# HELLENIC PETROLEUM S.A.

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED

## 30 SEPTEMBER 2020

HELLENIC
PETROLEUM

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# I. 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 |

*(All amounts in Euro thousands unless otherwise stated)*

# II. Interim Condensed Consolidated Statement of Financial Position

| | Note | As at 30 September 2020 | As at 31 December 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | **10** | 3.288.304 | 3.297.668 |
| Right-of-use assets | **11** | 229.732 | 242.934 |
| Intangible assets | **12** | 104.771 | 104.426 |
| Investments in associates and joint ventures | **7** | 400.389 | 384.747 |
| Deferred income tax assets | | 66.038 | 59.358 |
| Investment in equity instruments | **3** | 820 | 1.356 |
| Loans, advances and long term assets | | 41.694 | 55.438 |
| | | **4.131.748** | **4.145.927** |
| **Current assets** | | | |
| Inventories | **13** | 740.090 | 1.012.802 |
| Trade and other receivables | **14** | 568.839 | 748.153 |
| Income tax receivables | | 92.172 | 91.391 |
| Assets held for sale | | 2.292 | 2.520 |
| Derivative financial instruments | **3** | 4.936 | 3.474 |
| Cash and cash equivalents | **15** | 828.333 | 1.088.198 |
| | | **2.236.662** | **2.946.538** |
| **Total assets** | | **6.368.410** | **7.092.465** |
| **EQUITY** | | | |
| Share capital and share premium | **16** | 1.020.081 | 1.020.081 |
| Reserves | **17** | 271.679 | 276.972 |
| Retained Earnings | | 507.313 | 964.972 |
| **Equity attributable to equity holders of the parent** | | **1.799.073** | **2.262.025** |
| **Non-controlling interests** | | 64.950 | 64.548 |
| **Total equity** | | **1.864.023** | **2.326.573** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Interest bearing loans & borrowings | **18** | 1.232.937 | 1.610.094 |
| Lease liabilities | | 167.143 | 169.357 |
| Deferred income tax liabilities | | 30.340 | 213.495 |
| Retirement benefit obligations | | 188.499 | 180.398 |
| Provisions | | 25.413 | 25.625 |
| Other non-current liabilities | | 28.106 | 28.376 |
| | | **1.672.438** | **2.227.345** |
| **Current liabilities** | | | |
| Trade and other payables | **19** | 1.078.832 | 1.401.732 |
| Derivative financial instruments | | 1.806 | - |
| Income tax payable | | 2.133 | 7.147 |
| Interest bearing loans & borrowings | **18** | 1.721.163 | 1.022.270 |
| Lease liabilities | | 26.738 | 30.537 |
| Dividends payable | | 1.277 | 76.861 |
| | | **2.831.949** | **2.538.547** |
| **Total liabilities** | | **4.504.387** | **4.765.892** |
| **Total equity and liabilities** | | **6.368.410** | **7.092.465** |

The notes on pages 8 to 36 are an integral part of these interim condensed consolidated financial statements.

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

*(All amounts in Euro thousands unless otherwise stated)*

# III. Interim Condensed Consolidated Statement of Comprehensive Income

| | | For the nine month period ended | | For the three month period ended | |
|---|---|---|---|---|---|
| | **Note** | **30 September 2020** | **30 September 2019** | **30 September 2020** | **30 September 2019** |
| **Revenue from contracts with customers** | **4** | **4.459.739** | **6.804.877** | **1.473.723** | **2.348.248** |
| Cost of sales | | (4.637.613) | (6.186.569) | (1.404.035) | (2.149.345) |
| **Gross profit / (loss)** | | **(177.874)** | **618.308** | **69.688** | **198.903** |
| Selling and distribution expenses | | (235.075) | (238.828) | (76.630) | (81.394) |
| Administrative expenses | | (101.141) | (102.154) | (33.461) | (36.494) |
| Exploration and development expenses | | (4.160) | (624) | (1.823) | 1.087 |
| Other operating income / (expenses) and other gains / (losses) - net | 5 | 9.378 | 14.545 | (211) | 1.465 |
| **Operating profit /(loss)** | | **(508.872)** | **291.247** | **(42.437)** | **83.567** |
| Finance income | | 3.904 | 4.427 | 1.179 | 1.471 |
| Finance expense | | (81.433) | (94.185) | (26.501) | (27.741) |
| Finance expense - lease finance cost | | (8.108) | (7.320) | (2.672) | (2.615) |
| Currency exchange gain / (loss) | 6 | 10.831 | 833 | 6.577 | 90 |
| Share of profit / (loss) of investments in associates and joint ventures | 7 | 23.870 | 15.012 | 5.472 | 567 |
| **Profit / (loss) before income tax** | | **(559.808)** | **210.014** | **(58.382)** | **55.339** |
| Income tax credit / (expense) | 8 | 180.666 | (42.577) | 15.020 | (9.264) |
| **Profit / (loss) for the period** | | **(379.142)** | **167.437** | **(43.362)** | **46.075** |
| **Profit / (loss) attributable to:** | | | | | |
| Equity holders of the parent | | (380.972) | 165.690 | (45.131) | 44.367 |
| Non-controlling interests | | 1.830 | 1.747 | 1.769 | 1.708 |
| | | (379.142) | 167.437 | (43.362) | 46.075 |
| **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 | 17 | (2.953) | (6.494) | (2.953) | (6.438) |
| Share of other comprehensive income / (loss) of associates | 17 | 288 | (41) | 71 | - |
| Changes in the fair value of equity instruments | 17 | (411) | 626 | (62) | (74) |
| **Net other comprehensive income / (loss) that will not be reclassified to profit or loss (net of tax):** | | **(3.076)** | **(5.909)** | **(2.944)** | **(6.512)** |
| **Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):** | | | | | |
| Recycling of (gains) / losses on hedges through comprehensive income | 17 | 25.077 | 1.501 | - | - |
| Fair value gains / (losses) on cash flow hedges | 17 | (27.398) | 4.149 | 3.742 | (1.037) |
| Currency translation differences and other movements | 17 | 78 | 288 | (66) | 222 |
| **Net other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):** | | **(2.243)** | **5.938** | **3.676** | **(815)** |
| **Other comprehensive income / (loss) for the period, net of tax** | | **(5.319)** | **29** | **732** | **(7.327)** |
| **Total comprehensive income / (loss) for the period** | | **(384.461)** | **167.466** | **(42.630)** | **38.748** |
| **Total comprehensive income / (loss) attributable to:** | | | | | |
| Equity holders of the parent | | (386.265) | 165.699 | (44.401) | 37.021 |
| Non-controlling interests | | 1.804 | 1.767 | 1.771 | 1.727 |
| | | **(384.461)** | **167.466** | **(42.630)** | **38.748** |
| **Basic and diluted earnings / (losses) per share (expressed in Euro per share)** | **9** | **(1,25)** | **0,54** | **(0,15)** | **0,15** |

The notes on pages 8 to 36 are an integral part of these interim condensed consolidated financial statements.

