

EKO SERBIA A.D. BEOGRAD

FINANCIAL STATEMENTS FOR THE
YEAR ENDING 31 DECEMBER 2020

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ANNUAL BUSINESS REPORT

*This is English translation of the Report
originally issued in Serbian language
(For management purposes only)*

INDEPENDENT AUDITORS' REPORT

TO THE OWNER OF EKO SERBIA A.D., BEOGRAD

Opinion

We have audited the accompanying financial statements of EKO Serbia a.d., Beograd (hereinafter: the Company), which comprise the balance sheet as at 31 December 2020, and the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Law and other accounting regulations in the Republic of Serbia.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing applicable in the Republic of Serbia. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Serbia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Other information included in the Company's Annual Business Report

Other information consists of the information included in the Annual business report other than the financial statements and our auditor's report thereon. Management is responsible for the preparation of other information in accordance with the legal requirements of the Republic of Serbia.

Our opinion on the financial statements does not cover the Other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with Law on Accounting of Republic of Serbia, in particular, whether the other information complies with the Law on Accounting of Republic of Serbia in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures undertaken, to the extent we are able to assess it, we report that:

1. the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
2. the other information is prepared in accordance with requirements of the Law on Accounting of Republic of Serbia.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Law and other accounting regulations in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Auditors' responsibilities for the audit of the financial statements

As part of an audit in accordance with Standards on Auditing applicable in the Republic of Serbia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

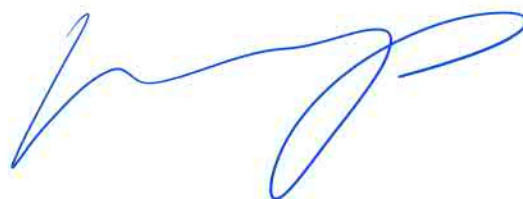
Auditors' responsibilities for the audit of the financial statements (continued)

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

Belgrade, 26 March 2021



Danijela Mirković
for Ernst & Young d.o.o. Beograd



Nikola Ribar
Authorized Auditor

To be filled in by the legal entity - entrepreneur																	
1	7	4	1	3	3	3	3	4730	1	0	0	1	1	8	2	3	6
Business register identification number								Industry code		TIN							
Company name: EKO Serbia a.d Beograd (NOVI BEOGRAD)																	
Company seat (City; Street and no.): Beograd (Novi Beograd) Tosin bunar 274a																	

BALANCE SHEET

as of December 31st, 2020

- stated in RSD thousands -

Group of accounts, account	Group of accounts name, account name	AOP (position in state- ment)	Note number	Amount		
				Current business period balance	Previous business period balance	
					Ending balance 31 Dec 2019	Opening balance 01 Jan 2019
1	2	3	4	5	6	7
00	A. SUBSCRIBED CAPITAL UNPAID	0001				
	B. PERMANENT ASSETS (0003 + 0010 + 0019 + 0024 + 0034)	0002		5,857,531	6,024,469	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	0003	6	579,287	579,557	
010 and part of 019	1. Research and development costs	0004				
011, 012 and part of 019	2. Concessions, patents, licences, trademarks, software and other rights	0005		41,936	39,474	
013 and part of 019	3. Goodwill	0006				
014 and part of 019	4. Other intangible assets	0007		19,242	19,523	
015 and part of 019	5. Intangible assets in progress	0008		518,109	520,560	
016 and part of 019	6. Advances for intangible assets	0009				
02	II. IMMOVABLE PROPERTY, PLANT AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	0010	7	5,278,244	5,444,912	
020, 021 and part of 029	1. Land	0011		2,615,389	2,615,389	
022 and part of 029	2. Buildings	0012		1,865,217	1,971,418	
023 and part of 029	3. Plant and equipment	0013		134,448	117,476	
024 and part of 029	4. Investment immovable property	0014		26,185	28,213	
025 and part of 029	5. Other immovable property, plant and equipment	0015		523,895	588,898	
026 and part of 029	6. Immovable property, plant and equipment under construction	0016		70,393	52,205	
027 and part of 029	7. Investments in not owned immovable property, plant and equipment	0017		42,052	67,789	
028 and part of 029	8. Advances for immovable property, plant and equipment	0018		665	3,524	
03	III. NATURAL ASSETS (0020 + 0021 + 0022 + 0023)	0019				
030, 031 and part of 039	1. Forests and plantations	0020				
032 and part of 039	2. Livestock	0021				
037 and part of 039	3. Natural assets in progress	0022				
038 and part of 039	4. Advances for natural assets	0023				
04, except 047	IV. LONG-TERM FINANCIAL INVESTMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	0024				
040 and part of 049	1. Investments in capital of parent companies and subsidiaries	0025				
041 and part of 049	2. Investments in capital of associated companies and joint ventures	0026				
042 and part of 049	3. Investments in other legal entities and other securities available for sale	0027				
part of 043, part of 044 and part of 049	4. Long-term investments to parent companies and to subsidiaries	0028				
part of 043, part of 044 and part of 049	5. Long-term investments to other associated companies	0029				
part of 045 and part of 049	6. Long-term investments - domestic	0030				
part 045 and part of 049	7. Long-term investments - abroad	0031				
046 and part of 049	8. Securities held to maturity	0032				
048 and part of 049	9. Other long-term investments	0033				
05	V. Long-term receivables (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	0034				
050 and part of 059	1. Long-term receivables - parent companies and subsidiaries	0035				
051 and part of 059	2. Long-term receivables - other associated entities	0036				
052 and part of 059	3. Long-term receivables - sales through trade loan	0037				
053 and part of 059	4. Long-term receivables - sales through financial leasing	0038				
054 and part of 059	5. Long-term receivables - provided guarantees	0039				

