presented in G - Selected Alternative Performance Measures).

The long-term objective 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.

G. Selected Alternative Performance Measures

This Report includes certain financial measures of historical financial performance, financial position, or cash flows, which are not defined or specified under IFRS ("**Alternative Performance Measures**"). The Group considers that these measures are relevant and reliable in assessing the Group's financial performance and position, however such measures are not a substitute for financial measures under IFRS and should be read in conjunction with Group published financial statements.

Presentation and Explanation of Use of Alternative Performance Measures

Reported EBITDA

Reported EBITDA is defined as earnings/(loss) before interest, taxes, depreciation and amortisation, and is calculated by adding back depreciation and amortization to operating profit.

Adjusted EBITDA

Adjusted EBITDA is defined as Reported EBITDA adjusted for: a) Inventory Effect (defined as the effect of the price fluctuation of crude oil and oil product inventories on gross margin and is calculated as the difference between cost of sales in current prices and cost of sales at cost) in the Refining, Supply & Trading segment and b) non-recurring items, which may include but are not limited to cost of early retirement schemes, write-downs of non-core assets and other one-off and non-operating expenses, in line with the refining industry practice. Adjusted EBITDA is intended to provide a proxy of the operating cash flow projection (before any Capex) in an environment with stable oil and products prices.

Reported EBITDA and Adjusted EBITDA are indicators of the Group's underlying cash flow generation capability. The Group's management uses the above alternative performance measures as a significant indicator in determining the Group's earnings performance and operational cash flow generation both for planning purposes as well as past performance appraisal.

Adjusted Net Income

Adjusted Net Income is defined as the IFRS Reported Net Income as derived from the Group's reported financial statements under IFRS, adjusted for post-tax inventory effect (calculated as Inventory Effect times (1- statutory tax rate in Greece) and other post-tax non-recurring items at the consolidated Group financial statements.

Adjusted Net Income is presented in this report because it is considered by the Group and the Group's industry as one of the key measure of its financial performance.

Net Debt

Net Debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position of the Group financial statements and excluding debt from associates) less “Cash & cash equivalents and restricted cash” and “Investment in Equity Instruments”, as reflected in the Group’s financial statements. It is noted that finance lease obligations are not included in the calculation.

Capital Employed

Capital Employed is calculated as “Total Equity” as shown in the statement of financial position of the relevant financial statements plus Net Debt.

Reconciliation of Alternative Performance Measures to the Group’s Financial Statements

The tables below illustrate how the selected alternative performance measures presented in this financial report are reconciled to their most directly reconcilable line item in the financial statements for the corresponding period.

Calculation of EBITDA, Adjusted EBITDA, Adjusted Profit after tax		
million €	**FY20**	**FY19**
Operating Profit (IFRS)	**-501,4**	**340,9**
Depreciation & Amortization (IFRS)	248,0	232,8
Reported EBITDA	**-253,4**	**573,8**
Inventory effect	524,6	-24,1
Other One-off expenses*	61,7	22,2
Adjusted EBITDA	**332,8**	**571,8**
Profit After Tax (IFRS)	-396,6	163,6
Taxed Inventory effect	398,7	-18,3
Taxed other one-off expenses**	49,8	16,8
No recurring items below EBITDA***	-46,6	23,1
Adjusted Profit After Tax	**5,3**	**185,2**

Calculation of Net Debt, Capital Employed and Gearing ratio		
million €	**FY20**	**FY19**
Borrowings LT (IFRS)	2.131,4	1.610,1
Borrowings ST (IFRS)	744,6	1.022,3
Cash & Cash equivalents (IFRS)	1.202,9	1.088,2
Investment in equity instruments (IFRS)	1,0	1,4
Net Debt	**1.672,1**	**1.542,8**
Equity (IFRS)	1.848,8	2.326,6
Capital Employed	**3.520,9**	**3.869,4**
Gearing ratio (Net Debt / Capital Employed)	**47%**	**40%**

** Main items include, a) for FY20 COVID-19 related expenses of €26m (comprise of payroll costs mainly related to required modifications in the working shifts in the refineries, donations to the health-care system, protective measures in all Group’s premises and for promotional activities, consulting services and other related expenses), 8m for valuation adjustments on balance sheet items, 13m for litigation provision and €14m for other non-recurring items, b) for FY19 €4m for valuation adjustments on balance sheet items, €7m for impairment of non-operating assets and €11m for other non-recurring items*
*** Includes all one-offs post effect of applicable tax rate*

**** Mainly included: a) 2020: Impact of the adjustment of associates' contribution (deferred tax of DESFA sale); b) 2019: accounting impact of costs for early repayment of €450m Eurobond in October 2019 (€25m), partially offset by the reduction of the deferred tax due to changes in tax rate (€1m)*

H. Non-Financial Information

The HELLENIC PETROLEUM Group adopts its Sustainable Development Strategy in all of its activities and is committed through its respective Policies. The key points of this strategic decision are summarized in safe, accident-free and economically viable operation, with respect to both the environment and society. The Group discloses its annual Sustainable Development & Corporate Social Responsibility Report, which promotes better communication and information to its stakeholders about the Group's business performance from three different angles: economic, environmental and social.

H.1 HELLENIC PETROLEUM Group Business Model

HELLENIC PETROLEUM is one of the leading energy groups in South East Europe, with activities spanning across the energy value chain and presence in six countries. Refining is the Group's core business, accounting for 75% of total assets.

Group business model's key characteristic for value creation are its integrated and diversified business activities. Its fuels marketing and petrochemicals businesses complement its refining margin returns, which strengthens the Group's earnings capability. In addition, the Group's increased vertical integration of 80% to 85% between the propylene unit at the Aspropyrgos refinery and the petrochemical plant in Thessaloniki, increases total financial contribution significantly.

The Group's three coastal refineries operate as a single, unified system. Crude oil purchases, production scheduling and sales forecasting are conducted for the Group's refining system on a centralised basis, with the objective of optimizing profitability, while taking into account prevailing (Eastern Mediterranean/South Eastern Europe) crude oil and product prices as well as domestic demand. Increased refining complexity enables the high conversion of intermediate products (SRAR, VGO) and flexibility in crude slate and processing levels, which represents a key competitive advantage for the Group, enabling profitability vs benchmark margins throughout the economic cycle.

The key drivers for the Group's refining margin performance include the following:

- crude slate optimisation: access and flexibility to process a variety of crude oil grades, which allows the Group to capture market discounts in feedstock;
- efficient refining operations: density escalation, as a result of high white products yield, improved yield performance, as well as materialisation of synergies between the Refineries (mostly in the form of intra-refinery flows of intermediates for upgrading to high value products);
- commercial/wholesale premia: competitive logistical and trading capabilities due to supply, storage and distribution infrastructure, which enable the Group to achieve superior returns against the regional Platt's pricing.

The domestic marketing business is supported by significant infrastructure, which provides the Group with an excellent footprint in both the mainland and in the retail markets of the Greek islands, as well as in the geographically dispersed airport facilities.

In addition, the Group is developing new activities by gaining a significant share in renewable energy sources, expanding activity in power generation and natural gas, and exploring new opportunities associated with energy transition, with aim of improving its environmental footprint and reducing its carbon emissions, as well as reducing its earnings dependence on international crude pricing.

More specifically, the initiatives include:

- Developing a significant Renewable Energy Sources portfolio, targeting 600MW by 2025.
- Strengthening its position in power generation, retail sales and the transition to the European Target Model market.
- Participating in commercial natural gas activities.

Investigating opportunities arising from new fuel technologies (e.g. biodiesel production with cooking oils and/or hydrogen processing of vegetable oils).

H.2 Health, Safety and Environment

The HELLENIC PETROLEUM Group incorporates Sustainable Development into its strategic planning and is committed through its Policy on Health, Safety and Sustainable Development, which aims to ensure safe, accident-free and economically viable operation, while respecting the environment and the community, in line with the 17 UN Sustainable Development Goals (SDGs).

The HELLENIC PETROLEUM Group, due to the nature of its activities, faces a series of risks in its operations, with regard to the use of dangerous and flammable substances and other technical challenges in oil and other products manufacturing and distribution facilities of considerable complexity and significant size. Failure to manage these risks could have considerable impact on the Group's operation and financial position, including administrative penalties and/or inability to carry out its activities.

With regard to risk management related to health, safety and environmental issues, the Group uses a series of control and mitigation procedures. At the same time, it actively participates in international organizations in order to measure important indicators and compare with the European oil and chemical industry as well as to transfer and incorporate best practices with the aim of improving the Group's performance in health, safety and environment.

In addition, the HELLENIC PETROLEUM Group regularly evaluates the compliance of relevant procedures and health, safety and environment management performance in each facility, not only through internal audits carried out by trained and experienced staff, but also through independent audits carried out by accredited external certification bodies. At the same time, it monitors the progress of its health, safety, environment and energy indicators (KPIs), which are included in the Group's periodic reports, as well as the management's performance evaluation criteria.

Health and Safety

For the HELLENIC PETROLEUM Group, Health and Safety is a major priority in all its activities. A 'holistic' and overall approach to risk management of issues related to Health and Safety, includes planned initiatives and preventive measures to eliminate hazards and improve performance. At the same time, it includes management systems, inspections and actions to strengthen leadership, in all Group's activities. Additionally, the Group takes all required safety measures for employees, external partners and visitors in all working areas, in alignment with the UN's international Sustainability Goal for Good Health (SDG 3).

The Group continuously invests in prevention, infrastructure, improvement – revising procedures and aligning with current standards and best practices, while constantly investing in personnel and partners training in the Health and Safety field to ensure compliance with the strictest criteria on a national and European level. Indicatively, in 2020, approximately 10 million euros was invested in safety improvements in all Group facilities across Greece and internationally.

All Group facilities set targets to monitor and improve their performance on Health and Safety issues, with regular periodic reports reviewed against these targets. Targets on specific Health and Safety indicators are set and monitored based on CONCAWE's proposals.

In 2020, the Group's Holistic Safety program was completed, on the basis of which, new safety procedures were issued, existing ones improved and critical best practices developed for the three refineries and other Group's facilities.

In addition to key actions taken toward Health and Safety, the Group effectively managed the COVID-19 pandemic crisis with direct and coordinated actions in all activities and levels in the organisation. The HELPE Group Policy to prevent and address problems due to the COVID-19 pandemic was immediately drafted, in accordance with National Public Health Organization (NPHO) and World Health Organization (WHO) instructions and revised according to necessity and new scientific data.

This Policy applies to all personnel employed in HELLENIC PETROLEUM premises and facilities and its subsidiaries, as well as all third-party employees, suppliers of projects, services or equipment and commercial partners that come to the Group's premises to carry out their business.

The ultimate objective of the Policy is to establish a common and uniform framework to address the COVID-19 issues, in order to protect the health of the company's employees and to maintain an uninterrupted operation.