*(All amounts in Euro thousands unless otherwise stated)*

# IV. Interim Condensed Consolidated Statement of Changes in Equity

| | | Attributable to owners of the Parent | | | | | |
|---|---|---|---|---|---|---|---|
| | **Note** | **Share Capital** | **Reserves** | **Retained Earnings** | **Total** | **Non-Controling interests** | **Total Equity** |
| **Balance at 1 January 2019** | | **1.020.081** | **258.527** | **1.052.164** | **2.330.772** | **63.959** | **2.394.731** |
| Changes of the fair value of equity investments | **17** | - | 611 | - | 611 | 15 | 626 |
| Recycling of (gains) / losses on hedges through comprehensive income | **17** | - | 1.501 | - | 1.501 | - | 1.501 |
| Fair value gains / (losses) on cash flow hedges | **17** | - | 4.149 | - | 4.149 | - | 4.149 |
| Share of other comprehensive income / (loss) of associates | | | (41) | | (41) | | (41) |
| Currency translation differences and other movements | **17** | - | 283 | - | 283 | 5 | 288 |
| Actuarial gains / (losses) on defined benefit pension plans | | - | (6.494) | - | (6.494) | - | (6.494) |
| **Other comprehensive income / (loss)** | | **-** | **9** | **-** | **9** | **20** | **29** |
| Profit / (loss) for the period | | - | - | 165.690 | 165.690 | 1.747 | 167.437 |
| **Total comprehensive income / (loss) for the period** | | **-** | **9** | **165.690** | **165.699** | **1.767** | **167.466** |
| Share of acquisition of non-controlling interest in associate | **25** | - | - | (1.314) | (1.314) | - | (1.314) |
| Share capital issue exepnses | | - | - | (342) | (342) | - | (342) |
| Participation of minority holding in share capital decrease of subsidiary | | - | - | - | - | 34 | 34 |
| Tax on intra-group dividends | | - | - | (122) | (122) | - | (122) |
| Dividends to non-controlling interests | | - | - | - | - | (2.246) | (2.246) |
| Dividends | | - | - | (152.818) | (152.818) | - | (152.818) |
| **Balance at 30 September 2019** | | **1.020.081** | **258.536** | **1.063.258** | **2.341.875** | **63.514** | **2.405.389** |
| | | | | | | | |
| **Balance at 1 January 2020** | | **1.020.081** | **276.972** | **964.972** | **2.262.025** | **64.548** | **2.326.573** |
| Changes of the fair value of equity investments | **17** | - | (418) | - | (418) | 7 | (411) |
| Recycling of (gains) / losses on hedges through comprehensive income | **17** | - | 25.077 | - | 25.077 | | 25.077 |
| Fair value gains / (losses) on cash flow hedges | **17** | - | (27.398) | - | (27.398) | - | (27.398) |
| Share of other comprehensive income / (loss) of associates | | | 288 | | 288 | | 288 |
| Currency translation differences and other movements | **17** | - | 111 | - | 111 | (33) | 78 |
| Actuarial gains / (losses) on defined benefit pension plans | | - | (2.953) | - | (2.953) | - | (2.953) |
| **Other comprehensive income / (loss)** | | **-** | **(5.293)** | **-** | **(5.293)** | **(26)** | **(5.319)** |
| Profit / (loss) for the period | | - | - | (380.972) | (380.972) | 1.830 | (379.142) |
| **Total comprehensive income / (loss) for the period** | | **-** | **(5.293)** | **(380.972)** | **(386.265)** | **1.804** | **(384.461)** |
| Share capital issue expenses | | - | - | (51) | (51) | - | (51) |
| Participation of minority shareholders in share capital increase of subsidiary | | - | - | - | - | 34 | 34 |
| Tax on intra-group dividends | | - | - | (227) | (227) | - | (227) |
| Dividends to non-controlling interests | | - | - | - | - | (1.436) | (1.436) |
| Dividends | | - | - | (76.409) | (76.409) | - | (76.409) |
| **Balance at 30 September 2020** | | **1.020.081** | **271.679** | **507.313** | **1.799.073** | **64.950** | **1.864.023** |

The notes on pages 8 to 36 are an integral part of these interim condensed consolidated financial statements.

*(All amounts in Euro thousands unless otherwise stated)*

# V. Interim Condensed Consolidated Statement of Cash Flows

| | | For the nine month period ended | |
|---|---|---|---|
| | **Note** | **30 September 2020** | **30 September 2019** |
| **Cash flows from operating activities** | | | |
| Cash generated from / (used in) operations | **20** | (176.897) | 398.880 |
| Income tax received / (paid) | | (30.054) | (63.874) |
| **Net cash generated from / (used in) operating activities** | | **(206.952)** | **335.006** |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment & intangible assets | **10,12** | (146.244) | (135.382) |
| Proceeds from disposal of property, plant and equipment & intangible assets | | 1.827 | 1.048 |
| Share capital issue expenses | | (51) | (341) |
| Participation in share capital increase of associates | | - | (9.950) |
| Purchase of subsidiary, net of cash acquired | **25** | - | (5.341) |
| Grants received | | 230 | 274 |
| Interest received | | 3.904 | 4.427 |
| Prepayments for right-of-use assets | | 0 | - |
| Dividends received | | 8.519 | 30.490 |
| Proceeds from disposal of assets held for sale | | - | 1.334 |
| Proceeds from disposal of investments in equity instruments | | - | 18 |
| **Net cash generated from / (used in) investing activities** | | **(131.816)** | **(113.423)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Interest paid | | (62.643) | (87.938) |
| Dividends paid to shareholders of the Company | | (152.622) | (150.077) |
| Dividends paid to non-controlling interests | | (1.060) | (2.246) |
| Participation of minority shareholders in share capital increase of subsidiary | | 34 | 34 |
| Proceeds from borrowings | | 349.201 | 12.808 |
| Repayments of borrowings | | (22.047) | (346.543) |
| Payment of lease liabilities - principal, net | | (24.123) | (22.244) |
| Payment of lease liabilities - interest | | (8.108) | (7.320) |
| **Net cash generated from / (used in) financing activities** | | **78.633** | **(603.526)** |
| | | | |
| **Net increase / (decrease) in cash and cash equivalents** | | **(260.134)** | **(381.944)** |
| | | | |
| **Cash and cash equivalents at the beginning of the period** | **15** | **1.088.198** | **1.275.159** |
| Exchange gain / (loss) on cash and cash equivalents | | 269 | 9.448 |
| Net increase / (decrease) in cash and cash equivalents | | (260.134) | (381.944) |
| **Cash and cash equivalents at end of the period** | **15** | **828.333** | **902.663** |

The notes on pages 8 to 36 are an integral part of these interim condensed consolidated financial statements.

# VI. Notes to the Interim Condensed 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 Commercial S.A., DEPA Infrastructure S.A. and Elpedison B.V. 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 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.

## 2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

**Basis of preparation of the unaudited interim condensed consolidated financial statements**
The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34 (IAS 34) – *Interim Financial Reporting*, and present the financial position, results of operations and cash flows of the Group on a going concern basis.

Management has considered the impact of the COVID-19 pandemic as described in Note 3, up to the date of authorization of these Condensed Consolidated Financial Statements, the funding available and the refinancing plans in place and has concluded that the going concern basis of their preparation is appropriate.

The interim condensed 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
- 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.

Where necessary and as described in relevant Notes, comparative figures have been reclassified to conform to changes in the presentation of the current period.

These interim condensed consolidated financial statements do not include all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended 31 December 2019, which can be found on the Group's website **www.helpe.gr**.

The interim condensed consolidated financial statements for the nine-month period ended 30 September 2020 have been authorised for issue by the Board of Directors on 5 November 2020.