- stated in RSD thousands -

Group of accounts, account	Group of accounts name, account name	AOP (position in state- ment)	Note number	Amount		
				Previous business period balance		
				Current business period balance	Ending balance 31 Dec 2019	Opening balance 01 Jan 2019
1	2	3	4	5	6	7
055 and part of 059	6. Long-term suspicious receivables, provisions	0040				
056 and part of 059	7. Other long-term receivables	0041				
288	C. DEFERRED TAX ASSETS	0042	30	143.673	186.982	
	D. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	0043		2.566.590	2.395.837	
Class 1	I. INVENTORIES (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	0044	10	894.930	1.200.600	
10	1. Material, spare parts, tools and small value fixed assets	0045		2.059	1.914	
11	2. Work in progress and services in progress	0046				
12	3. Finished goods	0047				
13	4. Merchandise	0048		877.036	1.176.557	
14	5. Permanent assets held for trading	0049				
15	6. Advances paid for inventories and services	0050		15.835	22.129	
20	II. RECEIVABLES FROM SALES (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	0051	11	671.437	872.482	
200 and part of 209	1. Trade receivables domestic - parent companies and subsidiaries	0052				
201 and part of 209	2. Trade receivables abroad - parent companies and subsidiaries	0053				
202 and part of 209	3. Trade receivables domestic - other associated entities	0054				
203 and part of 209	4. Trade receivables abroad - other associated entities	0055				
204 and part of 209	5. Trade receivables domestic - other entities	0056	11	671.437	872.482	
205 and part of 209	6. Trade receivables abroad - other entities	0057				
206 and part of 209	7. Other receivables from sales	0058				
21	III. RECEIVABLES FROM SPECIAL BUSINESS OPERATIONS	0059				
22	IV. OTHER RECEIVABLES	0060	11	3.442	5.000	
236	V. FINANCIAL ASSETS RE-VALUED THROUGH INCOME STATEMENT BY FAIR VALUE METHOD	0061				
23 except 236 and 237	VI. SHORT-TERM FINANCIAL INVESTMENTS (0063 + 0064 + 0065 + 0066 + 0067)	0062				
230 and part of 239	1. Short-term loans and investments - parent companies and subsidiaries	0063				
231 and part of 239	2. Short-term loans and investments - other associated companies	0064				
232 and part of 239	3. Short-term loans - domestic	0065				
233 and part of 239	4. Short-term loans - abroad	0066				
234, 235, 238 and part of 239	5. Other short-term investments	0067				
24	VII. CASH AND CASH EQUIVALENTS	0068	12	975.407	243.815	
27	VIII. VALUE ADDED TAX	0069	13	6.153	67.977	
28 except 288	IX. PREPAYMENTS AND ACCRUED INCOME	0070	13	15.221	5.963	
	E. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0042 + 0043)	0071		8.567.794	8.607.288	
88	F. OFF-BALANCE SHEET ASSETS	0072		20.330	117.903	
	EQUITY AND LIABILITIES					
	A. EQUITY (0402 + 0411 - 0412 + 0413 + 0414 + 0415 - 0416 + 0417 + 0420 - 0421) ≥ 0 = (0071 - 0424 - 0441 - 0442)	0401	14	4.703.145	4.296.358	
30	I. NOMINAL CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	0402		6.961.115	6.961.115	
300	1. Share capital	0403		4.980.000	4.980.000	
301	2. Stakes in limited liability companies	0404				
302	3. Stakes	0405				
303	4. State owned capital	0406				
304	5. Socially owned capital	0407				
305	6. Stakes in co-operatives	0408				
306	7. Share issuing premiums and agios	0409		1.981.115	1.981.115	
309	8. Other capital	0410				
31	II. SUBSCRIBED CAPITAL UNPAID	0411				
047 and 237	III. OWN SHARES PURCHASED AND TREASURED	0412				
32	IV. RESERVES	0413				
330	V. RE-VALUATION RESERVES FROM INTANGIBLE ASSETS, IMMOVABLE PROPERTY, PLANT AND EQUIPEMENT RE-VALUATION	0414				
33 except 330	VI. UNREALIZED GAINS ON SECURITIES AND OTHER COMPONENTS OF OTHER COMPLETE RESULT (credit balances of group of accounts 33 except 330)	0415				

- stated in RSD thousands -

Group of accounts, account	Group of accounts name, account name	AOP (position in state- ment)	Note number	Amount		
				Current business period balance	Previous business period balance	
					Ending balance 31 Dec 2019	Opening balance 01 Jan 2019
1	2	3	4	5	6	7
33 except 330	VII. UNREALIZED LOSSES ON SECURITIES AND OTHER COMPONENTS OF OTHER COMPLETE RESULT (debit balances of group of accounts 33 except 330)	0416		1.404	2.014	
34	VIII. RETAINED EARNINGS (0418 + 0419)	0417		3.319.337	2.913.160	
340	1. Retained earnings from previous years	0418		2.913.160	2.342.445	
341	2. Retained earnings in current year	0419		406.177	570.715	
	IX. INVESTMENTS WITHOUT CONTROLLING RIGHTS	0420				
35	X. LOSS (0422 + 0423)	0421		5.575.903	5.575.903	
350	1. Previous years losses	0422		5.575.903	5.575.903	
351	2. Current year loss	0423				
	B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)	0424		481.764	521.798	
40	I. LONG-TERM PROVISIONS (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	0425	15	6.738	10.624	
400	1. Provisions for costs during the warranty period	0426				
401	2. Provisions for costs of recovery of natural resources	0427				
403	3. Provisions for restructuring costs	0428				
404	4. Provisions for employee's reimbursements and other benefits	0429		6.048	6.289	
405	5. Provisions for costs of legal processes	0430		690	4.335	
402 and 409	6. Other long-term provisions	0431				
41	II. LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	0432	17	475.026	511.174	
410	1. Liabilities which can be converted into capital	0433				
411	2. Liabilities to parent companies and subsidiaries	0434				
412	3. Liabilities to other associated companies	0435				
413	4. Liabilities for long-term securities	0436				
414	5. Long-term loans - domestic	0437				
415	6. Long-term loans - abroad	0438				
416	7. Liabilities for financial leasing	0439				
419	8. Other long-term liabilities	0440		475.026	511.174	
498	C. DEFERRED TAX LIABILITIES	0441				
42 to 49 (except 498)	D. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	0442		3.382.885	3.789.132	
42	I. SHORT-TERM FINANCIAL LIABILITIES (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	0443		1.269.415	1.818.895	
420	1. Short-term loans from parent companies and subsidiaries	0444				
421	2. Short-term loans from other associated companies	0445				
422	3. Short-term loans - domestic	0446	16	1.209.708	1.770.067	
423	4. Short-term loans - abroad	0447				
427	5. Liabilities for permanent assets and liabilities for assets held for sale from liquidated businesses	0448				
424, 425, 426 and 429	6. Other short-term financial liabilities	0449	17	59.707	48.828	
430	II. RECEIVED ADVANCES, DEPOSITS AND CAUTION MONEY	0450	18	45.503	32.007	
43 except 430	III. LIABILITIES FROM BUSINESS OPERATIONS (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	0451	18	1.827.707	1.773.434	
431	1. Trade payables - parent companies and subsidiaries domestic	0452				
432	2. Trade payables - parent companies and subsidiaries abroad	0453		16.461	4.227	
433	3. Trade payables - other associated companies domestic	0454				
434	4. Trade payables - other associated companies abroad	0455				
435	5. Trade payables - domestic	0456		1.734.155	1.336.485	
436	6. Trade payables - abroad	0457		77.091	432.722	
439	7. Other liabilities from business operations	0458				
44, 45 and 46	IV. OTHER SHORT-TERM LIABILITIES	0459	19	14.413	11.856	
47	V. LIABILITIES FOR VALUE ADDED TAX	0460				
48	VI. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES	0461	19	73.668	4.907	
49 except 498	VII. ACCRUALS AND DEFERRED INCOME	0462	19	152.179	148.033	

- stated in RSD thousands -

Group of accounts, account	Group of accounts name, account name	AOP (position in state- ment)	Note number	Amount		
				Current business period balance	Previous business period balance	
					Ending balance 31 Dec 2018	Opening balance 01 Jan 2018
1	2	3	4	5	6	7
	E. LOSS OVER EQUITY (0412 + 0416 + 0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0	0463				
	F. TOTAL EQUITY AND LIABILITIES (0424 + 0442 + 0441 + 0401 - 0463) ≥ 0	0464		8.567.794	8.607.288	
89	G. OFF-BALANCE SHEET LIABILITIES	0465		20.330	117.903	

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In Belgrade

Date 26 March 2021



On behalf of CEO per power of attorney
Paschos Nikolaos

This form is stipulated by the Rulebook on the content and form of the financial statement forms for companies, cooperatives and entrepreneurs ('Official Gazette RS', no 95/14, on September 5th, 2014)

To be filled in by the legal entity - entrepreneur

1 7 4 1 3 3 3 3

Business register identification number

4 7 3 0

Industry code

1 0 0 1 1 8 2 3 6

TIN

Company name: EKO Serbia a.d Beograd (NOVI BEOGRAD)