Key direct actions taken include:

- setting up a Group Coordination Committee, responsible for managing crises that may arise when there are confirmed cases and for proposing measures and actions to address and limit their impact;
- establishment of subsequent Crisis Management Committees at a local level, by organisational structure, responsible for the management of confirmed cases and day-to-day operational issues in the organisational units.
- Enhanced organisational and technical prevention measures (increased number of occupational physicians in the facilities, dedicated Personal Protection Equipment, employee remote working, employee molecular (over 30,000 PCR and Rapid) tests on a periodic or ad-hoc schedule, etc.

Regular and accurate employee information regarding prevention and protection measures, as well as immediate implementation of Group actions – decisions, played an important role in the timely prevention and management of the crisis. This was also reinforced by continuous updates on COVID-19 on the company's internal network (intranet), distribution of leaflets, newsletters and emails as well as the Occupational Physicians' direct communication with the staff.

At the same time, the Coordination Committee ensures external information and instructions from the competent public authorities, as well as any material that can support and reinforce prevention and management, but also monitors optional / advisory provisions, as well as mandatory ones that have direct or indirect application to the Group.

Finally, the Group is certified under "Covid Shield" certification - by an independent third party verifier-, highlighting that a Management System for the Prevention Measures of the COVID-19 Pandemic is in place in all Group facilities, with adequate resources and proper infrastructure in line with current epidemiological guidelines.

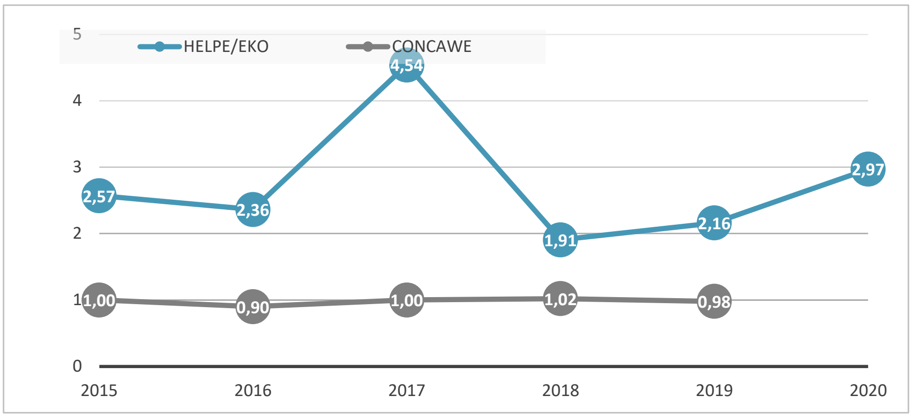
Health and Safety Indicators

In 2020, the process safety event rate KPI - which is a key process safety indicator - decreased compared to 2019, but also to 2018 and the target set was achieved, while there was an increase in all injuries.

In particular, in 2020, out of a total of 10,763,788 man-hours, there were 32 lost work days injuries registered for staff and external partners implementing the largest turnaround project at the Aspropyrgos refinery, with a 2.5 month duration, involving almost 3,000 workers at the peak of the works.

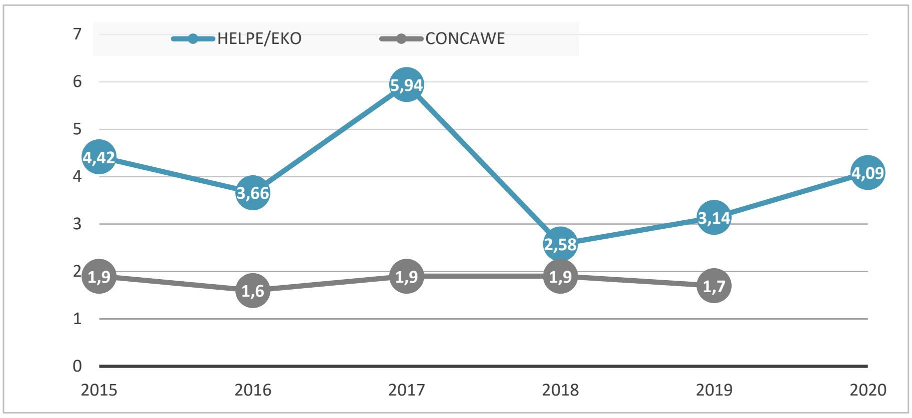
The diagrams below show the trends for the basic safety key performance lagging indicators (KPIs).

LWIF[12]

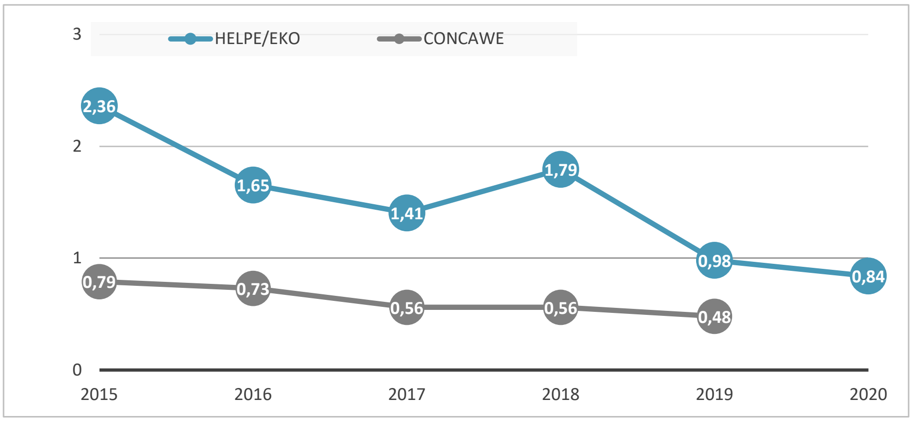


[12] *Lost workday injury frequency: (LWIs)/ 1 million man-hours*

AIF[13]



PSER[14]



Leading Health and Safety Indicators

In 2020, the target set for reporting and investigating near misses was achieved, which is a key leading indicator for H&S performance across all Group facilities.

In the context of establishing a common Safety Culture at all Group facilities, basic H&S training continued (which included fire safety, first aid, rescue techniques, basic safety procedures, best practices, etc.). Training extends to external partners' contractors, visitors, tank truck drivers and service station operators in accredited training centers.

It is important to highlight that in 2020, training man-hours of own staff and contractors increased by 3% in relation to the previous year (approximately 62,000 training man-hours for 2020).

Finally, in 2020, safety audits / safety visits (equally important leading Health and Safety Indicator) carried out throughout all activities, achieving the targets set at the beginning of the year.

[13] *All injury frequency: Total Fatality + LWI + Restricted Workday Injury + Medical Treatment Case/1 million man-hours*

[14] *Process Safety Event Rate: Number of process safety incidents/1 million man-hours*

Environment and Climate Change

The HELLENIC PETROLEUM Group, as an energy products producer and at the same time a significant energy consumer, faces significant challenges in the energy sector with regard to climate change. Specifically, the Climate Change affects our business activity, creating significant challenges and opportunities. Potential risks and opportunities for the Group's business activities indicatively include cost management for the participation in the European Emissions Trading System – EU ETS and the pertinent legislative changes, energy efficiency projects, investment feasibility studies focusing on RES and other energy transition projects towards climate neutrality.

The first step to effectively plan the Group's actions/strategy is to record and manage the risks and opportunities that exist, both in terms of mitigating climate change and in terms of strategically adapting to its impacts. Increased costs for fuels and raw materials, reduced demand for energy intensive products as well as additional measures to control and limit greenhouse gas (GHG) emissions comprise critical issues that are examined and analyzed through various pillars such as existing and forthcoming legislation, new technologies as well as markets in which the Group operates. At the same time, international forecasts on the energy market and climate change are analyzed in order to develop the Group's long-term strategy.

In particular, through the implementation of its sustainable development strategy, the Group seeks to achieve short- and long-term goals of improving energy performance and reducing greenhouse gas emissions, in line with relevant international UN Sustainable Development Goals for Clean Energy (SDG 7) and Climate (SDG 13). To that end, plans to invest in Renewable Energy Sources (RES) with targeted installed capacity of 300 MW by 2021 and 600 MW by 2025 in order to reduce the Group's carbon footprint and targets a 5% reduction in the CO_2/tn crude feed index by 2020 at the Group's refineries. It is worth noting that in 2020 the implementation of the Group's first major step in the field of RES commenced, a large-scale PV project in Kozani, one of the largest in Europe, with a total capacity of 204MW and an estimated annual contribution of around 320,000 tons CO_2 avoided emissions.

With regard to the Group's quantitative performance in 2020, the total CO_2 avoided emissions from RES reached approximately 185,000 tons of CO_2, while the CO_2 / tn crude throughput index is decreasing (about 20%) compared to the baseline year (2014) and already exceeds the abovementioned 5% set reduction target. Also in 2020, more than €50m was invested in projects to reduce the Group's environmental footprint, such as RES and air emission reduction projects at the refineries.

In addition to CO_2 emission reduction initiatives, a study is under way regarding actions-projects required for Group's facilities adaptation to climate change impacts.

For 2020, HELLENIC PETROLEUM's direct financial impacts were mainly related to the cost of covering the emission allowance deficit, since all three of the Group's refineries in Greece participate in the EU Emissions Trading System (EU-ETS). For the period 2013-2020 (3rd phase of Emission Trading System), compliance costs have increased significantly, despite energy saving projects, due to decreasing free allowance allocation from year to year, but also to the significant increase in the price of allowances over the last three years (approximately 300%). In 2020, the estimated CO_2 emissions for the three refineries (to be finalized after verification by a certified body) amount to 3.3 million tons.

In preparation to participate in the 4th phase of the Emission Trading System, in 2020 the refineries submitted all required data to the competent national authority (Ministry of Energy and Environment) in order to obtain Greenhouse Gas Emissions (GHS) permits. These were issued at the end of 2020 for all three refineries.

Following recent European level developments, regarding the announcement of a 55% greenhouse gas emissions reduction target by 2030 (in the context of a new, more ambitious green agreement - Green Deal), as well as the already implemented EU-ETS restructuring measures for 2021-2030 and the upcoming new EU ETS revision (in 2021), a significant increase in the price of allowances (€/tn) is expected that will affect compliance costs, both directly and indirectly through power consumption, which also bears a corresponding costs.

Within the framework of reducing its wider environmental footprint, the Group aims to reduce both air emissions and waste generated through specific actions, such as maximizing the use of fuel gases, using fuels with higher environmental standards and applying advanced technologies in the production process. For 2020, measures to improve the environmental footprint in context to compliance with the new emission levels linked to Best Available Techniques (BAT) were incorporated into the new environmental permits approving the operating conditions of the Aspropyrgos and Elefsina refineries, as well as the Thessaloniki refinery (expected to be issued in 2021). Note that in 2020, the environmental permit for the Elefsina refinery was issued in accordance with BAT, while the Aspropyrgos' refinery was revised in relation to the supply of bioethanol for the production of bioethers. In addition, as part of the planned turnaround at Aspropyrgos refinery, environmental upgrade projects were also successfully completed, including the preparation for the installation and operation (in 2021) of a new electrostatic particulate filter (ESP), which is expected to lead to a 50% reduction in the refinery's total particulate emissions (PMs).