**Accounting policies and the use of estimates**
The preparation of the interim condensed consolidated 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 interim condensed consolidated financial statements are disclosed where considered necessary. Estimates and judgements which are discussed in detail in the annual consolidated financial statements for the year ended 31 December 2019, 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.

As a result of COVID-19 pandemic and the economic impact thereof, management reviewed its estimates with regards to future cash flows utilized in estimating the recoverable amount of its investments as well as the estimations for future credit losses on trade receivables.

*Estimates in value-in-use calculations*

Given the impact of Covid – 19, the Group proceeded with a further assessment of impairment indicators on the various segments it operates. Despite the effect of Covid 19 during the nine month period and the reduced profitability expected for the fourth quarter of 2020 and 2021 as compared to the assumptions used in the respective impairment tests prepared for the year ended 31 December 2019, management concluded that no further impairment losses need to be recorded. However, management will continue to monitor the developments for the rest of the year and adjust their estimates accordingly. (Notes 7, 10 & 12)

*Provision for expected credit losses of receivables*

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 14)

**New standards, interpretations and amendments adopted by the Group**

The accounting policies and methods of computation used in the preparation of the interim condensed 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 IFRSs 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 interim condensed consolidated financial statements of the Group for the nine-month period ended 30 September 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. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted.
- *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. The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. 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 of the following standards, interpretations or amendments that have been issued but are not yet effective. In addition, the Group assessed all standards, interpretations and amendments issued but not yet effective, and expects that, they will not have any significant impact 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.

  The amendment has not yet been endorsed by the EU.

- *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).* The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose. The amendments have not yet been endorsed by the EU.

- *IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use'* *(effective for annual periods beginning on or after 1 January 2022):* The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The amendment has not yet been endorsed by the EU.

- *IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract'* *(effective for annual periods beginning on or after 1 January 2022):* The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

- *IFRS 3 (Amendment) 'Reference to the Conceptual Framework'* *(effective for annual periods beginning on or after 1 January 2022):* The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.

- *Annual Improvements to IFRS Standards 2018–2020* *(effective for annual periods beginning on or after 1 January 2022):* The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU. *IFRS 9 'Financial instruments':* The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test. *IFRS 16 'Leases':* The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

- *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.

## 3. FINANCIAL RISK MANAGEMENT

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 2019, the fundamentals and prospects of the Greek economy improved. However, the COVID-19 pandemic crisis disrupted global financial stability and reversed the growth prospects of the Greek economy for 2020, which were positive during the first two months of the year.

GDP declined by 14% in the second quarter of 2020 compared to the previous quarter (GPD decreased by 15,2% as compared to the corresponding period in 2019) reflecting the impact of the pandemic and the containment measures imposed by the Greek government. The decline in GDP was driven mainly by a drop in exports, investment and private consumption.

Total domestic fuels consumption in the first nine months of 2020 decreased by 3,8% compared to the respective period of 2019, mainly affected by lower demand for gasoline and auto diesel, resulted from the coronavirus outbreak partly offset by the increased demand for heating gasoil, driven by low prices. Total demand for motor fuels decreased by 12% compared to the respective prior year period, with the declined sales more pronounced during mobility restrictions in Greece in April and May.

The outbreak of COVID – 19 is expected to have a negative impact on the Greek economy affecting the public debt and unemployment rate as well as the non-performing loans and the low 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. The majority of the 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 and entertainment were directly disrupted by these measures. Other industries such as manufacturing and financial services were affected indirectly.

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 the number 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, during October the situation in the country deteriorated further and the government announced even more strict measures, including local lockdowns, in order to control the spread of the pandemic.

The decline in crude oil prices, the significant fall in refining margins and demand, especially during the second quarter of 2020, 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 2020 and 2021. 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:* 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. It is uncertain, how the exit of the UK from the EU will affect existing HPF Eurobonds, as well as the Group's funding from international debt capital markets. Legal advice received indicates that HPF will be able to continue unimpeded to source funding through the issue of Eurobonds under the terms and conditions of Notes currently in circulation. The Group is closely following relevant developments and assessing alternatives in order to maintain its ability to source funding through the 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.

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 nine-month period ended on 30 September 2020 Group entered into certain derivatives to hedge cash flows related to purchases and sales of crude oil and petroleum products.

Securing continuous crude oil supplies: The developments in the global and regional crude oil markets during the first nine months of 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 the first nine months of 2020 decreased by about 37% compared to average prices in 2019. These developments led to lower cost of crude, for both sweet and especially sour grades, which represent the key source of feedstock for complex refiners like Hellenic Petroleum, improving the competitive position of Med refiners vs. their global peers. 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 the next months (mainly as a result of the gradual lift of the abovementioned measures).

*Financing of operations:* Given financial market developments since 2011, the key priorities of the Group have been the management of the 'Assets and Liabilities' maturity profile, funding in accordance with its strategic investment plan and liquidity risk for operations. As a result of these key priority initiatives and in line with its medium term financing plan, the Group has maintained a mix of long term, medium term and short term credit facilities by taking into consideration bank and debt capital markets' credit capacity as well as cash flow planning and commercial requirements. In the nine month period ended 30 September 2020, the Group has successfully renewed all borrowings maturing within the period and additionally concluded a €100 million committed credit facility and a €100 million bilateral line (Note 18), reaffirming its relationships with key financial institutions being the majority of the existing debt providers of the Group. Approximately 68% of total debt is financed by medium to long term committed credit lines while the remaining debt is being financed by short term credit facilities (bilateral lines). Further details of the relevant loans and refinancing are provided in Note 18, "Interest bearing loans and borrowings".

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

| **Contractual Term Facilities** | **Q420** | **9M21** | **Total** | **Schedule for repayment** | **Schedule for refinancing** |
|---|---|---|---|---|---|
| Bond loan €400 million | 225 | 0 | 225 | 0 | 225 |
| Bond loan €300 million | 0 | 300 | 300 | 0 | 300 |
| Bond loan $ 250 million | 0 | 214 | 214 | 0 | 214 |
| Bond loan €100 million | 0 | 0 | 0 | 0 | 0 |
| Eurobond € 201m | 0 | 0 | 0 | 0 | 0 |
| European Investment Bank ("EIB") Term loan | 22 | 22 | 44 | 44 | 0 |
| **Other credit lines (callable on demand)** | | | | | |
| Bilateral/ Factoring with recourse | 940 | 0 | 940 | 0 | 940 |
| **Total** | **1.187** | **536** | **1.723** | **44** | **1.679** |

*(All amounts in Euro thousands unless otherwise stated)*

The Group is in the process of executing a refinancing plan for the above bond loans. Following negotiations with the banks concerned, the Group obtained proposed key terms for refinancing certain of the above bond loan facilities as well as head of terms for a new committed term loan facility. The Group expects the refinancing to be completed in due time before maturity of existing loans. With respect to the bilateral lines, 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.

*Capital management:* Another key priority of the Group has been the management of its Assets. Overall the Group has approximately €4 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 53% of total capital employed while the remaining 47% 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.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures that are required in the annual consolidated financial statements and should be read in conjunction with the group's annual consolidated financial statements as at 31 December 2019.

There have been no changes in the risk management or in any risk management policies since 31 December 2019.