Company seat (City, Street and no.): Beograd (Novi Beograd) Tosin bunar 274a

INCOME STATEMENT

for the period from Jan 01st to December 31st,2020

- stated in RSD thousands -

Group of accounts, account	Group of accounts name, account name	AOP (position in state- ment)	Note number	Amount	
				Current business period balance	Previous business period balance
1	2	3	4	5	6
	REVENUE FROM BUSINESS OPERATIONS				
60 to 65, except 62 and 63	A. OPERATING REVENUE (1002 + 1009 + 1016 + 1017)	1001		16.692.820	22.071.736
60	I. REVENUE FROM SALES OF MERCHANDISE (1003 + 1004 + 1005 + 1006 + 1007 + 1008)	1002	20	16.642.874	21.991.912
600	1. Revenue from sales of merchandise to parent companies and subsidiaries - domestic	1003			
601	2. Revenue from sales of merchandise to parent companies and subsidiaries - abroad	1004			
602	3. Revenue from sales of merchandise to other associated companies - domestic	1005			
603	4. Revenue from sales of merchandise to other associated companies - abroad	1006			
604	5. Revenue from sales of merchandise - domestic	1007		16.642.874	21.991.912
605	6. Revenue from sales of merchandise - abroad	1008			
61	II. REVENUE FROM SALES OF FINISHED GOODS AND RENDERED SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009		-	-
610	1. Revenue from sales of finished goods and rendered services to parent companies and subsidiaries - domestic	1010			
611	2. Revenue from sales of finished goods and rendered services to parent companies and subsidiaries - abroad	1011			
612	3. Revenue from sales of finished goods and rendered services to other associated companies domestic	1012			
613	4. Revenue from sales of finished goods and rendered services to other associated companies abroad	1013			
614	5. Revenue from sales of finished goods and rendered services - domestic	1014			
615	6. Revenue from sales of finished goods and rendered services - abroad	1015			
64	III. REVENUE FROM PREMIUMS, SUBVENTIONS, DONATIONS, COMPENSATIONS ETC.	1016		610	2.933
65	IV. OTHER OPERATING REVENUES	1017	21	49.336	76.891
	EXPENSES FROM BUSINESS OPERATIONS				
50 to 55, 62 and 63	B. OPERATING EXPENSES (1019 - 1020 - 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028 + 1029) ≥ 0	1018		16.062.532	21.429.029
50	I. COST OF GOODS SOLD	1019	23	14.360.169	19.651.614
62	II. REVENUE FROM OWN USE OF FINISHED GOODS, MERCHANDISE AND RENDERED SERVICES	1020	23	1.222	3.233
630	III. INCREASE OF INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SERVICES IN PROGRESS	1021			
631	IV. DECREASE OF INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SERVICES IN PROGRESS	1022			
51 except 513	V. COST OF MATERIAL	1023	23	82.240	38.505
513	VI. COST OF FUEL AND ENERGY	1024	24	96.806	123.572
52	VII. COST OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES	1025	25	185.128	204.213
53	VIII. COST OF PRODUCTION SERVICES	1026	26	302.042	358.680
540	IX. COST OF DEPRECIATION	1027		302.095	305.167
541 to 549	X. COST OF LONG-TERM PROVISIONS	1028		1.916	601
55	XI. NON-PRODUCTION COST	1029	26	733.358	750.010
	C. NET OPERATING INCOME (1001 - 1018) ≥ 0	1030		630.288	642.707
	D. NET OPERATING LOSS (1018 - 1001) ≥ 0	1031		-	-
66	E. FINANCIAL INCOME (1033 + 1038 + 1039)	1032	27	17.605	14.430
66, except 662, 663 and 664	I. FINANCIAL INCOME INCURRED WITH ASSOCIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033			
660	1. Financial income incurred with parent companies and subsidiaries	1034			
661	2. Financial income incurred with other associated companies	1035			
665	3. Income from earnings in associated companies and joint ventures	1036			

- stated in RSD thousands -

Group of accounts, account	Group of accounts name, account name	AOP (position in state- ment)	Note number	Amount	
				Current business period balance	Previous business period balance
1	2	3	4	5	6
669	4. Other financial income	1037			
662	II. INCOME FROM INTERESTS (THIRD PARTIES)	1038	27	234	581
663 and 664	III. FOREX INCOME AND CURRENCY CLAUSE INCOME (THIRD PARTIES)	1039	27	17,371	13,849
56	F. FINANCIAL EXPENSES (1041 + 1046 + 1047)	1040	28	102,405	117,760
56, except 562, 563 and 564	I. FINANCIAL EXPENSES INCURRED WITH ASSOCIATED COMPANIES AND OTHER FINANCIAL EXPENSES (1042 + 1043 + 1044 + 1045)	1041			
560	1. Financial expenses incurred with parent companies and subsidiaries	1042			
561	2. Financial expenses incurred with other associated companies	1043			
565	3. Expenses from losses in associated companies and joint ventures	1044			
566 and 569	4. Other financial expenses	1045			
562	II. INTEREST EXPENSES (THIRD PARTIES)	1046	28	85,851	100,009
563 and 564	III. FOREX LOSSES AND CURRENCY CLAUSE LOSSES (THIRD PARTIES)	1047	28	16,554	17,751
	G. NET FINANCIAL INCOME (1032 - 1040)	1048		-	-
	H. NET FINANCIAL LOSS (1040 - 1032)	1049		84,800	103,330
683 and 685	I. INCOME FROM VALUATION OF OTHER ASSETS RECOGNIZED THROUGH INCOME STATEMENT BY FAIR VALUE METHOD	1050			
583 and 585	J. EXPENSES FROM VALUATION OF OTHER ASSETS RECOGNIZED THROUGH INCOME STATEMENT BY FAIR VALUE METHOD	1051		3,232	142
67 and 68, except 683 and 685	K. OTHER INCOME	1052	22	105,560	139,919
57 and 58, except 583 and 585	L. OTHER EXPENSES	1053	29	124,785	159,957
	M. INCOME FROM OPERATIONS BEFORE TAX (1030 - 1031 + 1048 - 1049 + 1050 - 1051 + 1052 - 1053)	1054		523,031	519,197
	N. LOSS FROM OPERATIONS BEFORE TAX (1031 - 1030 + 1049 - 1048 + 1051 - 1050 + 1053 - 1052)	1055		-	-
69 - 59	O. NET GAINS FROM LIQUIDATED OPERATIONS, EFFECTS OF ACCOUNTING POLICY CHANGES AND PREVIOUS PERIODS ERRORS CORRECTIONS	1056			1,936
59 - 69	P. NET LOSSES FROM LIQUIDATED OPERATIONS, EFFECTS OF ACCOUNTING POLICY CHANGES AND PREVIOUS PERIODS ERRORS CORRECTIONS	1057		3,892	
	Q. INCOME BEFORE TAX (1054 - 1055 + 1056 - 1057)	1058		519,139	521,133
	R. LOSS BEFORE TAX (1055 - 1054 + 1057 - 1056)	1059		-	-
	S. CORPORATE INCOME TAX				
721	I. TAX EXPENSE OF PERIOD	1060	30	69,654	
part of 722	II. DEFERRED TAX EXPENSE OF PERIOD	1061	30	43,308	
part of 722	III. DEFERRED TAX INCOME OF PERIOD	1062	30		49,582
723	T. PAID PERSONAL INCOME TO THE OWNER	1063			
	U. NET INCOME (1058 - 1059 - 1060 - 1061 + 1062)	1064		406,177	570,715
	V. NET LOSS (1059 - 1058 + 1060 + 1061 - 1062)	1065		-	-
	I. NET INCOME BELONGING TO MINORITY STAKEHOLDERS	1066			
	II. NET INCOME BELONGING TO OWNERS	1067			
	III. EARNINGS PER SHARE				
	1. Basic earnings per share	1068			
	2. Diluted earnings per share	1069			

In Belgrade

Date 26 March 2021



On behalf of CEO per power of attorney
Paschos Nikolaos

To be filled in by the legal entity - entrepreneur

<div style="border: 1px solid black; display: inline-block; padding: 2px;">1 7 4 1 3 3 3 3</div> Business register identification number	<div style="border: 1px solid black; display: inline-block; padding: 2px;">4 7 3 0</div> Industry code	<div style="border: 1px solid black; display: inline-block; padding: 2px;">1 0 0 1 1 8 2 3 6</div> TIN
Company name: EKO Serbia a.d Beograd (NOVI BEOGRAD)		
Company seat (City; Street and no.): Beograd (Novi Beograd) Tosin bunar 274a		