Concerning wastewater and solid waste management, in line with circular economy principles and the UN Goal for Sustainable Production and Consumption (SDG 12), the primary objective is to reduce their production at source, maximize recycling and reuse in the production process for as many waste streams as possible and then manage them in the best possible way with regard to the environment and human health. The target is to significantly reduce waste for final landfill disposal and stabilize it at a maximum of 15% by 2030.

Since 2016, the Group has adopted the Greek Sustainability Code and is actively involved in the dialogue on sustainable development, contributing through actions and investments toward the 17 goals set by the UN to be achieved by 2030. In 2020, the Group retained its position yet another year in the leadership team of The Most Sustainable Companies in Greece 2020, among the 25 companies in Greece that act as Ambassadors of a new sustainable development model. Furthermore, for the third year, it was evaluated for its overall management of climate change issues by the international organization CDP (previous Carbon Disclosure Project, which includes a large part of the 'Task Force for Climate related Financial Disclosures' -TCFD proposals) and was rated B- ("Management level - Taking satisfied action on climate issues"), in relation to the average B score for Oil & Gas Processing and the average C score for all companies in Europe and globally.

H.3 Labour and Social Issues

HR Issues

The industry, in which the Group operates, requires specialized skills, training and experience. As a result, the ability to attract and retain the right human resources is an important factor in the Group's normal operation.

Any inability to find and employ competent personnel, especially highly skilled and in middle and senior management, can adversely affect the Group's operations and financial position.

The provision of a safe working environment, which in addition motivates employees and treats them with respect, giving equal opportunities to all, is a Group priority. The corporate policies and practices of the Group give priority to the strengthening of the skills of the employees, the harmonization of professional and family life and the development of teamwork and cooperation.

The Group maintains an excellent working climate and implements an integrated system of human resource development and management with collective agreements and internal labor regulations, competitive remuneration, development opportunities, benefits, awards, employee performance appraisal, internal education system, encouraging employees to take on different roles, depending on their knowledge, experience and skills.

Creative relationship with the Group's employees are based on information and open dialogue. In the Group, open communication between Management and executives (open door policy) is possible, aiming on increasing cooperation, efficiency and mutual respect. Relations with employees are based on the equal treatment principle. Both the integration and the progress of each employee within the Group are judged on the basis of employees' qualifications, performance and ambitions, without any discrimination.

- Meritocratic systems for attracting and evaluating personnel.
- Equal opportunities for all in enhancing the skills related to their tasks and staying up to date with developments in the field of energy.
- Opportunities for advancement, without any discrimination (e.g. as to gender, age, origin, religion, nationality etc.).

The internal operation of the Group's business units is based on specific principles and rules, so that there is consistency and continuity, key building blocks that guarantee successful and developmental progress. In this context, the Code of Conduct summarizes the principles governing the internal operation of the Group's Companies and determines how it operates, while the Internal Labour Regulation defines the rules governing the relationships between the Company and its staff.

As mentioned, the safety of the Group's facilities is one of the most important priorities. In occupational risk management, an emphasis is placed on prevention in order to anticipate and control all possible health and safety risks in accordance with the criteria of Greek law (Law 3850/2010), European and international codes and best practices. As part of the effort to acquire a common safety culture in all industrial facilities of the Group, a common basic training process is applied (fire safety, rescue techniques, first aid, etc.) and leadership seminars (from managers to coordinators and foremen), in order to strengthen and consolidate Safety Culture. The training is extended to contractors, customers, tanker drivers, gas station owners, etc.. Guests are informed through printed material about the safety instructions of the facilities.

In addition, safeguarding the health of our employees and ensuring for a safe working environment are core values, which are crystallized through the Health Surveillance Process. Periodic medical examinations of workers take place taking into account work descriptions, age group and gender.

Employee training is an important area in a way that each employee understands the Group's strategic goals. Employee training also enables employees to define their role more effectively and develops their skills.

The Group monitors all relevant labor law (national, European, ILO), including reports on child labor, respect for human rights and working conditions, and is in full compliance with all collective and relevant international conventions.

Social issues

The Group has incorporated the Sustainable Development Goals into its strategy and conforms to the international standards on Sustainability Reporting, the CoP requirements of the UN Global Compact and the GRI Standards of Global Reporting Initiative, including the Oil and Gas Sector supplement. An independent body ensures the credibility of the information provided. At the same time, the Group conducts a materiality assessment in order to evaluate the most material topics of sustainable development associated with its activities. Both internal and external stakeholders participate in this assessment.

More specifically, our cooperation with stakeholders representing the broader society, as well as local communities, is constant and is implemented through continuous dialogue.

In 2020, HELLENIC PETROLEUM Group implemented a holistic program to deal with the COVID-19 pandemic, which included actions in two main pillars: a) the continuous support of the National Health System and b) the ongoing support of society. The total social contribution of the Group for dealing with the pandemic is the largest given by an enterprise in Greece and amounts to 8 million euros.

This expanded support program for the National Health System in order to respond to the pandemic and its consequences, is implemented in full cooperation with the relevant Ministries and hospital administrations. The goal is to strengthen the capabilities of the medical system in the areas of prevention, diagnosis, treatment, but also in monitoring the subsequent course of patients. The Group's contribution concerns the purchase of medical equipment and critical consumables, but also covering expenses for special services, related to the treatment of the pandemic.

Initiatives undertaken by the Group are closely linked to the needs of each area, individual social groups, the environment and local economy and are shaped in collaboration with the stakeholders. Those material topics for the Group are identified through surveys, focus groups, public debates and consultations. Results are subsequently evaluated actions redefined, in order to fully take into account and meet the needs of all stakeholders.

The Group's contribution and responsible attitude towards the community as a whole, in collaboration with bodies, institutions, voluntary organizations and NGOs, are directed towards 4 pillars of action: Society, Education and Youth, Sustainable Cities and Environment, Culture & Sports.

H.4 Ethics and Transparency - Code of Conduct

The Code of Conduct summarizes the principles governing the internal operation of the Group in Greece and abroad, which specify the way it operates to achieve its business goals. This serves the best interests of the stakeholders, minimizing additional risks regarding compliance and reputation of the Group. The Code summarizes the principles, according to which each individual employee who participates in the operation of the Group companies and all collective bodies must act within the scope of their duties, constituting a guide for everyone, and third parties cooperating with HELPE.

The procedure of accepting and reaffirming the commitment by employees is made periodically by the General Directorate of Human Resources and Administrative Services of the Group and the Code is translated into all the languages of the countries where the Group operates, as well as in English.

Since the implementationof the Code of Conduct in 2011, systematic education and training of executives and employees of companies of the Group has taken place, in the content of the Code and its applications.

I. 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

(Amounts in €000)

	For the nine month period 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	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)

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:

(Amounts in €000)

	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).

J. Information about Financial Instruments

The nature of the Group's activities exposes the Group to significant risks, which stem mainly from the volatile and unpredictable international refining environment, as well as from the growing volatility of international financial markets.

In the context of risk management, as described in detail in the published financial statements, the Group enters into hedging transactions using financial derivatives wherever possible, aiming to protect its interests. These transactions are split into two main categories:

Short-term Transactions

The first category involves short-term risk management and hedging transactions that affect short term profitability mainly for the next 6 to 12 months. The results of these transactions are evaluated on a quarterly basis and included in quarterly income or expenses.

Long-term Transactions

The second category involves longer-term transactions that provide cover for strategic issues, such as investments.

I.1. Significant Events after the end of the Reporting Period

No significant events occurred after the end of the year and until the date of submission of this report.

I.2. Explanatory Report of the BoD required by par.7 art. 4 of Law 3556/2007 (As per par.8 art.4 of Law 3556/2007)

The BoD submits to the Annual General Meeting of Shareholders an Explanatory Report on the information required by par.7 of art. 4 of Law 3556/2007, pursuant to the provisions of par.8 of art.4 of Law 3556/2007, as follows:

a) Limitations on transfer of Company Shares

Following the amendment of the Company's Articles of Association in 2013, which took place in line with the provisions of the Legislative Act dated 07/09/2012, ratified by L. 4092/08.11.2012 (Government Gazette A 220), the mandatory, minimum percentage participation of the Greek State in its capital (35%) was abolished; therefore there are no longer restrictions on the transfer of its shares.

b) Significant direct / indirect holdings in the sense of articles 9 to 11 of Law 3556/2007

Shareholders (individuals or legal entities) holding more than 2%, either directly or indirectly, of the total number of the Company's shares as of 31.12.2020 are listed in the table below:

SHAREHOLDING (31.12.2020)			
Shareholder	Number of Shares	Capital Held share (%)	Voting Rights
Paneuropean Oil & Industrial Holdings SA	143,608,719	46.99	143,608,719
Greek State (HRADF)	108,430,304	35.48	108,430,304
Private & Institutional investors	53,596,162	17.53	53.596.162
TOTAL SHARES	**305,635,185**	**100**	**305,635,185**

c) Securities (including shares) conferring special control rights and description thereof

There are no Company securities (including shares) granting their holders special control rights.

d) Limitations on Voting Rights

According to article 21 of the Company's Articles of Association, only minority shareholders (i.e. all shareholders, other than the HRADF, Paneuropean Oil and Industrial Holdings SA, as well as its associated undertakings) are entitled to vote at the Special General Meeting to elect the two BoD members that represent minority shareholders.

e) Agreements between shareholders known to the Company, entailing restrictions on the transfer of securities or on exercising voting rights

There is an agreement between Paneuropean Oil and Industrial Holdings SA and the Greek State (HRADF), dated 30/05/2003, which provides for restrictions on the transfer of shares by the contracting parties to it. The Company is not a party to this shareholders agreement.

f) Rules for the appointment and substitution of Directors and for the amendment of the Articles of Association

According to article 20, paragraph 2 (a) of the Articles of Association, the Greek State appoints 7 out of the total 13 BoD members, as long as it maintains, directly or indirectly through HRADF, at least 35% in the share capital. Following the amendment of the Company's Articles of Association in 2013, the mandatory, minimum percentage participation of the Greek State in the share capital of the Company (35%) was abolished and, now more, the entirety of the provisions of the Company's Articles of Association can be amended by resolution of the General Assembly, without any exception.

According to article 20, paragraph 2 (b) of the Company's Articles of Association, the shareholder "Paneuropean Oil and Industrial Holdings SA" and its associated undertakings, appoint two (2) members of the BoD, on condition that they hold at least 16.654% of the total voting shares in the Company.

According to article 20, paragraph 2 (c) of the Company's Articles of Association, it is obligatory for two (2) members of the BoD to be representatives of the Company's employees, elected by the employees through direct and universal voting and according to the system of simple proportional representation .

According to article 20, paragraph 2 (d) of the Company's Articles of Association, two (2) members of the BoD, representing minority shareholders, are elected by a Special General Meeting of the rest of the minority shareholders, according to article 21 of the Company's Articles of Association.

g) Power of the BoD or of certain members thereof for issuing new shares or purchasing own shares

The General Meeting of shareholders may concede (article 6, paragraph 2 of the Company's Articles of Association) to the BoD the power to increase the Company's Share Capital; however, no such decision has been taken by the General Meeting.