**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 30 September 2020:

| | Level 1 | Level 2 | Level 3 | Total balance |
|---|---|---|---|---|
| **Assets** | | | | |
| Derivatives used for hedging- ST | - | 4.936 | - | 4.936 |
| Investment in equity instruments | 820 | - | - | 820 |
| Assets held for sale | 2.292 | - | - | 2.292 |
| | **3.112** | **4.936** | **-** | **8.048** |
| **Liabilities** | | | | |
| Derivatives used for hedging | - | 1.806 | - | 1.806 |
| | **-** | **1.806** | **-** | **1.806** |

*(All amounts in Euro thousands unless otherwise stated)*

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 financial 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 are 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 period. There were no transfers between levels during the period ended on 30 September 2020.

The fair value of Euro denominated Eurobonds as at 30 September 2020 was €701 million (31 December 2019: €718 million), compared to its book value of €694 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. ANALYSIS BY OPERATING SEGMENT

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 assesses performance taking into account 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)*

Financial information regarding the Group's operating segments for the nine-month period ended 30 September 2020 is presented below:

| | For the nine month period ended 30 September 2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Refining** | **Marketing** | **Exploration & Production** | **Petro-chemicals** | **Gas & Power** | **Other** | **Total** |
| Gross Sales | 3.785.357 | 1.534.006 | - | 185.754 | 3.539 | 7.929 | 5.516.585 |
| Inter-segmental Sales | (1.045.779) | (3.657) | - | - | (15) | (7.396) | (1.056.846) |
| **Revenue from contracts with customers** | **2.739.578** | **1.530.350** | **-** | **185.754** | **3.524** | **533** | **4.459.739** |
| **EBITDA** | **(422.158)** | **60.103** | **(7.856)** | **49.105** | **3.018** | **(3.700)** | **(321.488)** |
| Depreciation & Amortisation (PPE & Intangibles) | (120.825) | (30.179) | (746) | (3.144) | (830) | (348) | (156.072) |
| Depreciation of Right-of-Use assets | (4.427) | (24.797) | (41) | (2.697) | (8) | 658 | (31.312) |
| **Operating profit / (loss)** | **(547.410)** | **5.127** | **(8.643)** | **43.264** | **2.180** | **(3.390)** | **(508.872)** |
| Currency exchange gains / (losses) | 11.011 | (147) | - | (32) | - | (1) | 10.831 |
| Share of profit / (loss) of investments in associates & joint ventures | (1.003) | 1.502 | - | - | 8.831 | 14.540 | 23.870 |
| Finance (expense) / income - net | (42.575) | (8.678) | - | 45 | (231) | (26.090) | (77.529) |
| Lease finance cost | (969) | (7.193) | (4) | (48) | (2) | 108 | (8.108) |
| **Profit / (loss) before income tax** | **(580.946)** | **(9.389)** | **(8.647)** | **43.229** | **10.778** | **(14.833)** | **(559.808)** |
| Income tax expense | | | | | | | 180.666 |
| **Profit / (loss) for the period** | | | | | | | **(379.142)** |
| Profit / (loss) attributable to non-controlling interests | | | | | | | (1.830) |
| **Profit / (loss) for the period attributable to the owners of the parent** | | | | | | | **(380.972)** |

* Other segment includes inter-segment eliminations for depreciation of right of use assets and lease finance cost.

*(All amounts in Euro thousands unless otherwise stated)*

Financial information regarding the Group's operating segments for the nine -month period ended 30 September 2019 is presented below:

| | For the nine month period ended 30 September 2019 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Refining** | **Marketing** | **Exploration & Production** | **Petro-chemicals** | **Gas & Power** | **Other** | **Total** |
| Gross Sales | 5.967.021 | 2.481.866 | - | 225.475 | 3.089 | 10.070 | 8.687.521 |
| Inter-segmental Sales | (1.868.580) | (5.090) | - | - | (15) | (8.959) | (1.882.644) |
| **Revenue from contracts with customers** | **4.098.441** | **2.476.776** | **-** | **225.475** | **3.074** | **1.111** | **6.804.877** |
| **EBITDA** | **284.643** | **114.384** | **(5.023)** | **72.645** | **2.285** | **(5.281)** | **463.653** |
| Depreciation & Amortisation (PPE & Intangibles) | (110.031) | (29.988) | (379) | (3.402) | (824) | (433) | (145.057) |
| Depreciation of Right-of-Use assets | (4.885) | (23.032) | (27) | (84) | (8) | 686 | (27.349) |
| **Operating profit / (loss)** | **169.727** | **61.364** | **(5.429)** | **69.159** | **1.453** | **(5.028)** | **291.247** |
| Currency exchange gains / (losses) | 1.064 | (214) | (17) | - | - | - | 833 |
| Share of profit of investments in associates & joint ventures | 1.573 | 596 | - | - | 12.838 | 5 | 15.012 |
| Finance (expense) / income - net | (37.169) | (11.110) | - | 42 | (259) | (41.262) | (89.758) |
| Lease finance cost | (668) | (6.712) | (3) | (5) | (2) | 71 | (7.320) |
| **Profit / (loss) before income tax** | **134.527** | **43.924** | **(5.448)** | **69.196** | **14.030** | **(46.214)** | **210.014** |
| Income tax expense | | | | | | | (42.577) |
| **Profit / (loss) for the period** | | | | | | | **167.437** |
| Profit / (loss) attributable to non-controlling interests | | | | | | | (1.747) |
| **Profit / (loss) for the period attributable to the owners of the parent** | | | | | | | **165.690** |

* Other segment includes inter-segment eliminations for depreciation of right of use assets and lease finance cost.

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

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

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

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.

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 nine month period ended 30 September 2020 | | | | | |
|---|---|---|---|---|---|---|
| **Revenue from contracts with customers** | **Refining** | **Marketing** | **Petro-chemicals** | **Gas & Power** | **Other** | **Total** |
| Domestic | 536.309 | 1.007.850 | 70.040 | 3.524 | 1.271 | 1.618.994 |
| Aviation & Bunkering | 217.857 | 206.508 | - | - | - | 424.365 |
| Exports | 1.799.399 | 5.071 | 115.714 | - | 38 | 1.920.222 |
| International activities | 186.013 | 310.921 | - | - | (776) | 496.159 |
| **Total** | **2.739.578** | **1.530.350** | **185.754** | **3.524** | **533** | **4.459.740** |

*(All amounts in Euro thousands unless otherwise stated)*

| | For the nine month period ended 30 September 2019 | | | | | |
|---|---|---|---|---|---|---|
| **Revenue from contracts with customers** | **Refining** | **Marketing** | **Petro-chemicals** | **Gas & Power** | **Other** | **Total** |
| Domestic | 811.886 | 1.223.550 | 81.428 | 3.074 | 780 | 2.120.719 |
| Aviation & Bunkering | 476.070 | 600.353 | - | - | - | 1.076.422 |
| Exports | 2.480.548 | 23.577 | 144.047 | - | 331 | 2.648.503 |
| International activities | 329.937 | 629.296 | - | - | - | 959.233 |
| **Total** | **4.098.441** | **2.476.776** | **225.475** | **3.074** | **1.111** | **6.804.877** |