OTHER INCOME STATEMENT

for the period from Jan 01st to December 31st, 2020

- stated in RSD thousands -

Group of accounts, account	Group of accounts name, account name	AOP (position in statement)	Note number	Amount	
				Current business period balance	Previous business period balance
1	2	3	4	5	6
	A. NET OPERATIONS RESULT				
	I. NET INCOME (AOP 1064)	2001		406.177	570.715
	II. NET LOSS (AOP 1065)	2002		-	-
	B. OTHER COMPLETE GAINS OR LOSS				
	a) Items which will not be re-classified through income statement in future periods				
	1. Changes in re-valuation of intangible assets, property, plant and equipment				
330	a) Increase in re-valuation reserves	2003			
	b) Decrease in re-valuation reserves	2004			
	2. Actuarial gains or losses on basis of plans of defined retainings				
331	a) Gains	2005			
	b) Losses	2006		1.404	2.014
	3. Gains or losses on investments in ownership securities				
332	a) Gains	2007			
	b) Losses	2008			
	4. Gains or losses on stakes in other complete gain or loss in associated companies				
333	a) Gains	2009			
	b) Losses	2010			
	b) Items which could be re-classified through income statement in future periods				
	1. Gains or losses on translation of financial statements of abroad operations				
334	a) Gains	2011			
	b) Losses	2012			
	2. Gains or losses on instruments for protection of net abroad investment				
335	a) Gains	2013			
	b) Losses	2014			
	3. Gains or losses in cash flow protection instruments (hedging)				
336	a) Gains	2015			
	b) Losses	2016			
	4. Gains or losses on securities held for sales				
337	a) Gains	2017			
	b) Losses	2018			
	I. OTHER GROSS COMPLETE GAIN (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019		-	
	II. OTHER GROSS COMPLETE LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		1.404	2.014
	III. TAX ON OTHER COMPLETE GAIN OR LOSS OF PERIOD	2021			
	IV. NET OTHER COMPLETE GAIN (2019 - 2020 - 2021) ≥ 0	2022		-	-
	V. NET OTHER COMPLETE LOSS (2020 - 2019 + 2021) ≥ 0	2023		1.404	2.014
	C. TOTAL NET COMPLETE RESULT OF PERIOD				
	I. TOTAL NET COMPLETE GAIN (2001 - 2002 + 2022 - 2023) ≥ 0	2024		404.773	568.701
	II. TOTAL NET COMPLETE LOSS (2002 - 2001 + 2023 - 2022) ≥ 0	2025		-	-
	D. TOTAL NET COMPLETE GAIN OR LOSS (2027 + 2028) = AOP 2024 ≥ 0 or AOP 2025 > 0	2026		-	-
	1. Belonging to owners	2027			
	2. Belonging to minority stakeholders	2028			

In Belgrade

Date 26 March 2021



Nikolaos

On behalf of CEO per power of attorney
Paschos Nikolaos

To be filled in by the legal entity - entrepreneur																		
1	7	4	1	3	3	3	3											
Business register identification number								4	7	3	0							
								Industry code		1	0	0	1	1	8	2	3	6
								TIN										
Company name: EKO Serbia a.d Beograd (NOVI BEOGRAD)																		
Company seat (City; Street and no.): Beograd (Novi Beograd) Tosin bunar 274a																		

EQUITY STATEMENT
for the period from January 01st 2020 to December 31st, 2020

- stated in RSD thousands -

No.	Description	Capital components									
		AOP (position in statement)	30	AOP (position in statement)	31	AOP (position in statement)	32	AOP (position in statement)	35	AOP (position in statement)	047 and 237
			Nominal capital		Subscribed capital unpaid		Reserves		Loss		Treasured own shares
1	2		3		4		5		6		7
1	Opening balance of previous business period as of Jan 01, 2019										
	a) Debit balance of account	4001		4019		4037		4055	5,575,903	4073	
	b) Credit balance of account	4002	6,961,115	4020		4038		4056		4074	
2	Correction of materialy significant errors and accounting policy changes										
	a) Corrections on debit side of account	4003		4021		4039		4057		4075	
	b) Corrections on credit side of account	4004		4022		4040		4058		4076	
3	Corrected opening balance of previous business period as of Jan 01, 2019										
	a) Corrected debit balance of account (1a + 2a - 2b) ≥ 0	4005	-	4023		4041	-	4059	5,575,903	4077	
	b) Corrected credit balance of account (1b - 2a + 2b) ≥ 0	4006	6,961,115	4024		4042	-	4060		4078	
4	Postings in previous business period 2019										
	a) Debit side turnover of account	4007		4025		4043		4061		4079	
	b) Credit side turnover of account	4008		4026		4044		4062		4080	
5	Ending balance of previous business period as of Dec 31, 2019										
	a) Debit balance of account (3a + 4a - 4b) ≥ 0	4009	-	4027		4045	-	4063	5,575,903	4081	
	b) Credit balance of account (3b - 4a + 4b) ≥ 0	4010	6,961,115	4028		4046	-	4064		4082	
6	Correction of materialy significant errors and accounting policy changes										
	a) Corrections on debit side of account	4011		4029		4047		4065		4083	
	b) Corrections on credit side of account	4012		4030		4048		4066		4084	
7	Corrected opening balance of current business period as of Jan 01, 2020										
	a) Corrected debit balance of account (5a + 6a - 6b) ≥ 0	4013	-	4031		4049	-	4067	5,575,903	4085	
	b) Corrected credit balance of account (5b - 6a + 6b) ≥ 0	4014	6,961,115	4032		4050	-	4068		4086	
8	Postings in current business period of 2020										
	a) Debit side turnover of account	4015		4033		4051		4069		4087	
	b) Credit side turnover of account	4016		4034		4052		4070		4088	
9	Ending balance of current business period as of Dec 31, 2020										
	a) Debit balance of account (7a + 8a - 8b) ≥ 0	4017	-	4035		4053	-	4071	5,575,903	4089	
	b) Credit balance of account (7b - 8a + 8b) ≥ 0	4018	6,961,115	4036		4054	-	4072		4090	

No.	Description	Capital components		Other result components							
		AOP (position in statement)	34	AOP (position in statement)	330	AOP (position in statement)	331	AOP (position in statement)	332	AOP (position in statement)	333
			Retained earnings		Re-valuation reserves		Actuarial gains or losses		Gains or losses on investments in ownership securities		Gains or losses on stakes in other complete gain or loss in associated companies
1	2		8		9		10		11		12
	Opening balance of previous business period as of Jan 01, 2019										
1	a) Debit balance of account	4091		4109		4127		4145		4163	
	b) Credit balance of account	4092	2.342.445	4110		4128	958	4146		4164	
	Correction of materialy significant errors and accounting policy changes										
2	a) Corrections on debit side of account	4093		4111		4129		4147		4165	
	b) Corrections on credit side of account	4094		4112		4130		4148		4166	
	Corrected opening balance of previous business period as of Jan 01, 2019										
3	a) Corrected debit balance of account (1a + 2a - 2b) ≥ 0	4095	-	4113		4131	-	4149		4167	
	b) Corrected credit balance of account (1b - 2a + 2b) ≥ 0	4096	2.342.445	4114		4132	958	4150		4168	
	Postings in previous business period 2019										
4	a) Debit side turnover of account	4097		4115		4133	2.972	4151		4169	
	b) Credit side turnover of account	4098	570.715	4116		4134		4152		4170	
	Ending balance of previous business period as of Dec 31, 2019										
5	a) Debit balance of account (3a + 4a - 4b) ≥ 0	4099		4117		4135	2.014	4153		4171	
	b) Credit balance of account (3b - 4a + 4b) ≥ 0	4100	2.913.160	4118		4136	-	4154		4172	
	Correction of materialy significant errors and accounting policy changes										
6	a) Corrections on debit side of account	4101		4119		4137		4155		4173	
	b) Corrections on credit side of account	4102		4120		4138		4156		4174	
	Corrected opening balance of current business period as of Jan 01, 2020										
7	a) Corrected debit balance of account (5a + 6a - 6b) ≥ 0	4103	-	4121		4139	2.014	4157		4175	
	b) Corrected credit balance of account (5b - 6a + 6b) ≥ 0	4104	2.913.160	4122		4140	-	4158		4176	
	Postings in current business period of 2020										
8	a) Debit side turnover of account	4105		4123		4141		4159		4177	
	b) Credit side turnover of account	4106	406.177	4124		4142	610	4160		4178	
	Ending balance of current business period as of Dec 31, 2020										
9	a) Debit balance of account (7a + 8a - 8b) ≥ 0	4107	-	4125		4143	1.404	4161		4179	
	b) Credit balance of account (7b - 8a + 8b) ≥ 0	4108	3.319.337	4126		4144		4162		4180	