No stock options were granted and no stock award plan is in force regarding the 2020 fiscal period. As it has done in the past, the Company may set up and implement a mid and long-term goals' and associated variable remuneration plan, aiming to equate the executives' long-term personal pursuits to the Company's and its shareholders' interests. Depending on their kind, such plans shall receive all necessary approvals.

No decision has been taken by the General Meeting of shareholders about ceding to the BoD or to any other person the authority to purchase Company's own shares up to 10% of the paid-in capital, under the terms and conditions such a (General Meeting) decision would define, in accordance with the special terms and proceedings of article 49 of Law 4548/2018.

h) Significant agreements put in force, amended or terminated in the event of change of control following a public offer and results of these agreements

No agreements exist that are put in force, amended or terminated in the event of change of control following a public offer.

i) Agreements with members of the BoD or its employees providing for compensation especially in the event of resignation, or dismissal without founded reason, or termination of their term or employment, as a result of a public offer

There are no o agreements of the Company with members of the BoD or its employees providing for compensation especially in the event of resignation, or dismissal without founded reason, or termination of their term or employment, as a result of a public offer.

Athens, 25 February 2021

On delegated authority by the Board of Directors

Ioannis Papathanassiou	Andreas Shiamishis	Georgios Alexopoulos
Chairman	Chief Executive Officer	General Manager of Group Strategic Planning & New Business Activities and Executive Member of the BoD

Appendix

Group Structure

Company	Relation	%	Activities
HELLENIC PETROLEUM SA	Parent Company		
Hellenic Fuels and Lubricants Industrial and Commercial SA	- HELLENIC PETROLEUM INTERNATIONAL AG - HELLENIC PETROLEUM SA	64.41 35.59	Oil products trade
DIAXON SA	Sole shareholder: HELLENIC PETROLEUM SA	100	BOPP film production / trade
ASPROFOS SA	Sole shareholder: HELLENIC PETROLEUM SA	100	Energy sector engineering Services
HELLENIC PETROLEUM INTERNATIONAL AG	Sole shareholder: HELLENIC PETROLEUM SA	100	Holding company for the Group's investments abroad
POSEIDON MARITIME	Sole shareholder: HELLENIC PETROLEUM SA	100	Vessel-owning company
APOLLON MARITIME	Sole shareholder: HELLENIC PETROLEUM SA	100	Vessel-owning company
ELPET BALKANIKI S.A.	Shareholder: HELLENIC PETROLEUM SA	100	Crude oil pipeline construction and operation
HELLENIC PETROLEUM - RENEWABLE ENERGY SOURCES SA	Sole shareholder: HELLENIC PETROLEUM SA	100	Production, distribution, trading of renewable energy sources
HELPE – LARCO ENERGIAKI KOKKINOU	Shareholder: HELLENIC PETROLEUM RES SA	51	Production, distribution, trading of renewable energy sources
HELPE – LARCO ENERGIAKI SERVION	Shareholder: HELLENIC PETROLEUM RES SA	51	Production, distribution, trading of renewable energy sources
ENERGIAKI PYLOU METHONIS	Shareholder: HELLENIC PETROLEUM RES SA	100	Production, distribution, trading of renewable energy sources
ATEN ENERGY S.A.	Shareholder: HELLENIC PETROLEUM RES SA	100	Production, distribution, trading of renewable energy sources
HELLENIC PETROLEUM FINANCE plc	Sole shareholder: HELLENIC PETROLEUM SA	100	Financing and other financial services
EKOTA KO SA	Shareholder: EKO SA	49	Construction, operation of fuel storage facilities
EKO KALYPSO MEPE	Sole shareholder: EKO SA	100	Retail trade of liquid fuels & LPG in Greece
EKO DIMITRA MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation
EKO ARTEMIS MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation
EKO ATHINA MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation
EKO IRA MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation
EKO AFRODITI MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation
	Sole shareholder:	100	

HELLENIC PETROLEUM CYPRUS LTD	HELLENIC PETROLEUM INTERNATIONAL AG		Oil products trade, distribution and storage in Cyprus
SUPERLUBE LTD	Shareholder: HELLENIC PETROLEUM Cyprus	100	Production and marketing of lubricants
RAMOIL SA	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade, distribution and storage in Cyprus
HELPE COMPANY HOLDING LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Holdings company in Cyprus
YUGEN LTD	Sole shareholder: HELPE COMPANY HOLDING LTD	100	Oil products trade, distribution and storage in Cyprus
BLUE CIRCLE ENGINEERING LTD	Sole shareholder: HELPE COMPANY HOLDING LTD	100	LPG distribution in Cyprus
GLOBAL ALBANIA SA	Sole shareholder: HELLENIC PETROLEUM SA	100	Oil products trade and distribution in Albania
JUGOPETROL AD	Shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	54.35	Oil products trade, distribution and storage in Montenegro
HELLENIC PETROLEUM BULGARIA (Holdings) LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade and distribution in Bulgaria
HELLENIC PETROLEUM SERBIA (Holdings) LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade and distribution in Serbia
HELLENIC PETROLEUM CONSULTING	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Provision of consulting services to the Group's companies abroad
EKO BULGARIA EAD	Sole shareholder: HELLENIC PETROLEUM BULGARIA (Holdings) LTD	100	Oil products trade in Bulgaria
EKO-SERBIA AD	Sole shareholder: HELLENIC PETROLEUM SERBIA (Holdings) LTD	100	Oil products trade in Serbia
OKTA CRUDE OIL REFINERY AD	Shareholder: EL.PE.T BALKAN SA	81.35	Crude oil refining, oil products import and trade in Skopje
VARDAX SA	Shareholder: EL.PE.T BALKAN SA	80	Crude oil pipeline operation Thessaloniki - Skopje (OKTA)
HELPE E&P Holdings SA	Sole shareholder: HELLENIC PETROLEUM SA	100	Holdings company for E&P activities
HELPE PATRAIKOS SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons
HELPE UPSTREAM SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons
HELPE ARTA PREVEZA SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons
HELPE NW PELOPONISSOS SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons
HELPE WEST KERKYRA SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons
HELPE SEA OF THRACE SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons
HELPE IONIO SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons
HELPE KIPARISSIAKOS GULF SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons

HELPE WEST CRETE SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons
HELPE SW CRETE SA	Sole shareholder: HELPE E&P Holdings SA	100	Exploration and Production of Hydrocarbons
ELPEFUTURE	Sole shareholder: HELLENIC PETROLEUM SA	100	Power Distribution
KOZILIO 1	Sole shareholder: HELLENIC PETROLEUM - RENEWABLE ENERGY SOURCES SA -	100	Production, distribution, trading of renewable energy sources
KOZILIO 2	Sole shareholder: <u>HELLENIC PETROLEUM - RENEWABLE ENERGY SOURCES SA</u>	100	Production, distribution, trading of renewable energy sources
CHRONUS 2	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
-	-		
CHRONUS 3	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 4	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
-	-		
CHRONUS 5	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 6	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
-	-		
CHRONUS 7	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 8	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
-	-		
CHRONUS 9	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 10	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
-	-		
CHRONUS 11	<u>Shareholder:</u> KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 12	<u>Shareholder:</u> KOZILIO 1	 99.33	Production, distribution, trading of renewable

	KOZILIO 2	0.67	energy sources
-	-		
CHRONUS 13	Shareholder: KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 14	Shareholder: KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 15	Shareholder: KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 16	Shareholder: KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 17	Shareholder: KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 18	Shareholder: KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources
CHRONUS 19	Shareholder: KOZILIO 1 KOZILIO 2	 99.33 0.67	Production, distribution, trading of renewable energy sources

ASSOCIATES & JOINT VENTURES (equity accounting)

Company	Relation	%	Activities
DEPA SA	Sole shareholder: HELLENIC PETROLEUM SA	35	Wholesale trading of NG in Greece
E.A.K.A.A S.A.	Sole shareholder: HELLENIC PETROLEUM SA	50	Aspropyrgos – Spata pipeline
HELPE THRAKI S.A	Sole shareholder: HELLENIC PETROLEUM SA	25	Burgas – Alexandroupolis pipeline
DMEP HOLDCO LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	48	Operation of fuel storage facilities
ELPEDISON BV	Sole shareholder: HELLENIC PETROLEUM SA Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	50 45	Power generation and electricity supply
SAFCO A.E.	Sole shareholder: Hellenic Fuels and Lubricants Industrial and Commercial SA	33.3	Airplane Fuelling

BoD Members CVs

IOANNIS PAPATHANASIOU

CHAIRMAN, NON -EXECUTIVE MEMBER

He was born in Athens in 1954. He holds a degree in Electrical Engineering from the National Technical University of Athens.

Until 2002, he was Chairman and Managing Director of "J.D. Papathanassiou S.A.", a company engaged in the trading of technological equipment for buildings.

His political career started in 2000 when he was first elected as a Member of the Greek Parliament, with the New Democracy party. He was re-elected in 2004, 2007, 2009 and in May 2012. He served in several posts:

•From March 2004 to September 2007, he was Deputy Minister of Development for Commerce and Consumers' issues, while in 2005 he was also assigned the Research and Technology issues of the Ministry.

•From September 2007 to January 2009 he was Deputy Minister of Finance and Economy for Investments and Development.

•From January to October 2009 he was Minister of Finance and Economy.

He was Secretary General of the Athens Chamber of Commerce and Industry (ACCI) for six years (1987-1993) and President of the ACCI for seven years (1993-2000).

In 1993, he was appointed Vice Chairman of the BoD of Public Gas Corporation (DEPA) S.A., while in 1991-1992 he was advisor to the Minister of Industry on energy issues.

He chaired the BoD of HELLENIC PETROLEUM S.A. during the period 27/2/2014 – 4/5/2015.

He speaks English, French and German.

ANDREAS SHIAMISHIS

CHIEF EXECUTIVE OFFICER, EXECUTIVE MEMBER

Holds an Economics degree specialising in Econometrics from the University of Essex England and is a Fellow (FCA) member of the Institute of Chartered Accountants in England and Wales (ICAEW)

He began his career in 1989 with KPMG in London, specializing in banking and large multinational Groups before joining the international food and drink group DIAGEO in 1993, to assume senior Greek and European positions in Finance and Business development. During 1998-1999, he also worked for the development of the food sector business (Pillsbury) in Middle East and North Africa. Between 2000-2002 he worked as Chief Financial Officer and Chief Restructuring Officer, in an ASE listed high-tech company (part of LEVENTIS Group) and in 2003 he joined PETROLA HELLAS as Chief Financial and IT Officer.

After the legal merger and operational integration of PETROLA HELLAS with HELLENIC PETROLEUM, he was appointed as CFO of the new Group in 2005 and became a member of the Group's Executive Committee. In 2012, he assumed the responsibility for International subsidiaries and he was Deputy CEO during the period 2014-2015 and 2017-2019, when he became CEO.