## 5. OTHER OPERATING INCOME / (EXPENSES) AND OTHER GAINS / (LOSSES)

| | For the nine month period ended | | For the three month period ended | |
|---|---|---|---|---|
| | **30 September 2020** | **30 September 2019** | **30 September 2020** | **30 September 2019** |
| **Other operating income and other gains** | | | | |
| Income from Grants | 701 | 777 | 181 | 188 |
| Services to 3rd Parties | 3.887 | 3.408 | 2.760 | 1.073 |
| Rental income | 5.024 | 6.264 | 1.586 | 2.056 |
| Insurance compensation | 160 | 269 | 17 | - |
| Gains on disposal of non-current assets | 2.548 | 605 | 9 | 313 |
| Gains from discounting of long-term receivables and liabilities | 2.243 | 1.034 | 242 | 345 |
| Other | 14.925 | 13.300 | 885 | (166) |
| **Total** | **29.488** | **25.657** | **5.680** | **3.809** |
| **Other operating expenses and other losses** | | | | |
| Covid-19 related expenses | (15.621) | - | (3.619) | - |
| Loss on disposal of non-current assets | (348) | (352) | (4) | (40) |
| Impairment of fixed assets | (115) | (776) | (30) | (31) |
| Loss from discounting of long-term receivables and liabilities | (816) | (2.583) | (233) | (1.902) |
| Other | (3.210) | (7.401) | (2.005) | (371) |
| **Total** | **(20.110)** | **(11.112)** | **(5.891)** | **(2.344)** |
| **Other operating income / (expenses) and other gains / (losses) - Net** | **9.378** | **14.545** | **(211)** | **1.465** |

*Restatement*: The analysis of the comparative amounts as at 30 September 2019 has been reclassified within the note to conform to changes in presentation of the current year.

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

Covid-19 related expenses of €15,6 million comprise of €5,2 million payroll costs mainly related to required modifications in the working shifts in the refineries, €4,3 million donations to the health-care system, €3 million for protective measures in all Group's premises and €3,1 million for marketing, consulting services and other related expenses.

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

## 6. CURRENCY EXCHANGE GAINS / (LOSSES)

Foreign currency exchange gains of €10,8 million reported for the nine-month period ended 30 September 2020, mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly USD) as well as unrealized exchange losses arising from the valuation of borrowings denominated in foreign currency. The corresponding amount for the nine -month period ended 30 September 2019 was a gain of €0,8 million.

*(All amounts in Euro thousands unless otherwise stated)*

## 7. SHARE OF PROFIT / (LOSS) OF INVESTMENTS IN ASSOCIATES & JOINT VENTURES

The amounts represent the Group's share of the net profit / (losses) from associated companies and joint ventures accounted for on an equity accounting basis, which are analysed as follows:

| | For the nine month period ended | | For the three month period ended | |
|---|---|---|---|---|
| | 30 September 2020 | 30 September 2019 | 30 September 2020 | 30 September 2019 |
| DEPA Commercial SA (ex Public Natural Gas Corporation of Greece (DEPA)) | 18.893 | 16.774 | 4.070 | (82) |
| DEPA Infrastructure SA | (2.925) | - | (1.976) | - |
| ELPEDISON B.V. | 8.831 | (3.936) | 3.277 | (313) |
| DMEP | (523) | 885 | - | 166 |
| Other associates | (406) | 1.289 | 101 | 796 |
| **Total** | **23.870** | **15.012** | **5.472** | **567** |

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 International. 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". Based on the improved results of Elpedison during the nine-month period ended on 30 September 2020 there is no indication of impairment.

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 153 kMT (31 December 2019: 142 kMT), at a fee calculated in line with the legal framework. All Group's transactions with OTSM are included in Note 21.

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 the 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. 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.

The completion of 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.

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 name 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 SA, EDA Thessalonikis – Thessalias SA and DEDA SA. The surviving entity 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.

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.

*(All amounts in Euro thousands unless otherwise stated)*

## 8. INCOME TAX CREDIT / (EXPENSE)

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

| | For the nine month period ended | | For the three month period ended | |
|---|---|---|---|---|
| | 30 September 2020 | 30 September 2019 | 30 September 2020 | 30 September 2019 |
| Current tax | (5.411) | (21.623) | (2.507) | (1.762) |
| Prior year tax | (1.727) | 5.014 | (1.122) | (169) |
| Deferred tax | 187.804 | (25.968) | 18.649 | (7.333) |
| **Total credit / (expense)** | **180.666** | **(42.577)** | **15.020** | **(9.264)** |

The corporate income tax rate of legal entities in Greece for the period ended 30 September 2020 is 24% (30 September 2019: 28%).

The deferred tax credit within income taxes mainly relates to tax losses arising in the nine-month period ended on 30 September 2020 and carried forward amounting to € 136,8 million.

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 €19,2 million as at 30 September 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 2018 inclusive. The management expects that the same will also apply for the year ended 31 December 2019.

### 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** | **Financial years ended (up to and including)** |
|---|---|
| HELLENIC PETROLEUM SA | 2011 |
| EKO SA | 2010 |
| HELLENIC FUELS & Lubricants SA (former HELLENIC FUELS SA) | 2011 |

It is noted 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 30 September 2020 (Note 23).

## 9. 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. Diluted earnings / (losses) per share equal basic earnings (losses) per share.

| | For the nine month period ended | | For the three month period ended | |
|---|---|---|---|---|
| | 30 September 2020 | 30 September 2019 | 30 September 2020 | 30 September 2019 |
| **Earnings / (losses) per share attributable to the Company Shareholders (expressed in Euro per share):** | **(1,25)** | **0,54** | **(0,15)** | **0,15** |
| Net income / (loss) attributable to ordinary shares (Euro in thousands) | (380.972) | 165.690 | (45.131) | 44.367 |
| Weighted average number of ordinary shares | 305.635.185 | 305.635.185 | 305.635.185 | 305.635.185 |

## 10. 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 | 1.700 | 1.817 | 12.562 | 75 | 5.923 | 110.118 | 132.195 |
| Capitalised projects | - | 4.394 | 39.279 | 132 | 479 | (44.284) | - |
| Disposals | (96) | (194) | (8.148) | (3.429) | (1.207) | - | (13.074) |
| Impairment/write off | - | (3.399) | (1.487) | (21) | (197) | (692) | (5.796) |
| Currency translation effects | 127 | 206 | 30 | - | 1 | (48) | 316 |
| Transfers and other movements | (4.943) | (2.727) | 95 | 2.969 | (846) | (5.209) | (10.661) |
| **As at 30 September 2019** | **311.748** | **918.395** | **4.862.674** | **92.045** | **197.903** | **152.028** | **6.534.793** |
| **Accumulated Depreciation** | | | | | | | |
| **As at 1 January 2019** | **-** | **489.551** | **2.452.564** | **63.222** | **157.548** | **-** | **3.162.885** |
| Charge for the period | - | 20.761 | 108.794 | 2.636 | 6.924 | - | 139.115 |
| Disposals | - | (153) | (7.851) | (3.139) | (1.155) | - | (12.298) |
| Impairment/write off | - | (3.339) | (1.478) | (21) | (197) | - | (5.035) |
| Currency translation effects | - | 74 | 6 | - | - | - | 80 |
| Transfers and other movements | - | (1.809) | (734) | 886 | (709) | - | (2.366) |
| **As at 30 September 2019** | **-** | **505.085** | **2.551.301** | **63.584** | **162.411** | **-** | **3.282.381** |
| **Net Book Value at 30 September 2019** | **311.748** | **413.310** | **2.311.373** | **28.461** | **35.492** | **152.028** | **3.252.412** |
| **Cost** | | | | | | | |
| **As at 1 January 2020** | **308.826** | **924.515** | **4.947.527** | **87.472** | **202.682** | **148.576** | **6.619.598** |
| Additions | 8 | 1.566 | 9.381 | 519 | 3.901 | 126.323 | 141.698 |
| Capitalised projects | - | 6.409 | 52.825 | - | 139 | (59.373) | - |
| Disposals | (888) | (3.907) | (3.391) | (11.243) | (644) | - | (20.073) |
| Impairment/write off | - | (3.053) | (1.681) | - | - | (6) | (4.740) |
| Currency translation effects | (13) | (173) | (326) | (5) | (18) | (2) | (537) |
| Transfers and other movements | - | 9.767 | 2.250 | - | 20.403 | (31.933) | 487 |
| **As at 30 September 2020** | **307.933** | **935.124** | **5.006.585** | **76.743** | **226.463** | **183.585** | **6.736.433** |
| **Accumulated Depreciation** | | | | | | | |
| **As at 1 January 2020** | **-** | **509.186** | **2.588.552** | **59.423** | **164.769** | **-** | **3.321.930** |
| Charge for the period | - | 19.791 | 119.753 | 2.499 | 8.093 | - | 150.136 |
| Disposals | - | (3.906) | (3.130) | (11.238) | (577) | - | (18.851) |
| Impairment/write off | - | (3.010) | (1.615) | - | - | - | (4.625) |
| Currency translation effects | - | (164) | (276) | (5) | (16) | - | (461) |
| **As at 30 September 2020** | **-** | **521.897** | **2.703.284** | **50.679** | **172.269** | **-** | **3.448.129** |
| **Net Book Value at 30 September 2020** | **307.933** | **413.227** | **2.303.301** | **26.064** | **54.194** | **183.585** | **3.288.304** |