- stated in RSD thousands -

No.	Description	Other result components						AOP (position in statement)	Total equity [Σ(row 1b col. 3 to col. 15) + Σ(row 1a col. 3 to col. 15)] ≥ 0	AOP (position in statement)	Loss over capital [Σ(row 1a col. 3 to col. 15) - Σ(row 1b col. 3 to col. 15)] ≥ 0
		AOP (position in statement)	334 and 335 Gains or losses on translation of financial statements of abroad operations	AOP (position in statement)	336 Gains or losses in hedging protection of cash flow	AOP (position in statement)	337 Gains or losses on securities held for sales				
1	2		13		14		15		16		17
	Opening balance of previous business period as of Jan 01, 2019										
1	a) Debit balance of account	4181		4199		4217		4235	3,728,615	4244	
	b) Credit balance of account	4182		4200		4218					
	Correction of materialy significant errors and accounting policy changes										
2	a) Corrections on debit side of account	4183		4201		4219		4236	-	4245	
	b) Corrections on credit side of account	4184		4202		4220					
	Corrected opening balance of previous business period as of Jan 01, 2019										
3	a) Corrected debit balance of account (1a + 2a - 2b) ≥ 0	4185		4203		4221		4237	3,728,615	4246	
	b) Corrected credit balance of account (1b - 2a + 2b) ≥ 0	4186		4204		4222					
	Postings in previous business period 2019										
4	a) Debit side turnover of account	4187		4205		4223		4238		4247	
	b) Credit side turnover of account	4188		4206		4224					
	Ending balance of previous business period as of Dec 31, 2019										
5	a) Debit balance of account (3a + 4a - 4b) ≥ 0	4189		4207		4225		4239	4,296,358	4248	
	b) Credit balance of account (3b - 4a + 4b) ≥ 0	4190		4208		4226					
	Correction of materialy significant errors and accounting policy changes										
6	a) Corrections on debit side of account	4191		4209		4227		4240	-	4249	
	b) Corrections on credit side of account	4192		4210		4228					
	Corrected opening balance of current business period as of Jan 01, 2020										
7	a) Corrected debit balance of account (5a + 6a - 6b) ≥ 0	4193		4211		4229		4241	4,296,358	4250	
	b) Corrected credit balance of account (5b - 6a + 6b) ≥ 0	4194		4212		4230					
	Postings in current business period of 2020										
8	a) Debit side turnover of account	4195		4213		4231		4242		4251	
	b) Credit side turnover of account	4196		4214		4232					
	Ending balance of current business period as of Dec 31, 2020										
9	a) Debit balance of account (7a + 8a - 8b) ≥ 0	4197		4215		4233		4243	4,703,145	4252	
	b) Credit balance of account (7b - 8a + 8b) ≥ 0	4198		4216		4234					

In Belgrade Date 26 March 2021

On behalf of CEO per power of attorney
Paschos Nikolaos



To be filled in by the legal entity - entrepreneur

<div style="display: flex; justify-content: space-around;"> 17413333 </div> Business register identification number	<div style="display: flex; justify-content: space-around;"> 4730 </div> Industry code	<div style="display: flex; justify-content: space-around;"> 100118236 </div> TIN
Company name: EKO Serbia a.d Beograd (NOVI BEOGRAD)		
Company seat (City; Street and no.): Beograd (Novi Beograd) Tosin bunar 274a		

CASH FLOW STATEMENT

for the period from Jan 01st to December 31st, 2020

- stated in RSD thousands -

Group of accounts name, account name	AOP (position in statement)	Amount	
		Current business period balance	Previous business period balance
1	2	3	4
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash inflows from operating activities (1 to 3)	3001	20,299,791	25,333,885
1. Inflows from sales and prepayments	3002	20,292,950	25,317,504
2. Interest from operating activities	3003	43	569
3. Other inflows from operating activities	3004	6,798	15,812
II. Cash outflows from operating activities (1 to 5)	3005	18,874,259	25,131,442
1. Trade payables and prepayments	3006	18,323,144	24,547,398
2. Salaries, wages and other personnel expenses	3007	226,422	229,142
3. Interests paid	3008	5,229	8,687
4. Corporate income tax	3009		
5. Outflows from other public revenues	3010	319,464	346,215
III. Net cash inflow from operating activities (I-II)	3011	1,425,532	202,443
IV. Net cash outflow from operating activities (II-I)	3012	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES			
I. Cash inflows from operating activities (1 to 5)	3013	369	2,280
1. Sale of shares and stakes (net inflows)	3014		
2. Sale of intangible assets, immovable property, plants, equipment and natural resources	3015	369	2,280
3. Other financial investments (net inflows)	3016		
4. Interest from investing activities	3017		
5. Inflows from dividends	3018		
II. Cash outflows from investing activities (1 to 3)	3019	133,950	163,288
1. Purchase of shares and stakes (net outflows)	3020		
2. Purchase of intangible assets, immovable property, plants, equipment and natural resources	3021	133,950	163,288
3. Other financial investments (net outflows)	3022		
III. Net cash inflow from investing activities (I-II)	3023	-	-
IV. Net cash outflow from investing activities (II-I)	3024	133,581	161,008
C. CASH FLOW FROM FINANCING ACTIVITIES			
I. Cash inflows from financing activities (1 to 5)	3025	2,389,413	2,785,000
1. Share capital increase	3026		
2. Long-term loans (net-inflows)	3027		
3. Short-term loans (net-inflows)	3028	2,389,413	2,785,000
4. Other long-term liabilities	3029		
5. Other short-term liabilities	3030		
II. Cash outflows from financing activities (1 to 6)	3031	2,949,772	2,799,379
1. Treasury shares and stakes	3032		
2. Long-term loans (outflows)	3033		
3. Short-term loans (outflows)	3034	2,949,772	2,799,379
4. Other liabilities (outflows)	3035		
5. Financial leasing	3036		
6. Dividends paid	3037		
III. Net cash inflow from financing activities (I-II)	3038	-	-
IV. Net cash outflow from financing activities (II-I)	3039	560,359	14,379
D. TOTAL CASH INFLOW (3001 + 3013 + 3025)	3040	22,689,573	28,121,165
E. TOTAL CASH OUTFLOW (3005 + 3019 + 3031)	3041	21,957,981	28,094,109
F. NET CASH INFLOW (3040 - 3041)	3042	731,592	27,056
G. NET CASH OUTFLOW (3041 - 3040)	3043	-	-
H. CASH BALANCE AT THE BEGINNING OF THE PERIOD	3044	243,815	216,762
I. POSITIVE EFFECTS OF EXCHANGE RATE CHANGES FROM CASH CALCULATION	3045	1	65
J. NEGATIVE EFFECTS OF EXCHANGE RATE CHANGES FROM CASH CALCULATION	3046	1	68
K. CASH BALANCE AT THE END OF THE PERIOD (3042 - 3043 + 3044 + 3045 - 3046)	3047	975,407	243,815

In Belgrade

Date 26 March 2021



On behalf of CEO per power of attorney
Paschos Nikolaos

EKO SERBIA A.D. BEOGRAD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(all the amounts are presented in '000 RSD, unless stated otherwise)

1. Corporate information

EKO Serbia a.d. Beograd (hereinafter: "the Company") is engaged in the following business activities: the wholesale and retail sale of motor fuel, other commodities (supermarket goods, oils), carwash and coffee shop services. The Company was established on 6 September 2002 and was wholly owned by EKO-ELDA from Greece. In December 2007, the ownership of the Company changed and HELLENIC PETROLEUM SERBIA (HOLDINGS), a Cyprus entity, became a 100% owner of EKO SERBIA AD.