Mr. A. Shiamishis serves as a board member of the Hellenic Federation of Enterprises (SEV) and sits on the board of SEV Council for Sustainable Development (BCSD). He is a founding member of the American Hellenic Chamber of Commerce (AMCHAM) board of Corporate Governance and is also a member in a number of professional bodies including the Economic Chamber of Greece and ICAEW specialized faculties.

GEORGIOS ALEXOPOULOS

EXECUTIVE MEMBER

As General Manager of Strategic Planning and New Business for the Group, he is responsible for the strategic planning and management of new business development in natural gas electricity renewable energy sources, exploration and production, strategic projects and participations (DEPA/Elpedison/ASPROFOS) and the Group's representation in international organizations. He has been a member of the Board of Directors of the European Petroleum Refiners Association as a regular or alternate member since 2012 and has worked for HELLENIC PETROLEUM Group since 2007.

He held the position of Director of Strategic Planning and Development in an international group of companies (SETE S.A.), based in Geneva, Switzerland, from 1998 to 2006, where he was responsible for overseeing the group's energy portfolio.

Previously, he worked for a number of technical and executive positions at Stone & Webster, Molten Metal Technology, Merck, Dow Corning, and Dow Chemical in the United States between 1993 and 1997.

He holds an MBA degree (1998) from Harvard Business School and M.Sc. (1993) and B.Sc. (1992) degrees in Chemical Engineering from the Massachusetts Institute of Technology (MIT).

THEODOROS-ACHILLEAS VARDAS

NON-EXECUTIVE MEMBER

Mr. Theodoros-Achilleas Vardas is a Member of the Board of Directors of HELLENIC PETROLEUM since 2003. He also serves as Vice Chairman of the BoD of EKO SA, the Group's marketing company.

He was born in Athens in 1950. He a Degree in Chemical Engineering from the Swiss Federal Institute of Technology in Zurich and a PhD from the Systems Engineering Department of the same institute.

He began his professional career in 1979 at the Latsis Group, where he worked in key positions and in 1981 as General Manager of Petroleum Products Trading. At the same time, from 1988 to 2003, he was the Deputy CEO and Member of the BoD of Petrola Hellas SA.

Since October 2003, following the merger of Petrola Hellas SA and HELLENIC PETROLEUM SA until the end of 2016, he served as a Management Consultant of HELLENIC PETROLEUM SA.

He also served as Member of the BoDs of Papastratos SA (1999-2003), DEPA SA (2004-2016), ELPEDISON BV (2008-2016).

He is married and the father of two children.

MICHAEL KEFALOGIANNIS

NON-EXECUTIVE MEMBER

Holds an MBA in General Management from Baruch College in New York - USA and a Diploma in Economics from the University of Cologne – Germany.

He is the co-founder and Managing Partner of Canary Wharf Value Partners, an Athens based investment advisory firm established in 2015, focusing on debt restructuring of medium-sized Greek corporates and M&A transactions. Additionally, he serves as the Chairman of the board of Greek Tourism and Hotel Enterprises of Crete SA, (where he maintains a significant business interest).

He has also headed as Project Manager several important projects of the Greek Government. In the period 2012-2014, he led the establishment of the Greek Investment Fund (IFG), a joint successful initiative of the Greek Government together with the German Development Bank KFW, the European Investment Bank (EIB), the French Treasury and the Onassis Foundation. In the period 2007-2009, he coordinated and co-managed the successful privatization process of Olympic Airways (OA) on the side of the Greek Government in March 2009.

He has been Group Vice Chairman & Senior Investment Officer at DEMCO Group from early 2009 until mid-2013. He has co-led the successful acquisition of Village Cinemas and Village Films from Village Roadshow Australia, as well as the successful comeback of the Group in insurance through a series of acquisitions in the Cyprus insurance market.

He has also served as DEMCO Group's Managing Director & Executive Vice President in the period between early 2003 until the end of 2006. During the period 2000-2003, he served as General Manager International Operations of Interamerican Insurance Group.

He has also worked as a Principal for a regional private equity fund (the venture capital arm of Emporiki Bank of Greece) for another five years (late 1995 – early 2000) thus being an active investment manager for the last 24 years.

During his investment management tenure, he has served in numerous board positions ranging most notably from the board of Athens International Airport (AIA) to the boards of Millenium Bank Greece, Bulgarian Investment Bank (B.I.B - later Emporiki Bank Bulgaria), Interamerican Romania, Interamerican Bulgaria and Interlife Cyprus.

He was born in Crete, Greece in 1964. He is married with two children.

ALEXANDROS METAXAS

NON-EXECUTIVE MEMBER

Born in Athens in 1967. He studied law at the Law School of the National and Kapodistrian University of Athens, from which he graduated in 1990. During the years 1992-1993, he followed post-graduate studies and obtained a master degree from the University of Southampton in UK in the field of Corporate Law, European Community Law and Information Technology Law. His dissertation was on banking law and in particular on the collapse of BCCI bank, incorporated under the laws of England, and the relevant international regulatory legal framework.

From 1993, he is attorney at law, member of the Athens Bar Association, and he is specialized in corporate law, banking law and mergers & acquisitions, as well as in dispute resolution, before the competent courts, related to the above fields.

From 2004 until today, he is partner of the Law Firm “Sarantitis Law Firm” and from 2018 deputy managing partner of the said law firm, whilst from 1994 until 2004 he was associate of the law office “Sarantitis & Partners”.

IORDANIS AIVAZIS

NON-EXECUTIVE MEMBER

He graduated from the University of Athens with a Degree in Economics (Department of Politics and Economics). He completed his postgraduate studies at the University of Lancaster (England) and he obtained a Postgraduate Diploma in Economics and a Masters of Arts (M.A.) in Marketing and Finance.

He worked at senior positions with Greek and international banks in Athens, Greece, and he was Chief Financial Officer (CFO) and Chief Operating Officer (COO) with Hellenic Telecoms (OTE S.A.). Following the acquisition of OTE by Deutsche Telekom (DT), he joined OTE’s Board of Directors as an Executive member and DT’s European Management Board. Additionally, he was sitting, as a NED, on the Boards of Greek listed companies.

Currently, he is Chair of the BoD of SFS, a subsidiary of Bain Capital Credit, and a Member of the Board (NED) of Ellaktor S.A. He is also Chair of the Special Liquidations Committee of the Bank of Greece. He is an English and French speaker.

ALKIVIADES - CONSTANTINOS PSARRAS

NON-EXECUTIVE MEMBER

Born in Athens in 1964. Attorney at law, graduated from the University of Athens, Law School (LL.B.) and the University of Kent at Canterbury, UK (LL.M on European Competition Law, Intellectual Property, International Business Transactions and Ph.D).

His fields of expertise include commercial law, competition law, electronic communications, and media, intellectual and industrial property law, information technology law with an emphasis on electronic payments, mergers, corporate law, and on corporate restructuring and financing.

During 2000 – 2004, he acted as the Head of the Legal Department of the Hellenic Telecommunications and Post Commission (EETT), and during 2005 - 2006, he served as a Board member in the Board of Directors of EETT. From 2004 up to 2007, he was a member of the Board of Directors of the Hellenic Copyright Organization (OPI), and from 2009 up to 2011, he acted as Vice-Chairman of the Board of Directors of the Hellenic Industrial Property Organisation (OVI). He has participated in various legislative committees (working on the drafting of legislation for societees anonymes, public procurement, electronic public procurements, consumer protection, intellectual property, electronic communications and competition).

Since 2003, he teaches electronic communications law in the Interdepartmental Post-Graduate Program of the Departments of Computers and Economics of the Athens University, «Telecommunications' Economics and Management». He has various publications on issues of commercial law in academic journals and in foreign newsletters on competition law and corporate law.

LOUKAS PAPAZOGLOU

NON-EXECUTIVE MEMBER

He holds a Bachelor Degree from Athens University of Economics and Business (ASOEE) and a Master's Degree from the University of Reading in International Banking and Finance.

He has extended experience including, among others, CEO in APIVITA S.A, Senior Project Manager for Aegean Motorway SA and Olympia Odos SA in HTC AG. He was also Chairman of the BoD of ATHENS INTERNATIONAL AIRPORT.

During the period 2004-2008, he served as Special Privatization Secretary, while for an 8-month period he was also responsible for the General Accounting Office of the Hellenic Republic.

Currently, he is a business consultant specialized in mergers and acquisitions and corporate restructurings working closely with major Greek and international firms. He is an independent non – executive member of the BoD of Attica Group and of Marfin Investment Group.

THEODOROS PANTALAKIS

INDEPENDENT NON-EXECUTIVE MEMBER

Holds a degree in Business Administration from the Piraeus University.

From 1980 to 1991, he worked at the National Bank of Investments & Industrial Development (ETEBA). Additionally, from 1983 to 1985, he was associate of the Deputy Minister of National Economy, Kostis Vaitsou and from 1985 to 1988 was the Office Director of the Deputy Minister of National Economy, Theodoros Karantzas. From 1991 to 1996, he was Assistant General Manager in the Interamerican Group. From March 1996 to April 2004, he held the position of Deputy Governor of the National Bank of Greece, while at the same time he served as Chairman, Vice-Chairman or member of the BoD in several of the bank's subsidiaries. He was also Vice-Chairman of the Athens Stock Exchange, President of the Central

Depository, and President of the Executive Committee of the Hellenic Bank Association et.al. On May 2004, he was appointed Vice-Chairman of the BoD of Piraeus Bank and from January 2009 to December 2009, he was the Vice-Chairman and Deputy-CEO of the Piraeus Bank Group.

He was also Chairman of the BoD of Piraeus AEEAP (now Trastor AEEAP) and the Chairman of Europaiki Pisti AEGA insurance company. He served as Chairman of the BoD of ATE Bank between 2009 and 2012.

From August 2012 to September 2016, he served as Chairman and CEO of Apollonios Kyklos SA, Vice Chairman of Enosis SA and Ltd, Associate of DEMKO SA, Member of the BoD of ELLAKTOR Group, Hellenic Petroleum, Retail World and MAD DOG SA.

Currently he is the CEO of Attica Bank, Vice Chairman of Enosis SA and Ltd, Member of BoD of ELLAKTOR Group (Attiki Odos, Anemos SA, REDS) and HELLENIC PETROLEUM.

SPYRIDON PANTELIAS

INDEPENDENT NON-EXECUTIVE MEMBER

Holds a PhD and Master's Degree in Economics from the University of Washington, St. Louis, as well as a Degree in Economics from the University of Athens.

He is a banker with significant experience in the financial services sector. He holds the position of supervisor Micro and Marco-Prudential Supervision and Director of Financial Stability at the Bank of Greece where he works since the beginning of 2012. He has served as Executive Vice Chairman of the BoD of Hellenic Post Bank (2009-2011), General Manager of the Bank of Cyprus group – Head of investment banking, asset management and brokerage. From 2005 to 2007, he held the position of Deputy General Manager at Emporiki Bank, from 2002 to 2004 General Manager of EFG Telesis Finance and in 2000 to 2002 Deputy General Manager at Geniki Bank. He has also worked in the National Bank of Greece, the Hellenic Bank Association and the Reuters News Agency. He currently acts as a Consultant to the Administration of the BoG.