'Transfers and other movements' for the nine-month period ended on 30 September 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 based on the implementation of the IFRS 16 as from 1 January 2019. 'Transfers and other movements' for the nine-month period ended on 30 September 2020 include the transfer of computer software development costs (Cost of € 1.7 million) to intangible assets (Note 12) and the transfer of spare parts for the refinery units between inventories and fixed assets.

Plant and machinery include the pipeline connecting Thessaloniki and Skopje, which is an asset of the Group's subsidiary Vardax S.A.. and has been tested for impairment according to the requirements of IAS 36 in the annual financial statements of 2019. Although commencement date may be delayed due to Covid-19 pandemic, the impairment test included a sensitivity analysis assuming 2 years delay in operation commencement. The result of the impairment test was that the carrying amount of the asset is recoverable.

*(All amounts in Euro thousands unless otherwise stated)*

## 11. RIGHT OF USE ASSETS

| | Petrol Stations | Commercial Properties | Plant & Machinery | Motor Vehicles | Other | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **As at 1 January 2019** | **189.950** | **22.419** | **6.325** | **6.275** | **-** | **224.969** |
| Additions | 9.421 | 119 | 144 | 13.344 | - | 23.028 |
| Derecognition | (481) | - | - | (4) | - | (484) |
| Modification | 6.453 | 2.308 | 13 | 757 | - | 9.531 |
| Currency translation effects | 31 | - | - | 1 | - | 32 |
| **As at 30 September 2019** | **205.374** | **24.847** | **6.482** | **20.374** | **-** | **257.076** |
| **Accumulated Depreciation** | | | | | | |
| **As at 1 January 2019** | **4.094** | **-** | **-** | **-** | **-** | **4.094** |
| Charge for the period | 19.160 | 4.466 | 848 | 2.874 | - | 27.348 |
| **As at 30 September 2019** | **23.254** | **4.466** | **848** | **2.874** | **-** | **31.442** |
| **Net Book Value at 30 September 2019** | **182.120** | **20.380** | **5.634** | **17.499** | **-** | **225.633** |

| | Petrol station properties | Commercial Properties | Plant & Machinery | Motor Vehicles | Other | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **As at 1 January 2020** | **219.969** | **31.321** | **8.909** | **25.714** | **-** | **285.913** |
| Additions | 9.891 | 11 | 1.043 | 1.330 | 26 | 12.301 |
| Derecognition | - | (24) | - | - | - | (24) |
| Impairment/ Write off | (1.180) | - | - | - | - | (1.180) |
| Modification | 6.582 | 242 | 30 | (122) | - | 6.732 |
| Currency translation effects | - | - | - | (4) | (2) | (6) |
| Other | 19 | - | - | (13) | - | 6 |
| **As at 30 September 2020** | **235.281** | **31.550** | **9.982** | **26.905** | **24** | **303.742** |
| **Accumulated Depreciation** | | | | | | |
| **As at 1 January 2020** | **31.576** | **5.887** | **1.150** | **4.366** | **-** | **42.979** |
| Charge for the period | 20.436 | 3.415 | 1.364 | 6.090 | 8 | **31.313** |
| Derecognition | - | (16) | - | - | - | **(16)** |
| Impairment/ Write off | (257) | - | - | - | - | **(257)** |
| Currency translation effects | - | - | - | 2 | - | **2** |
| Other | - | - | - | (11) | - | **(11)** |
| **As at 30 September 2020** | **51.755** | **9.286** | **2.514** | **10.447** | **8** | **74.010** |
| **Net Book Value at 30 September 2020** | **183.526** | **22.264** | **7.468** | **16.458** | **16** | **229.732** |

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, large complexes which may include other commercial properties such as highway service stations.

*(All amounts in Euro thousands unless otherwise stated)*

## 12. INTANGIBLE ASSETS

| | Goodwill | Retail Service Station 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 | 320 | 2.029 | 100 | 68 | 7.190 |
| Disposals | - | (39) | (52) | - | - | (90) |
| Currency translation effects | - | - | 3 | - | 25 | 28 |
| Other movements | - | - | 2.914 | 5 | - | 2.919 |
| **As at 30 September 2019** | **138.588** | **54.139** | **119.886** | **38.911** | **74.899** | **426.424** |
| **Accumulated Amortisation** | | | | | | |
| **As at 1 January 2019** | **71.829** | **37.701** | **107.180** | **29.689** | **64.361** | **310.760** |
| Charge for the period | - | 1.599 | 3.542 | 464 | 337 | 5.942 |
| Disposals | - | (20) | (52) | - | - | (72) |
| Impairment | - | - | - | 15 | - | 15 |
| Currency translation effects | - | - | 2 | - | - | 2 |
| Other movements | - | - | - | 3 | - | 3 |
| **As at 30 September 2019** | **71.829** | **39.280** | **110.672** | **30.172** | **64.698** | **316.650** |
| **Net Book Value at 30 September 2019** | **66.759** | **14.860** | **9.214** | **8.740** | **10.201** | **109.774** |
| **Cost** | | | | | | |
| **As at 1 January 2020** | **138.588** | **6.993** | **123.404** | **40.222** | **74.596** | **383.803** |
| Additions | - | - | 3.598 | 844 | 104 | 4.546 |
| Disposals | - | - | (624) | - | - | (624) |
| Currency translation effects | - | - | (2) | (2) | - | (4) |
| Other movements | - | - | 1.735 | - | - | 1.735 |
| **As at 30 September 2020** | **138.588** | **6.993** | **128.111** | **41.064** | **74.700** | **389.456** |
| **Accumulated Amortisation** | | | | | | |
| **As at 1 January 2020** | **71.829** | **-** | **112.349** | **30.574** | **64.625** | **279.377** |
| Charge for the period | - | - | 4.815 | 770 | 351 | 5.936 |
| Disposals | - | - | (624) | - | - | (624) |
| Currency translation effects | - | - | (2) | (2) | - | (4) |
| **As at 30 September 2020** | **71.829** | **-** | **116.538** | **31.342** | **64.976** | **284.685** |
| **Net Book Value at 30 September 2020** | **66.759** | **6.993** | **11.573** | **9.722** | **9.724** | **104.771** |

'Licenses and Rights' include net exploration license costs relating to the exploration & production of hydrocarbons' concessions in Greece. 'Other movements' in computer software include the transfer of computer software development costs from assets under construction to intangible assets (Note 10).