The Company's parent company is Hellenic Petroleum (headquartered in Greece).

The Company's registered office is in Belgrade, at 274a Tošin Bunar street.

The Company has been registered as a closed joint stock company and is not listed on the Belgrade stock exchange.

As of 31 December 2020, the Company had 54 employees (31 December 2019: 50 employees).

The financial statements of the Company for the year ended 31 December 2020, were authorized for issue in accordance with a resolution of the Director on 26 March 2021.

2. Basis of preparation and presentation of financial statements

2.1. Basis for preparation and presentation

The Company maintains its records and prepares financial statements in accordance with the Accounting Law of the Republic of Serbia (Official Gazzete 73/2019) and other related regulations of the Republic of Serbia.

According to the Law on Accounting, large legal entities, entities that are required to prepare consolidated financial statements (parent companies), public entities or those entities that plan to go public in accordance with the Law on Capital Markets in the Republic of Serbia, irrespective of its size, apply the International Financial Reporting Standards, published in Serbian language by the Ministry in charge of finance, for recognition, measurement, presentation and disclosure of financial statements.

International Financial Reporting Standards, published in Serbian language by the Ministry of Finance, include Conceptual Framework for Financial Reporting, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as well as interpretations issued by the International Financial Reporting Interpretations Committee but exclude basis for conclusions, illustrative examples, guidance on implementing, comments, dissenting opinions, and other additional explanatory materials, except where it is explicitly defined as an integral part of the standard or interpretation.

IAS, IFRS and interpretations published by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee have been officially translated by the Republic of Serbia Ministry of Finance Decision on publication of International financial reporting standards (decision number 401-00-4980/2019-16) and published in Official Gazette of the Republic of Serbia no. 92 dated 21 November 2019 and are mandatory for preparation of financial statements for the annual periods starting on or after 31 December 2020. In the accompanying financial statements, the Company made early application of accounting standards as compared to the effective date stipulated by the ministry decision.

New and amended IFRS and IFRIC adopted by the Ministry of Finance Decision on publication of International Financial Reporting Standards published in Official Gazette of the Republic of Serbia no. 123/2020 on 13 October 2020 were also applied for the preparation of financial statements for 2020.

(all the amounts are presented in '000 RSD, unless stated otherwise)

2. Basis of preparation and presentation of financial statements, continued

2.1. Basis for preparation and presentation, continued

Furthermore, the accompanying financial statements have been prepared in accordance with the requirements of Rulebook on Chart of Accounts and Contents of Accounts Included in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs (Official Gazette of the Republic of Serbia 95/2014) and Rulebook on Contents and Format of the Financial Statements Forms for Companies, Cooperatives and Entrepreneurs (Official Gazette of the Republic of Serbia 95/2014 and 144/2014). These Rulebooks supersede the requirements of IFRS as published by the Ministry of Finance with respect to the presentation of financial statements.

In addition, certain bylaws require presentation, recognition and measurement of assets, liabilities and equity as well as revenues and expenses that depart from the requirements of the translated and adopted IFRS and IAS as follows:

- The accompanying financial statements have been prepared in the format prescribed by the Ministry of finance of the Republic of Serbia
- Off-balance sheet assets and liabilities were presented on the Balance Sheet. These items do not represent assets and liabilities in accordance with IFRS

Due to departures detailed above these financial statements do not comply with IFRS.

Annual Business Report

In accordance with the Accounting Law, management is responsible for the preparation of the annual business report for 2020.

2.2. Basis of accounting

These financial statements have been prepared on a historical cost basis. These financial statements are presented in Republic of Serbia Dinars ("RSD") and all values are rounded to the nearest thousand (RSD'000) except when otherwise indicated.

The principal accounting policies applied in the preparation of these financial statements are set forth in the following notes.

2.3. Going concern

The financial statements are prepared on the assumption that the Company is a going concern and will continue in operation for the foreseeable future.

3. Summary of significant accounting policies

3.1 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured and presented in Republic of Serbia Dinar ("RSD") irrespective of whether the RSD is the Company's functional currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions in foreign currency and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

(all the amounts are presented in '000 RSD, unless stated otherwise)

3. Summary of significant accounting policies, continued

3.2 Intangible assets

(a) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of three to five years.

Costs associated with developing or maintaining computer software programs are recognized as an expense when incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the cost of employees engaged in software development and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over their estimated useful life.

3.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation any impairment in value. Cost represents the prices billed by suppliers together with all costs incurred until the assets are brought to their present location and condition.

Subsequent expenditures such as modification or adaptation to the assets is recognized as an increase in cost of the respective assets, when it is probable that future economic benefits, in excess of the originally assessed standard of performance, will flow to the Company, and when the cost can reliably be measured. All other subsequent expenditure is expensed as incurred.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

Land is not depreciated.

The depreciation of other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	4%
Vehicles	20%
Furniture	10%
Machinery and equipment	15%
Telecommunications equipment	20%
Computers, software, movable property	30%
Leasehold improvements	10%

The assets' residual value is the estimated amount that the Company could obtain on asset disposal, less estimated selling expenses, if the asset is old and, in a condition, expected at the end of its useful life. The assets' residual value is equal to zero if the Company expects to the asset until the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized within Other income/expenses in the income statement.

3.4 Impairment of non-financial assets

Assets with indefinite useful lives are not subject to amortization and are tested annually for impairment. Assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

(all the amounts are presented in '000 RSD, unless stated otherwise)

3. Summary of significant accounting policies, continued

3.4 Impairment of non-financial assets, continued

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.5 Investment property

Investment property is a property held to earn rentals or for capital appreciation or both.

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Company.

Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment properties are stated at cost less accumulated depreciation and provision for impairment, where required. If any indication exists that investment properties may be impaired, the Company estimates the recoverable amount as the higher of the value in use and the fair value less costs to sell. The carrying amount of an investment property is written down to its recoverable amount through profit or loss. An impairment loss recognized in prior years is reversed if there has been a subsequent change in the estimates used to determine the asset's recoverable amount.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with it will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. If an investment property becomes owner-occupied, it is reclassified to property, plant and equipment, and its carrying amount at the date of reclassification becomes its deemed cost to be subsequently depreciated.

3.6 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the average purchase price method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. The net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges purchases of raw materials.

3.7 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. Alternatively, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method, less provision for impairment.