CONSTANTINOS PAPAGIANNOPOULOS

NON-EXECUTIVE MEMBER - EMPLOYEES' REPRESENTATIVE

Graduate of the Technical School of Electronics in 1984.

Since 1981, he has worked initially in Petrola Hellas plc and after the merger with HELLENIC PETROLEUM; he worked in the section of Electrical and Instrumentation to Elefsina Refinery. From 2004, he is a member of the Board of Directors of the Panhellenic Workers Association ELPE. In February of 2013, he has been elected as the representative of the workers in the BoD.

GEORGIOS PAPAKONSTANTINOU

NON-EXECUTIVE MEMBER-EMPLOYEES' REPRESENTATIVE

Mechanical Engineer, graduate of the Technical University of Cluj-Napoca of Romania, holder of a Master's Degree in Machinery Construction Technology.

Since 1985, he has been employed by HELPE (EKO until 1997), at the industrial plants of Thessaloniki, as Maintenance Projects, New Projects and Major Projects Engineer, and he has participated in several general maintenance works at the refinery of Thessaloniki as well as in the planning and implementation of upgrade projects and new units at the industrial plants of Thessaloniki. (Networks, Docking, Fire Safety Systems, Oily Sludge Treatment Unit, Tank Truck Loading Station, Isomerization Unit etc.).

He has been active in the HELPE Employees Trade Union, and has been a member of the Union's BoD, assuming various responsibilities from 1997 to this day. He is also an elected member of the General Confederation of Greek Workers (GSEE) management, as well as of the Trade Union Center of Thessaloniki.

3. Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report

Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report

(Pursuant to article 4 par. 2 of Law no. 3556/2007)

Pursuant to provisions of article 4, par. 2(c) of Law 3556/2007, we state that, to our best knowledge:

a. The Annual Financial Statements, which were prepared in accordance with the applicable International Financial Reporting Standards, fairly represent the assets and liabilities, the equity and results of the parent company HELLENIC PETROLEUM S.A. for 2020, as well as of the companies that are included in the consolidation taken as a whole.

b. The Annual Report of the Board of Directors fairly represents the performance, results of operations and financial position of the parent company HELLENIC PETROLEUM S.A. and of the companies included in the consolidation taken as a whole, as well as a description of the main risks and uncertainties they face.

Athens, 25 February 2021

By authority of the Board of Directors

Ioannis Papathanassiou	Andreas Shiamishis	Georgios Alexopoulos
Chairman	Chief Executive Officer	General Manager of Group Strategic Planning & New Business Activities and Executive Member of the BoD

4. Independent Auditor's Report on the Annual Financial Statements and the Annual Financial Report

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Hellenic Petroleum S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Hellenic Petroleum S.A., which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects the financial position of Hellenic Petroleum S.A. and its subsidiaries ("the Group") as at 31 December 2020 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters and the related risks of material misstatement were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter

Assessing impairment of non-current assets

At 31 December 2020, the Group has recognized property, plant and equipment of € 3,4 billion, Right-of-Use assets of €236 million and investments in associates and joint ventures of €417 million.

Under IFRS, an entity is required to regularly assess whether impairment indicators exist for its assets. The assessment of whether there is an indication that an asset may be impaired requires significant judgment.

A number of external factors, including the level of refining margins in the Mediterranean, the economic activity that affects the demand and the euro to dollar exchange rate, affect the operations and financial position of the Group and could have a significant impact on the recoverable amounts of the Group's non-current assets, including property, plant and equipment of the refining and marketing segments, as well as investments in associates and joint ventures.

Global events relating to Covid-19 pandemic had a significant impact on the Group's financial performance in 2020, as the key drivers for the profitability of the Group, benchmark refining margins and demand, reduced to historically low levels, requiring the assessment of the recoverable amount of non-current assets. Determining the recoverable amount of an asset or a cash generating unit involves exercise of significant management judgment and estimates.

Forecasting future cash flows for purposes of determining the recoverable amount, is inadvertently dependent on, among others, the Group's assumptions on oil, gas and electricity price outlook. Other key inputs used in assessing the recoverable amounts are the forecasted demand and future expected production volumes, benchmark refining margins, euro to dollar exchange rate, capital and operating expenditures and determining an appropriate discount rate.

Moreover, significant judgment may be required for the determination of the appropriate level at which the recoverable amount is to be determined, by assessing the lowest level of assets for which there are separately identifiable cash inflows.

Given the materiality of balances of non-current assets (property, plant and equipment, right-of-use assets, investments in associates and joint ventures) in the consolidated statement of financial position, the level of subjectivity in respect of assumptions underlying the impairment analysis, and significant judgments and estimates made by management, in light also of the current economic environment and inherent uncertainties, we consider non-current assets' assessment for impairment a key audit matter.

The Group's disclosures regarding its accounting policy, judgments and estimates used in its assessment for impairment of its non-current assets are in notes 2.12, 4, 6, 7 and 9 of the consolidated financial statements.

Our work included, but was not limited to, the following procedures:

- We evaluated management's assessment of the potential impairment indicators, focusing on whether indicators exist, including by comparing actual performance to that budgeted, analyzing reasons for any deviations and considering whether these may affect future performance as well as assessing historical accuracy of management's budgets and forecasts.

- For the assets where impairment indicators were identified and hence an impairment test performed, we assessed with the assistance of our own internal specialists: (i) the assumptions and methodologies used by management to determine the recoverable amount of assets (or cash generating units) and (ii) the level at which the recoverable amount was determined (asset or cash generating unit).

- Where impairment tests were performed by the Group, we used external data, as applicable, in assessing the assumptions and estimates used by management, the most significant of which being the demand (both at local and international level), the refining margins, the exchange rate euro to dollar and the discount rates. We compared the estimates used by management to externally available financial data, where available, as well as performed sensitivity analyses for possible reasonable changes to the most significant inputs.

- We also assessed the adequacy of the Group's disclosures in the consolidated financial statements with respect to the above matters.

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Key audit matter	How our audit addressed the key audit matter

Recoverability of trade receivables

Included in the gross balance of trade receivables in note 12 of the consolidated financial statements as at 31 December 2020 is an amount of €291 million relating to the Group's marketing operations in Greece, against which provision for impairment amounting to €159 million is recorded.

Management assesses the recoverability of trade receivables, and estimates a loss allowance for expected credit losses, considering, among others, its experience with collection trends in the marketing segment, the current economic conditions and also the securities and collaterals obtained from specific customers.

The assessment for impairment of trade receivables requires significant management judgment in assessing the trade debtors' ability to pay, the expected time of collection, the valuation of collaterals held, and an estimation of future market conditions. Moreover, considering the current economic environment, significant management judgment is required to incorporate in this assessment the potential effects of Covid-19, in assessing any significant increase in credit risk and other forward-looking information. Thus, we have considered the recoverability of trade receivables a key audit matter.

The Group's disclosures regarding trade receivables, the related risks such as credit risk and the aging of trade receivables are included in notes 3.1(b) and 12 of the consolidated financial statements, while note 4 discloses the Group's significant accounting judgments and estimates.

Our work included, but was not limited to, the following procedures:

- We obtained an understanding of the Group's process to monitor trade receivables, including its credit control procedures and the factors considered in estimating the provision for impairment. We evaluated whether the process is in line with the relevant accounting standards.

- We evaluated the Group's policy and key assumptions used for recording a provision for impairment of trade receivables, including the valuation of collaterals obtained from specific customers with the involvement of our specialists in the valuation of real estate market. We evaluated with our specialists whether there are any significant changes to the valuation of collaterals taking into consideration possible effects of Covid-19 outbreak.

- We reviewed minutes of the Group's credit review committee and obtained and assessed legal letters, where applicable, to corroborate management's assumptions on recoverability of trade receivables.

- We also assessed the adequacy of the Group's disclosures in the consolidated financial statements with respect to the above matters.

Key audit matter	How our audit addressed the key audit matter
Uncertain tax positions	
As disclosed in note 33 of the consolidated financial statements as of 31 December 2020, the Group has certain open disputes mainly (but not solely) relating to tax audits by the Greek tax authorities. In addition, the tax authorities reserve the right for future tax audits within the statute of limitation deadlines. The accounting for uncertain tax positions requires significant judgment by management mainly in assessing whether it is probable that the taxation authorities will accept an uncertain tax treatment and how to reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses or unused tax credits. Given the complex and changing tax environment, and the time taken for the judicial process to result in a final position in case of a dispute, high level of management judgment is involved in assessing uncertain tax positions, thus we considered the uncertain tax positions as a key audit matter. The Group's disclosures about Uncertain Tax Positions are included in notes 29 and 33 of the consolidated financial statements, while notes 2.21 and 4 refer to the Group's accounting policies and significant judgments and estimates.	Our work included, but was not limited to, the following procedures: - Together with our professionals specialized in tax matters we updated our prior years' assessment of the Group's open tax audits and the relevant legal cases. - Together with our professionals specialized in tax and legal matters we evaluated the uncertain tax positions by reviewing the reports issued by the tax authorities following the tax audits completed in 2020 and obtained an understanding of the Group's position and basis for their appeals. - We evaluated management's estimates for the uncertain tax and related legal positions considering legal advice (from external and internal lawyers) and tax advice (from external experts) received by the Group, as considered necessary. - We also assessed the adequacy of the Group's disclosures in the consolidated financial statements with respect to the above matters.

Other information

Management is responsible for the other information in the Annual Report. The other information, includes the Board of Directors Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", the Statements of the Members of the Board of Directors, and any other information either required by law or voluntarily incorporated by the Group in its Annual Report prepared in accordance with Law 3556/2007, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

The Audit Committee (Law 44 v.4449/2017) is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

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Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/2018.
b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 153 -154 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying consolidated financial statements for the year ended December 31, 2020.
c) Based on the knowledge and understanding concerning Hellenic Petroleum S.A. and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. *Additional Report to the Audit Committee*

Our opinion on the consolidated financial statements is consistent with our Additional Report to the Audit Committee of Hellenic Petroleum S.A., in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

Non-audit services provided by us to the Group during the year ended December 31, 2020, are disclosed in note 24 of the consolidated financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Group by the General Assembly on June 23, 2017. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 4 years.