Management assessed goodwill and concluded that due to the significant headroom there is no impairment concern as of 30 September 2020.

*(All amounts in Euro thousands unless otherwise stated)*

## 13. INVENTORIES

| | As at | |
|---|---|---|
| | **30 September 2020** | **31 December 2019** |
| Crude oil | 198.420 | 331.819 |
| Refined products and semi-finished products | 449.330 | 587.398 |
| Petrochemicals | 22.877 | 25.554 |
| Consumable materials and other spare parts | 101.990 | 98.571 |
| - Less: Provision for consumables and spare parts | (32.527) | (30.540) |
| **Total** | **740.090** | **1.012.802** |

The cost of inventories recognised as an expense and included in Cost of sales amounted to €4 billion (30 September 2019: €5,5 billion). As at 30 September 2020, the Group wrote down inventories to their net realisable value, recording a loss of €37,2 million (30 September 2019: loss of €2 million included in Cost of Sales in the statement of comprehensive income).

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.

## 14. TRADE AND OTHER RECEIVABLES

| | As at | |
|---|---|---|
| | **30 September 2020** | **31 December 2019** |
| Trade receivables | 580.749 | 748.181 |
| - Less: Provision for impairment of receivables | (262.885) | (255.023) |
| **Trade receivables net** | **317.864** | **493.158** |
| Other receivables | 264.387 | 275.695 |
| - Less: Provision for impairment of receivables | (44.767) | (44.120) |
| **Other receivables net** | **219.620** | **231.575** |
| Deferred charges and prepayments | 31.355 | 23.420 |
| **Total** | **568.839** | **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 income taxes which are shown separately on the statement of financial position), as a result of tax audit assessments from the tax authorities during previous years. The Group has disputed the relevant assessments and has commenced legal proceedings. 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 30 September 2020 also includes an amount of €54 million (31 December 2019: €54 million) 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 23).

*(All amounts in Euro thousands unless otherwise stated)*

The Group recognized additional provisions for impairment losses on trade and other receivables, included in the statement of comprehensive income, amounting to €8,9 million and €7,3 million for the nine months ended 30 September 2020 and 2019, respectively.

## 15. CASH AND CASH EQUIVALENTS

| | As at | |
|---|---|---|
| | **30 September 2020** | **31 December 2019** |
| Cash at Bank and in Hand | 828.333 | 1.083.747 |
| Short term bank deposits | - | 4.451 |
| **Cash and Cash Equivalents** | **828.333** | **1.088.198** |

The balance of US Dollars included in Cash at bank as at 30 September 2020 was $ 456 million (euro equivalent €389 million). The respective amount for the period ended 31 December 2019 was $ 824 million (euro equivalent €734 million).

## 16. 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 30 September 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).

## 17. RESERVES

| | Statutory reserve | Special reserves | Hedging reserve | Share-based payment reserve | Tax-free & Incentive Law reserves | Other Reserves | Treasury Shares | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2019** | **144.838** | **86.495** | **(11.751)** | **1** | **71.335** | **(32.391)** | **-** | **258.527** |
| Changes of the fair value of equity investments | - | - | - | - | - | 611 | - | 611 |
| Recycling of (gains) / losses on hedges through comprehensive income | - | - | 1.501 | - | - | - | - | 1.501 |
| Fair value gains / (losses) on cash flow hedges | - | - | 4.149 | - | - | - | - | 4.149 |
| Currency translation differences and other movements | - | - | - | - | - | 283 | - | 283 |
| Actuarial gains / (losses) on defined benefit pension plans | - | - | - | - | - | (6.494) | - | (6.494) |
| **Balance at 30 September 2019** | **144.838** | **86.495** | **(6.101)** | **1** | **71.335** | **(38.032)** | **-** | **258.536** |
| | | | | | | | | - |
| **Balance at 1 January 2020** | **160.656** | **86.495** | **2.640** | **1** | **71.335** | **(44.155)** | **-** | **276.972** |
| Changes of the fair value of equity investments | - | - | - | - | - | (418) | - | (418) |
| Recycling of (gains) / losses on hedges through comprehensive income | - | - | 25.077 | - | - | - | - | 25.077 |
| Actuarial gains / (losses) on defined benefit pension plans | - | - | - | - | - | (2.953) | - | (2.953) |
| Fair value gains / (losses) on cash flow hedges | - | - | (27.398) | - | - | - | - | (27.398) |
| Currency translation differences and other movements | - | - | - | - | - | 111 | - | 111 |
| Share of other comprehensive income / (loss) of associates | - | - | - | - | - | 288 | | 288 |
| **As at 30 September 2020** | **160.656** | **86.495** | **319** | **1** | **71.335** | **(47.127)** | **-** | **271.679** |

*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.

*(All amounts in Euro thousands unless otherwise stated)*

*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 within cost of sales. As at 30 September 2020 the fair value result in hedging reserve relates to transactions described in Note 3 for commodity price risk management.

*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.

## 18. INTEREST BEARING LOANS AND BORROWINGS

| | As at | |
|---|---|---|
| | **30 September 2020** | **31 December 2019** |
| **Non-current interest bearing loans and borrowings** | | |
| Bank borrowings | 539.223 | 917.938 |
| Eurobonds | 693.714 | 692.156 |
| **Total non-current interest bearing loans and borrowings** | **1.232.937** | **1.610.094** |
| **Current interest bearing loans and borrowings** | | |
| Short term bank borrowings | 1.676.719 | 977.826 |
| Current portion of long-term bank borrowings | 44.444 | 44.444 |
| **Total current interest bearing loans and borrowings** | **1.721.163** | **1.022.270** |
| **Total interest bearing loans and borrowings** | **2.954.100** | **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 30 September 2020 and 31 December 2019 are summarised in the table below (amounts in € million):

| | Company | Maturity | Balance as at 30 September 2020 | Balance as at 31 December 2019 |
|---|---|---|---|---|
| 1. Bond loan € 400 million | HP SA | Jun 2023 | 395 | 394 |
| 2. Bond loan € 400 million | HP SA | Dec 2020 | 225 | 224 |
| 3. Bond loan € 300 million | HP SA | Feb 2021 | 300 | 299 |
| 4. Bond loan € 100 million | HP SA | Oct 2021 | 100 | 0 |
| 5. Bond loan $ 250 million | HP SA | Jun 2021 | 213 | 159 |
| 6. European Investment Bank ("EIB") Term loan | HP SA | Jun 2022 | 89 | 111 |
| 7. Eurobond €201m | HPF Plc | Oct 2021 | 201 | 200 |
| 8. Eurobond €500m | HPF Plc | Oct 2024 | 493 | 491 |
| 9. Bilateral lines | Various | Various | 939 | 754 |
| **Total** | | | **2.954** | **2.632** |

No loans were in default as at 30 September 2020 (none as at 31 December 2019).