The Company recognizes impairment of trade receivables in accordance with IFRS 9 based on the estimated ECL (expected credit loss) at the end of each quarter. The Company has established a matrix for the determination of ECL based on historical losses adjusted by specific factors for each customer as well as factors related to economic environment. Receivables which are past due up to 30 days are not credit impaired and expected credit loss for those receivables have been calculated as weighted average historical loss for the previous 5 years. For receivables which are past due from 31 to 90 days and are not credit impaired, expected credit losses were calculated as a tenfold value of the aforementioned ECL. Receivables which are credit impaired are analysed individually. Provisions for impairment of receivables are recorded against the allowance for bad debts. Subsequent collection of the amount previously written off is presented in the income statement within "other income".

(all the amounts are presented in '000 RSD, unless stated otherwise)

3. Summary of significant accounting policies, continued

3.8 Cash and cash equivalents

Cash and cash equivalents comprise: cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are presented in the balance sheet and are included in current liabilities as borrowings.

3.9 Off-balance sheet liabilities

Off balance sheet liabilities relate to deferred payment guarantees issued to a supplier or as a collateral to tender customers.

3.10 Equity

Share equity

Ordinary and preference shares are classified as equity. Mandatory redeemable preference shares are classified as liabilities. The Company's shares are internally issued, not listed on the Belgrade stock exchange since the Company has been registered as a closed joint stock company.

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

Where the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity (and attributed to shareholders) until the shares are cancelled or reissued.

Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity, which is attributed to company shareholders.

3.11 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: The Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.12 Borrowings

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

Loan origination fees are recognized as transaction costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

(all the amounts are presented in '000 RSD, unless stated otherwise)

3. Summary of significant accounting policies, continued

3.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Alternatively, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

3.14 Current and deferred income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided, using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where a deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- when a deferred income tax asset relating to a deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(all the amounts are presented in '000 RSD, unless stated otherwise)

3. Summary of significant accounting policies, continued

3.14 Current and deferred income tax, continued

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15 Employee benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(a) Retirement benefit obligation

The Company operates a defined contribution pension plan. The Company pays contributions to publicly administered pension insurance plans on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Other employee benefits

The Company provides retirement employee benefit schemes. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age or the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. The defined benefit obligation is calculated annually, and provision is made in proportion to employee service period (Note 15).

3.16 Revenue recognition – Revenue from contracts with customers

Revenue from contracts with customers is recognised when performance obligation is satisfied and control of the goods or services are transferred to the customer. Based on the majority of the contracts, control over goods sold and services rendered is transferred to the customer at the point in time and consideration for the transfer becomes unconditional, due to the fact that it only takes a certain amount of time before it is due for payment.

Revenue is recognised at the amount of transaction price. Transaction price represents consideration which the Company expect to be entitled to for the transfer of control over goods sold and services rendered to the customer, excluding the amounts collected on behalf of third parties.

Revenue is recognized net of value-added tax, returns, rebates and discounts.

(a) Sales of goods - wholesale

The Company sells fuels and petroleum products in the wholesale market. Sales of goods are recognised when the Company has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(all the amounts are presented in '000 RSD, unless stated otherwise)

3. Summary of significant accounting policies, continued

3.16 Revenue recognition – Revenue from contracts with customers, continued

The products are often sold with volume discounts. Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts. The volume discounts are assessed based on anticipated annual purchases.

(b) Sales of goods - retail

Sales of goods are recognised when a Company sells a product to the customer. Retail sales are usually in cash or by credit card. The Company offers sale incentives usually in the form of the loyalty program described in the following paragraph (c).

(c) Loyalty programs

The Company offers a loyalty program in which customers collect reward points for purchases made, thereby obtaining a discount on subsequent purchases. Reward points are recognized when points are redeemed or expired after the initial transaction. Recognition of contractual obligation for reward points is made at the point of sale. The contractual obligations arising from the customer loyalty program are set out in Note 19.

3.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the Company's shareholders approve the dividend.

3.18 Leases

The Company accounts for lease agreements in accordance with the requirements of IFRS 16. This standard eliminates the distinction between operating and finance lease and requires recognition of a right-of-use asset and a lease liability at the lease commencement date, except for short-term leases, leases of low value assets and certain variable payments. IFRS 16 defines a lease contract as a contract based on which the lessee obtains a right to control the use of the specified asset during the time period in exchange for consideration. The Company applies definition of the lease and the accompanying guidelines for all lease contracts concluded or modified on or after 1 January 2019 (irrespective of whether the Company acts as a lessee or the lessor). Each lease cost is divided into finance expense and depreciation. The financial expense is recognized during the lease period by applying constant periodic interest rates on the outstanding balance of liabilities as of each period end. The right-of-use assets are amortized over the lease period on a straight-line basis.

Assets and liabilities are initially measured using the present value method. Lease liabilities are valued at the beginning of the lease period and are equal to the present value of future lease payments. Subsequent to initial recognition, financial leasing liabilities are recognized at amortized cost using the effective interest rate method. The right of use the assets is obtained when the amount of the lease liability is added to the initial direct costs, leased advance payment, the estimated cost of restoration in accordance with IAS 37 and deducts the received lease incentives.

Lease incentives (e.g. free rent period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive liability, amortized as a reduction of rental expense on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*. This replaces the previous requirement to recognize a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Company has opted to recognize a lease expense on straight-line basis as permitted by IFRS 16.

The Company has lease agreements for gas stations, apartments and motor vehicles.

(all the amounts are presented in '000 RSD, unless stated otherwise)

4. Financial risk management

4.1 Financial risk factors

The Company's activities are exposed to a variety of financial risks: market risk (foreign exchange risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on minimising the potential adverse effects on the Company's financial performance in unforeseeable market circumstances. Risk management is carried out by the Company Treasury under policies approved by the Board of Directors. The Company Treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

(a) Market risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to EUR and GBP. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities.

The management of the Company has set up a policy to manage its foreign exchange risk in relation to its functional currency. In order to hedge from the potential foreign exchange loss, the Group passed a decision that all new borrowings will be affected in the Company's functional currency. Foreign exchange risk arises when future transactions or recognized assets and liabilities are denominated in a currency that is not the Company's functional currency.

RSD '000	Effect on Profit Before Tax
2020	
10%	(9.324)
-10%	9.324
2019	
10%	(43,529)
-10%	43,529

(b) Credit risk

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that wholesale sales of products are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via major credit cards. Receivables from major wholesale customers are secured with bank guarantees, which cover approximately 50% of total receivables (Note 9).

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. The Company uses internal credit quality ratings, considering financial position of a customer, annual turnover, year-end balance, terms of payment, past experience and other factors. The utilization of credit limits is regularly monitored.

(all the amounts are presented in '000 RSD, unless stated otherwise)

4. Financial risk management, continued

4.1 Financial risk factors, continued

The Company applies IFRS 9 to measure expected credit losses. In order to measure expected credit losses, trade receivables are grouped based on the number of days of delay in payment. Provisions for credit losses related to trade receivables are determined in accordance with the provisioning matrix shown in the table below:

As of 31 December 2020

Trade receivables and other receivables	Loss percentage	Gross amount	Total ECL	Total
-not due and due up to 30 days	0.01%	316.795	(28)	316.767
-from 31 to 90 days	0.13%	1.763	(3)	1.760
	collection 70% for low value amounts and for other individual assessment			
-more than 91 days		352.924	(14)	352.910
Total		671.482	(45)	671.437

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company's finance department aims to maintain flexibility in funding by maintaining availability under committed credit lines (Note 16).

The table below analyses the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not material.

As at 31 December 2020

Less than 1 year

Borrowings	1.209.708
Trade payables	1.827.707
Lease liabilities	534.733

(d) Cash flow interest rate risk

The Company has short-term borrowings issued at variable rates, which expose it to cash flow interest rate risk. Any change in the base interest rate (1M BELIBOR) has a proportionate effect on the Company's performance. The Company believes that possible changes in interest rates would not have a material effect on the Financial Statements.