Athens, 25 February 2021

Christiana Panayidou
SOEL R.N. 62141

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Hellenic Petroleum S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hellenic Petroleum S.A (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 a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters and the related risks of material misstatement were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessing impairment of non-current assets	
At 31 December 2020, the Company has recognized property, plant and equipment of € 2,8 billion and investments in subsidiaries, associates and joint ventures of € 1,1 billion. Under IFRS, an entity is required to regularly assess whether impairment indicators exist for its assets. The assessment of whether there is an indication that an asset may be impaired requires significant judgment. A number of external factors, including the level of refining margins in the Mediterranean, the economic activity that affects the demand and the euro to dollar exchange rate, affect the operations and financial position of the Company and could have a significant impact on the recoverable amounts of the Company's non-current assets, including property, plant and equipment of the refining segment, as well as investments in subsidiaries, associates and joint ventures. Global events relating to Covid-19 pandemic had a significant impact on the Company's financial performance in 2020, as the key drivers for the profitability of the Group, benchmark refining margins and demand, reduced to historically low levels, requiring the assessment of the recoverable amount of non-current assets. Determining the recoverable amount of an asset or a cash generating unit involves exercise of significant management judgment and estimates. Forecasting future cash flows for purposes of determining the recoverable amount, is inadvertently dependent on, among others, the Company's assumptions on oil, gas and electricity price outlook. Other key inputs used in assessing the recoverable amounts are the forecasted demand and future expected production volumes, benchmark refining margins, euro to dollar exchange rate, capital and operating expenditures and determining an appropriate discount rate. Moreover, significant judgment may be required for the determination of the appropriate level at which the recoverable amount is to be determined, by assessing the lowest level of assets for which there are separately identifiable cash inflows. Given the materiality of balances of non-current assets (property, plant and equipment, investments in subsidiaries, associates and joint ventures) in the statement of financial position, the level of subjectivity in respect of assumptions underlying the impairment analysis, and significant judgments and estimates made by management, in light also of the current economic environment and inherent uncertainties, we consider non-current assets' assessment for impairment a key audit matter. The Company's disclosures regarding its accounting policy, judgments and estimates used in its assessment for impairment of its non-current assets are in notes 2.10, 4, 6 and 9 of the financial statements.	Our work included, but was not limited to, the following procedures: - We evaluated management's assessment of the potential impairment indicators, focusing on whether indicators exist, including by comparing actual performance to that budgeted, analyzing reasons for any deviations and considering whether these may affect future performance as well as assessing historical accuracy of management's budgets and forecasts. - For the assets where impairment indicators were identified and hence an impairment test performed, we assessed with the assistance of our own internal specialists: (i) the assumptions and methodologies used by management to determine the recoverable amount of assets (or cash generating units) and (ii) the level at which the recoverable amount was determined (asset or cash generating unit). - Where impairment tests were performed by the Company, we used external data, as applicable, in assessing the assumptions and estimates used by management, the most significant of which being the demand (both at local and international level), the refining margins, the exchange rate euro to dollar and the discount rates. We compared the estimates used by management to externally available financial data, where available, as well as performed sensitivity analyses for possible reasonable changes to the most significant inputs. - We also assessed the adequacy of the Company's disclosures in the financial statements with respect to the above matters.

Key audit matter	How our audit addressed the key audit matter
Uncertain tax positions	
As disclosed in note 33 of the financial statements as of 31 December 2020, the Company has certain open disputes mainly (but not solely) relating to tax audits by the Greek tax authorities. In addition, the tax authorities reserve the right for future tax audits within the statute of limitation deadlines. The accounting for uncertain tax positions requires significant judgment by management mainly in assessing whether it is probable that the taxation authorities will accept an uncertain tax treatment and how to reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses or unused tax credits. Given the complex and changing tax environment, and the time taken for the judicial process to result in a final position in case of a dispute, high level of management judgment is involved in assessing uncertain tax positions, thus we considered the uncertain tax positions as a key audit matter. The Company's disclosures about Uncertain Tax Positions are included in notes 29 and 33 of the financial statements, while notes 2.19 and 4 refer to the Company's accounting policies and significant judgments and estimates.	Our work included, but was not limited to, the following procedures: - Together with our professionals specialized in tax matters we updated our prior years' assessment of the Company's open tax audits and the relevant legal cases. - Together with our professionals specialized in tax and legal matters we evaluated the uncertain tax positions by reviewing the reports issued by the tax authorities following the tax audits completed in 2020 and obtained an understanding of the Group's position and basis for their appeal. - We evaluated management's estimates for the uncertain tax and related legal positions considering legal advice (from external lawyers) received by the Company, as considered necessary. - We also assessed the adequacy of the Company's disclosures in the financial statements with respect to the above matters.

Other information

Management is responsible for the other information in the Annual Report. The other information, includes the Board of Directors Report, for which reference is also made in section “Report on Other Legal and Regulatory Requirements”, the Statements of the Members of the Board of Directors, and any other information either required by law or voluntarily incorporated by the Company in its Annual Report prepared in accordance with Law 3556/2007, but does not include the financial statements and our auditor’s report thereon.

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

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

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

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

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

The Audit Committee (Law 44 v.4449/2017) 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 as incorporated in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/2018.
b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 151 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended December 31, 2020.
c) Based on the knowledge and understanding concerning Hellenic Petroleum S.A. and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. *Additional Report to the Audit Committee*

Our opinion on the financial statements is consistent with our Additional Report to the Audit Committee of the Company, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

Non-audit services provided by us to the Company during the year ended December 31, 2020, are disclosed in note 24 of the financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on June 23, 2017. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 4 years.

Athens, 25 February 2021

Christiana Panayidou
SOEL R.N. 62141

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras
151 25 Maroussi, Greece
Company SOEL R.N. 107

5. Complementary information and data pursuant to decision no. 7/448/11.10.07 of the Capital Market Commission

5.1 Information required as per article 10 of L. 3401/2005

Pursuant to decision 7/448/11.01.2007 article 1 of the Capital Market Commission's Board of Directors and the provision of article 10 of L. 3401/2005, the Company informs investors of the following announcements issued to the Athens Stock Exchange and Capital Market Commission supervisory authorities, in accordance with applicable law during the financial year 2020.

The full text of these announcements can be found on the Company's website at the following electronic address: www.helpe.gr.

A) FINANCIAL STATEMENTS

27.02.20	HELPE S.A. & GROUP 2019 Annual Financial Statements
13.05.20	HELPE S.A. & GROUP 1Q 2020 Interim Financial Statements
27.08.20	HELPE S.A. & GROUP 1st Half /2Q 2020 Interim Financial Statements
05.11.20	HELPE S.A. & GROUP 1st Half /2Q 2020 Interim Financial Statements

B) PRESS RELEASES REGARDING THE FINANCIAL STATEMENTS

27.02.20	Press release for the annual results of financial year 2019
13.05.20	Press release for the 1st quarter results of financial year 2020
27.08.20	Press release for the 1st half/ 2nd quarter results of financial year 2020
05.11.20	Press release for the nine month/3rd quarter results of financial year 2020

C) GENERAL SHAREHOLDERS' MEETINGS / GENERAL MEETING RESOLUTIONS /DIVIDENDS

30.01.20	Invitation to Extraordinary General Meeting 20.02.20
20.02.20	Resolution of the Extraordinary General Meeting 20.02.20
26.02.20	Refund of the overpaid withholding tax on 2018 interim dividend
03.06.20	Invitation to the Annual Ordinary General Meeting on 24.06.2020
09.06.20	Invitation to the Annual Ordinary General Meeting on 24.06.2020 (correct repetition)
24.06.20	Announcement for the Dividend Payment 2019
25.06.20	A.G.M. Resolutions 24.06.2020

D) SENIOR EXECUTIVES AND ORGANISATIONAL CHANGES

25.02.20	New CEO at HELPE UPSTREAM
23.04.20	New Group HR & Administrative Services General Manager
03.08.20	Appointment of third member of the Audit Committee

E) ANNOUNCEMENT OF REGULATED INFORMATION, PURSUANT TO LAW 3556/2007

27.01.20 – 07.10.20	Announcement of Regulated Information, pursuant to Law 3556/2007

https://www.helpe.gr/en/investor-relations/corporate-governance/regulated-information/tradeacknowledgements/

E) VARIOUS

24.01.20	Memorandum with HRADF regarding the sale of its stake in DEPA Commercial S.A.
17.02.20	Announcement for the acquisition of 204 MW RES project
27.02.20	Financial Calendar 2020
13.05.20	Financial Calendar 2020 (Amendment)
02.06.20	Regulatory announcement – Update on DEPA Infrastructure tender process
06.10.20	Announcement of completion of 204MW PV Project acquisition in Kozani and financing through a New Bond Issuance
15.12.20	Supplementary information regarding 9M 2020 Financial Results (COVID-19 impact)

5.2 Published Summary Financial Statements

H E L L E N I C   P E T R O L E U M S.A.

General Commercial Registry 000296601000 (A.R.M.A.E. 2443/06/B/86/23)

HELLENIC PETROLEUM

FINANCIAL DATA AND INFORMATION FOR THE YEAR FROM **1 JANUARY 2020** TO **31 DECEMBER 2020** (Published in compliance to L.2190/20, art. 135 for companies that prepare annual financial statements in accordance with IFRS)

The following financial data and information are only for general information purposes with regard to the financial position and results of HELLENIC PETROLEUM Group and the parent company. We, therefore, recommend to the reader, before making any investment decision, or proceeding to any transaction with the company, to refer to the company's internet address, where the annual financial statements in accordance with International Financial Reporting Standards are available, together with the auditors' report.

COMPANY

Head office Address:	8A, CHIMARRAS STR. - 15125 MAROUSI
Website :	http://www.helpe.gr
Approval date of the annual financial statements by the Board of Directors:	25 FEBRUARY 2021
The Certified Auditor:	Christiana Panayidou, SOEL reg.no.62141
Auditing Company:	ERNST & YOUNG (HELLAS), SOEL reg.no.107
Type of Auditor's Report:	UNQUALIFIED

Board of 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

STATEMENT OF FINANCIAL POSITION

(Amounts in thousands €)

	GROUP		COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
ASSETS				
Property, plant and equipment	3.379.813	3.297.668	2.766.635	2.693.794
Right-of-use assets	235.541	242.934	32.157	32.084
Intangible assets	105.841	104.426	8.094	8.704
Other non-current assets	560.379	499.543	1.107.522	1.067.227
Inventories	694.410	1.012.802	599.613	899.760
Trade and other receivables	544.795	748.153	489.979	791.257
Income tax receivable	37.699	91.391	33.830	87.616
Assets held for sale	2.466	2.520	0	-
Derivative financial instruments	9.945	3.474	9.945	3.474
Cash, cash equivalents and restricted cash	1.202.900	1.088.198	992.748	888.564
Investment in equity instruments	959	1.356	587	965
TOTAL ASSETS	**6.774.748**	**7.092.465**	**6.041.110**	**6.473.445**
EQUITY AND LIABILITIES				
Share capital	666.285	666.285	666.285	666.285
Share premium	353.796	353.796	353.796	353.796
Retained earnings and other reserves	766.416	1.241.944	800.051	1.218.754
Equity attributable to equity holders of the parent	**1.786.497**	**2.262.025**	**1.820.132**	**2.238.835**
Non-controlling interests	62.340	64.548	-	-
TOTAL EQUITY	**1.848.837**	**2.326.573**	**1.820.132**	**2.238.835**
Interest bearing loans and borrowings	2.131.371	1.610.094	2.064.808	1.607.838
Lease liabilities	201.136	199.894	30.563	31.183
Provisions and other long term liabilities	294.438	447.894	197.527	365.556
Short-term Interest bearing loans and borrowings	744.561	1.022.270	494.675	875.576
Other short-term liabilities	1.554.405	1.485.740	1.433.405	1.354.457
Total liabilities	**4.925.911**	**4.765.892**	**4.220.978**	**4.234.610**
TOTAL EQUITY AND LIABILITIES	**6.774.748**	**7.092.465**	**6.041.110**	**6.473.445**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