Significant movements in borrowings for the nine -month period ended 30 September 2020 are as follows:

***Bond Loan €100 million***

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

***Bond Loan $250 million***

In March 2020, Hellenic Petroleum S.A. drew on the remaining portion ($70 million) of its $250 million 3 year revolving bond loan facility to finance general working capital needs.

***Bilateral lines***

In April 2020, Hellenic Petroleum S.A. concluded an additional new €100 million bilateral loan. The outstanding balance as at 30 September 2020 was €60 million.

The Group companies have credit facilities with various banks to finance general corporate needs which are being renewed in accordance with the Group's finance needs. The facilities mainly comprise of short-term loans of the parent company Hellenic Petroleum S.A.

Bilateral loan balances increased by € 185 million during the nine month period ended 30 September 2020 in line with the Group's liquidity risk management strategy to build up its cash reserves as the Covid-19 crisis was unfolding.

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)*

## 19. TRADE AND OTHER PAYABLES

| | As at 30 September 2020 | 31 December 2019 |
|---|---|---|
| Trade payables | 888.963 | 1.238.776 |
| Accrued expenses | 116.384 | 77.477 |
| Other payables | 73.485 | 85.479 |
| **Total** | **1.078.832** | **1.401.732** |

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

Trade payables, as at 30 September 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 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 mainly 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.

## 20. CASH GENERATED FROM / (USED IN) OPERATIONS

| | Note | For the nine month period ended 30 September 2020 | 30 September 2019 |
|---|---|---|---|
| **Profit/ (Loss) before tax** | | **(559.808)** | **210.014** |
| Adjustments for: | | | |
| Depreciation and impairment of property, plant and equipment and right-of-use assets | **10,11** | 181.564 | 167.225 |
| Amortisation and impairment of intangible assets | **12** | 5.936 | 5.957 |
| Amortisation of grants | **5** | (701) | (777) |
| Finance costs - net | | 85.637 | 97.078 |
| Share of operating (profit) / loss of associates | **7** | (23.870) | (15.011) |
| Provisions for expenses and valuation charges | | 32.955 | 21.907 |
| Foreign exchange (gains) / losses | **6** | (10.831) | (833) |
| Gains from discounting of long-term receivables and liabilities | **5** | (1.427) | (1.549) |
| (Gain) / loss on assets held for sale | | 228 | (782) |
| (Gain) / loss on sales of property, plant and equipment | **5** | (2.200) | (253) |
| | | **(292.517)** | **482.976** |
| **Changes in working capital** | | | |
| (Increase) / decrease in inventories | | 275.253 | (96.759) |
| (Increase) / decrease in trade and other receivables | | 184.587 | (19.489) |
| Increase / (decrease) in trade and other payables | | (344.220) | 32.152 |
| | | **115.621** | **(84.096)** |
| **Net cash generated from / (used in) operating activities** | | **(176.897)** | **398.880** |

## 21. RELATED PARTY TRANSACTIONS

The interim condensed consolidated statement of comprehensive income includes transactions between the Group and related parties. Such transactions mainly comprise sales and purchases of goods and services in the ordinary course of business.

*(All amounts in Euro thousands unless otherwise stated)*

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.
- D.M.E.P. HOLDCO

| | For the nine month period ended | |
|---|---|---|
| | **30 September 2020** | **30 September 2019** |
| **Sales of goods and services to related parties** | | |
| Associates | 557.537 | 263.875 |
| Joint ventures | 776 | 774 |
| **Total** | **558.313** | **264.649** |
| **Purchases of goods and services from related parties** | | |
| Associates | 456.642 | 319.374 |
| Joint ventures | 32.325 | 26.431 |
| **Total** | **488.967** | **345.805** |

| | **As at 30 September 2020** | **As at 31 December 2019** |
|---|---|---|
| **Balances due to related parties** | | |
| Associates | 604 | 9.176 |
| Joint ventures | 118 | 226 |
| **Total** | **722** | **9.402** |
| **Balances due from related parties** | | |
| Associates | 21.468 | 18.738 |
| Joint ventures | 499 | 438 |
| **Total** | **21.967** | **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 these as at 30 September 2020 was €105 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 are:

- 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 nine-month period ended 30 September 2020, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €156 million (30 September 2019: €240 million)
- Purchases of goods and services amounted to €43 million (30 September 2019: €52 million)
- Receivable balances of €48 million (31 December 2019: €65 million)
- Payable balances of €20 million (31 December 2019: €15 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 for the nine-month period ended 30 September 2020 to the aforementioned key management amounted as follows:

| | For the nine month period ended | |
|---|---|---|
| | **30 September 2020** | **30 September 2019** |
| Short-term employee benefits | 3.473 | 3.683 |
| Post-employment benefits | 119 | 122 |
| Termination benefits | - | 280 |
| **Total** | **3.592** | **4.085** |

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

- Edison International SpA (Greece, Patraikos Gulf)
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Total E&P Greece B.V and Edison International SpA (Greece, Block 2- West of Corfu Island).
- 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 Exploracion (Greece, Block Ionian).

## 22. COMMITMENTS

(a) Capital commitments

Significant contractual commitments of the Group amount to €56,3 million as at 30 September 2020 (31 December 2019: €39,1 million), which mainly relate to improvements in refining assets.

(b) Exploration costs

Contractual commitments of the Group for exploration costs amount to €26,9 million as at 30 September 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 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.

## 23. 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 30 September 2020, the total amounts imposed amount to € 33,4 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 30 September 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 € 30,066,585. 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 or an amount of 30,066,585 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 period ended 30 September 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 30 September 2020 was the equivalent of €916 million (31 December 2019: €912 million). Out of these, €811 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, may result 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 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 8, 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 2011. 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. These 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 in progress and is related to specific tax subjects. Moreover, during July 2020, a new notification for full audit was received for the year 2014 regarding all tax subjects. The audit is in progress.

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.

  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 30 September 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 2018, 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 2019.

(ii) Assessments of customs 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 14), 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 Company considers that the above amounts will be recovered.

*Customs – other*

As at 30 September 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 K, which were paid in 2020. The Company 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 October 2020, the authorities issued new decisions for the fiscal years 2015, 2016 and 2017, imposing additional amounts of € 4,308 K. The Company is filing lawsuits, within the relevant deadlines, seeking full annulment, for the same reasons. The Company expects that the case will have a positive outcome, when the legal procedure will be concluded.

## 24. DIVIDENDS

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.

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 financial year 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 Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2020. The whole amount was paid in July 2020.

*(All amounts in Euro thousands unless otherwise stated)*

## 25. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND ASSOCIATES INCLUDED IN THE INTERIM CONDENSED 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 |
| 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 |
| 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 | 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 7)

- 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.

## 26. EVENTS OCCURING AFTER THE REPORTING PERIOD

Other than the events already disclosed in Notes 3 and 23, the below events took place after the end of the reporting period and up to the date of the publication of the financial statements.

On October 1st 2020, HELLENIC PETROLEUM SA through its wholly owned subsidiary, HELPE RENEWABLES, completed the acquisition of a portfolio of Photovoltaic projects at final permitting stage, in the wider Kozani region, Greece, from JUWI with a total planned installed capacity of 204 MW. The total cost of the investment is estimated at €130 million. 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.

On October 5th, 2020, HELLENIC PETROLEUM FINANCE PLC, a wholly owned subsidiary of HELLENIC PETROLEUM SA, successfully priced €99.9m 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.

Hellenic Petroleum S.A. concluded a €100 million committed credit facility, with a tenor of 24 months, in October 2020.