(Amounts in thousands €)

	GROUP		COMPANY	
	1/1/2020-31/12/2020	1/1/2019-31/12/2019	1/1/2020-31/12/2020	1/1/2019-31/12/2019
Revenue from contracts with customers	5.781.791	8.856.965	5.114.813	8.023.563
Gross profit	(35.982)	805.159	(302.364)	460.366
Operating profit	(501.404)	340.944	(477.277)	261.844
Profit before Income Tax	(581.716)	207.010	(515.141)	350.093
Less : Taxes	185.101	(43.434)	176.377	(33.734)
Profit for the year	**(396.615)**	**163.576**	**(338.764)**	**316.359**
Profit attributable to:				
Owners of the parent	(395.827)	160.798		
Non-controlling interests	(788)	2.778		
	(396.615)	**163.576**		
Other comprehensive income / (loss) for the year, net of tax	(3.036)	2.650	(3.530)	5.025
Total comprehensive income for the year	**(399.651)**	**166.226**	**(342.294)**	**321.384**
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(398.840)	163.425		
Non-controlling interests	(811)	2.801		
	(399.651)	**166.226**		
Basic and diluted earnings per share (in Euro per share)	**(1,30)**	**0,53**	**(1,11)**	**1,04**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**(253.426)**	**573.767**	**(310.666)**	**417.008**

STATEMENT OF CHANGES IN EQUITY

(Amounts in thousands €)

	GROUP		COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Total equity at beginning of the year 1/1/2020 & 1/1/2019	**2.326.573**	**2.394.731**	**2.238.835**	**2.146.677**
Total comprehensive (loss) / income for the year	(399.651)	166.226	(342.294)	321.384
Dividends to shareholders of the parent	(76.409)	(229.226)	(76.409)	(229.226)
Dividends to non-controlling interests	(1.432)	(2.246)	-	-
Participation of minority shareholders in share capital increase of subsidiary	35	34	-	-
Share based payments	-	0	-	-
Transfer of grant received to tax free reserves	-	-	-	-
Acquisition of treasury shares	-	-	-	-
Issue of treasury shares to employees	-	-	-	-
Tax on intra-group dividends	(228)	(122)	-	-
Share capital issue expenses	(51)	(342)	-	-
Acquisition of non-controlling interests	-	(2.482)	-	-
Total equity at the end of the year	**1.848.837**	**2.326.573**	**1.820.132**	**2.238.835**

STATEMENT OF CASH FLOW

(Amounts in thousands €)

	GROUP		COMPANY	
	1/1/2020-31/12/2020	1/1/2019-31/12/2019	1/1/2020-31/12/2020	1/1/2019-31/12/2019
Cash flows from operating activities				
(Loss) / Profit before Tax	(581.716)	207.010	(515.141)	350.093
Adjustments for:				
Depreciation and impairment of property, plant and equipment and right-of-use assets	247.272	230.585	161.976	151.655
Amortisation and impairment of intangible assets	8.717	6.844	5.872	4.764
Amortisation of grants	(1.110)	(1.049)	(797)	(665)
Finance expense	109.820	146.303	102.724	115.800
Lease finance cost	10.914	10.081	1.388	967
Finance Income	(5.646)	(5.843)	(9.727)	(10.510)
Share of operating profit of associates	(29.827)	(17.862)	-	-
Provisions for expenses and valuation charges	140.003	33.003	119.937	43.972
(Gain)/Loss from disposal of available for sale financial assets	54	(721)	(51.533)	(195.416)
Foreign exchange (gains) / losses	(4.950)	1.255	(4.988)	910
Amortisation of long-term contracts costs	6.240	(959)	6.488	1.276
(Gain)/Loss from disposal of Non Current Assets	(1.590)	32	(3.518)	(1.074)
	(101.819)	**608.679**	**(187.319)**	**461.772**
Changes in working capital				
(Increase) / decrease in inventories	315.524	(20.065)	298.461	(8.578)
(Increase) / decrease in trade and other receivables	193.102	7.352	178.198	(10.595)
Increase / (decrease) in payables	19.592	38.752	43.642	17.211
Less:				
Income tax paid	23.133	(148.655)	33.170	(143.204)
Net cash generated from / (used in) operating activities	**449.533**	**486.063**	**366.152**	**316.606**
Cash flows from investing activities				
Purchase of property,plant and equipment & intangible assets	(288.055)	(241.045)	(228.991)	(160.831)
Cash from sale of property, plant and equipment & tangible assets	2.803	1.616	4.846	1.074
Grants received	337	439	-	-
Interest received	5.646	5.843	9.727	10.510
Dividends received	9.465	30.490	161.533	45.416
Investment in associates - net	0	(10.295)	(12.043)	(22.680)
Share capital issue expenses	(51)	-	-	-
Proceeds from disposal of investments in equity instruments	-	19	-	-
Settlement of consideration of acquisition of further equity interest in subsidiary	0	-	-	-
Proceeds from disposal of assets held for sale	0	1.334	-	-
Prepayments for right-of-use assets	(1.035)	(717)	-	-
Purchase of subsidiary, net of cash acquired	(6.475)	(5.341)	-	-
Net cash used in investing activities	**(277.365)**	**(217.657)**	**(64.928)**	**(126.511)**
Cash flows from financing activities				
Interest paid	(100.003)	(150.411)	(98.323)	(117.527)
Dividends paid to shareholders of the Company	(152.647)	(153.248)	(152.647)	(150.085)
Dividends paid to non-controlling interests	(1.401)	(2.246)	-	-
Loans to affiliated companies	-	-	-	-
Acquisition of treasury shares	-	-	-	-
Participation of minority shareholders in share capital increase of subsidiary	34	34	-	-
Proceeds from borrowings	1.419.247	514.700	1.412.971	231.420
Payment of lease liabilities	(44.477)	(40.793)	(11.781)	(8.661)
Repayments of borrowings	(1.167.609)	(625.581)	(1.342.771)	(329.168)
Net cash generated from / (used in) financing activities	**(46.856)**	**(457.545)**	**(192.551)**	**(374.021)**
Net (decrease) / increase in cash & cash equivalents	**125.312**	**(189.139)**	**108.673**	**(183.926)**
Cash and cash equivalents at the beginning of the year	**1.088.198**	**1.275.159**	**888.564**	**1.070.377**
Exchange gains / (losses) on cash and cash equivalents	(10.608)	2.179	(4.489)	2.113
Net (decrease) / increase in cash and cash equivalents	125.312	(189.139)	108.673	(183.926)
Cash and cash equivalents at end of the year	**1.202.901**	**1.088.198**	**992.748**	**888.564**

ADDITIONAL INFORMATION

1. Note **No. 36** of the annual consolidated financial statements includes all subsidiary and associated companies and their related information. 2. No company shares, (treasury shares), are owned either by the parent company or any of the subsidiaries as at the end of the period 3. With regards to tax audits carried out by Certified Auditors, all Group companies based in Greece have received unqualified Tax Compliance Reports by their respective statutory auditor, for fiscal years up to 2018 (inclusive). With regards to tax audits carried out by the Tax Authorities, tax audits have been completed as follows: a) for Hellenic Petroleum S.A for years up to and including 2011, b) for former Hellenic Fuels SA for years up to and including 2011, c) for EKO S.A for years up to and including 2010. Notwithstanding the possibility of future tax audits, the Group's management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognised in the consolidated financial statements for the year ended 31 December 2019 (**Note 29** of the annual consolidated financial statements). 4. The consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union ("EU"), as outlined in Note **2.1** of the annual consolidated financial statements. Where necessary, comparative figures have been reclassified to conform to changes in the presentation of the current financial year. 5. As mentioned in Note **33** of the annual consolidated financial statements, the Group's entities are involved in a number of legal proceedings and have various unresolved claims pending arising in the ordinary course of business. Based on currently available information, Management believes that no additional material liability will arise over and above the tax liabilities and provisions already recognised in the consolidated financial statements as at 31 December 2019. 6**.** Number of employees at 31 December 2019 in Greece: Company: 2,148, Group: 2,956 **(**31/12/2019: Company: 2,178, Group: 2,975).

10. The amount of provisions included in the Statement of Financial Position are as follows:

	GROUP	COMPANY
a) for pending legal cases	25.006	7.287
β) for tax matters	2.163	155
c) for SLI	194.887	159.782
d) for other provisions relating to expenses	125.031	125.031

11. Other comprehensive income for the period, net of tax, for the Group and the parent company is as follows:

	GROUP		COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Changes of the fair value of equity investment	(309)	544	(288)	469
Currency translation differences and other movements	145	272	-	-
Reduction in value of land	-	-	-	-
Actuarial losses on defined benefit pension plans	(7.381)	(12.369)	(6.311)	(9.835)
Fair value gains on cash flow hedges	(22.008)	12.890	(29.927)	12.890
Derecognition of gains on hedges through comprehensive income	25.077	1.501	32.996	1.501
Share of other comprehensive income of associates	1.440	(188)	-	-
Net income/(expense) recognised directly in equity	**(3.036)**	**2.650**	**(3.530)**	**5.025**

12. Transactions and balances with related parties for the Group and the parent company (in thousands of €) are as follows:

	GROUP	COMPANY
Sales of goods and services	1.207.417	2.665.722
Purchases of goods and services	849.615	887.519
Receivables	90.497	157.911
Payables	41.468	64.118
Board members and senior management remuneration & other benefits	4.816	4.725
Amounts due to/(from) Board members and senior management	-	-

Athens, 25th of February 2021

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	ACCOUNTING DIRECTOR
ANDREAS N. SHIAMISHIS	C. THOMAS	STEFANOS I. PAPADIMITRIOU
ID. Number AA 010147	ID. Number Π 062606	ID. Number AK 553436

5.3 Website

The annual financial statements of the HELLENIC PETROLEUM Group and the parent company on a consolidated and non-consolidated basis, the Independent Auditors' Report and the Annual Report of the Board of Directors are available on the internet at www.helpe.gr.

The financial statements of the consolidated companies under EKO S.A. are available online at www.eko.gr.

On HELLENIC PETROLEUM's website https://www.helpe.gr/investor-relations/quarterly-results/financial-statements/financial-statements-of-subsidiary-companies/, there is a list of subsidiaries that are fully consolidated in the Group's financial statements; these companies also have their own website through which their financial statements can be accessed. The financial statements of the other subsidiaries can be viewed at the above address.