4.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as the Company's net debt divided by its total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

(all the amounts are presented in '000 RSD, unless stated otherwise)

4. Financial risk management, continued

4.2 Capital risk management, continued

During 2020, the Company's strategy remained unchanged compared to its 2019 strategy. As at 31 December 2020 and 2019 the gearing ratio was as follows:

	31.12.2020.	31.12.2019.
Borrowings - Total (Note 16)	1.209.708	1.770.066
Lease liabilities	534.733	560.002
Less: cash and cash equivalents (Note 12)	975.407	243.815
Net debt	769.034	2.086.253
Equity	6.961.115	6.961.115
Total equity	4.703.145	4.296.358
Gearing ratio	16,35%	48,56%

As presented in the table, the Company's Net Debt is lower than Equity as at 31 December 2020. Based on the above, the Company management believes that the Company will continue to operate in the foreseeable future without the intention of or the need for initiating liquidation procedure, terminating trade activities or seeking protection from creditors in accordance with law.

5. Key accounting estimates and judgements

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

5.1 Key accounting estimates and assumptions

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

a) Taxes

There are uncertainties with respect to interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions based on reasonable estimates, for possible results of tax controls. The amount of such provisions is based on various factors, such as previous experience with tax controls and a possibility of differing interpretations of tax regulations. Such differences of interpretation may arise on a wide variety of issues. As the Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognized.

Deferred tax assets are recognized for all unused tax credits to the extent that it is probable that the credits can be used in the future. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based on upon the likely timing and level of future taxable profits together with future tax planning strategies. More details about taxes are provided in Note 30.

b) Pension obligations

The present value of the pension obligations depends on a number of factors that are determined using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations.

(all the amounts are presented in '000 RSD, unless stated otherwise)

5. Key accounting estimates and judgements, continued**5.1 Key accounting estimates and assumptions, continued****c) Useful lives of property, plant and equipment**

The Company management determines the estimated useful lives and related depreciation charge for its property, plant and equipment. These estimates are based on the projected product life cycle. The product life cycle may change significantly due to technological innovations and competitors' actions in response to strict industry cycles. Management will increase the depreciation charge where useful lives are shorter than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

d) Provisions for retirement benefits

Other key assumptions for other employee benefits are based in part on current market conditions. Provisions for retirement benefits were calculated based on the assumption that all employees will stay in the Company until the termination benefit is paid. Additional information is presented in Note 15.

f) Impairment of fixed assets

The Company management reviews the indicators of impairment of fixed assets with a view to ensuring that the carrying amounts of these assets are not materially different from their recoverable amounts. The review is performed for individual petrol stations by discounting future cash flows.

g) Litigation provisions

The Company makes accruals for potential claims from current litigations that are being conducted against company and according to expected outcome of individual litigations that are ongoing. On 31 December 2020, the estimated provision for litigation amounted to RSD 690 thousand.

*(all the amounts are presented in '000 RSD, unless stated otherwise)***6. Intangible assets**

	Software and Licences	Other Intangible assets	Intangible Assets Under Constructi on	Total
As at 1 January 2019				
Cost	67.146	30.775	517.051	614.972
Accumulated amortisation	(22.614)	(9.544)	-	(32.158)
Net book value	44.532	21.231	517.051	582.814
Year ended 31 December 2019				
Opening Net Book Value	44.532	21.231	517.051	582.814
Additions	327	1.192	3.509	5.028
Amortization charge (Note 23)	(5.385)	(2.900)	0	(8.285)
Net book Value	39.474	19.523	520.560	579.557
As at 31 December 2019				
Cost+ transfers	67.473	31.967	520.560	620.000
Accumulated amortisation	(27.999)	(12.444)	-	(40.443)
Net Book Value	39.474	19.523	520.560	579.557
Year ended 31 December 2020				
Opening Net Book Value	39.474	19.523	520.560	579.557
Additions	8.241	249	0	8.489
Transfer		2.451	(2.451)	0
Amortisation charge (Note 23)	(5.779)	(2.981)	0	(8.760)
Net book Value as at 31 December 2019	41.936	19.242	518.109	579.287
As at 31 December 2020				
Cost+ transfers	75.713	34.667	518.109	628.490
Accumulated amortisation	(33.778)	(15.425)	-	(49.203)
Net Book Value	41.936	19.242	518.109	579.287

Amortisation expense of RSD 8.760 thousand (2019: RSD 8.285 thousand) was recorded in the Income Statement under Operating expenses (Note 23).

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Notes to the financial statements for the year ended 31 December 2020

(all the amounts are presented in '000 RSD, unless stated otherwise)

7. Property, plant and equipment

	Land	Buildings and Investment Property	Equipment	Construction and Advances Paid	Investments in third party PPE	Right-of-use-assets	Total
As at 1 January 2019							
Cost	2.610.222	3.965.754	974.704	19.160	181.932	-	7.751.775
Accumulated Depreciation	-	(1.807.019)	(844.867)	-	(105.964)	-	(2.757.850)
Net Book Value	2.610.222	2.158.735	129.837	19.160	75.968	-	4.993.922
Year ended 31 December 2019							
Opening Net Book Value	2.610.222	2.158.735	129.837	19.160	75.968	-	4.993.922
Initial application of IFRS 16	-	-	-	-	-	598.052	598.052
Additions	5.167	8.734	29.329	45.585	6.475	142.492	237.782
Transfers	-	2.893	3.720	(9.016)	2.403	-	-
Modification	-	-	-	-	-	(63.598)	(63.598)
Adjustment	-	-	-	-	-	(16.657)	(16.657)
Disposals and write-offs	-	(4.641)	(1.785)	-	(1.282)	-	(7.708)
Depreciation (Note 23)	-	(166.091)	(43.625)	-	(15.775)	(71.391)	(296.882)
Net Book Value as at 31 December 2019	2.615.389	1.999.631	117.476	55.729	67.789	588.898	5.444.912
Year ended 31 December 2020							
Opening Net Book Value	2.615.389	1.999.631	117.476	55.729	67.789	588.898	5.444.912
Additions	-	22.367	39.620	56.758	5.868	14.175	138.788
Modifications	-	-	-	-	-	105	105
Transfers	-	36.695	21.419	(39.763)	(18.351)	-	-
Disposals and write-offs	-	(7.880)	(1.386)	(1.666)	(1.211)	-	(12.143)
Corrections	-	-	(106)	-	116	(92)	(82)
Depreciation (Note 23)	-	(159.411)	(42.575)	-	(12.159)	(79.191)	(293.335)
Net Book Value as at 31 December 2020	2.615.389	1.891.402	134.448	71.058	42.052	523.895	5.139.432
As at 31 December 2020							
Cost	2.615.389	4.002.160	959.926	71.058	136.117	660.289	8.444.940
Accumulated Depreciation	-	(2.110.758)	(825.478)	-	(94.065)	(136.394)	(3.166.695)
Net Book Value as at 31 December 2020	2.615.389	1.891.402	134.448	71.058	42.052	523.895	5.278.245

Depreciation expense of RSD 293.335 thousand (2019: RSD 296.882 thousand) was presented in the Income Statement under Operating expenses.

(all the amounts are presented in '000 RSD, unless stated otherwise)

8. Financial instruments by category

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

	Receivables
Assets	
31 December 2019	
Trade and other receivables (Note 11)	877.482
Cash and cash equivalents (Note 12)	243.815
Total	1.121.297

	Other financial liabilities
Payables	
Trade and other payables	1.773.434
Borrowings	1.770.067
Lease liabilities	560.002
Total	4.103.503

	Receivables
Assets	
31 December 2020	
Trade and other receivables (Note 11)	674.879
Cash and cash equivalents (Note 12)	975.407
Total	1.650.286

	Other financial liabilities
Payables	
Trade and other payables	1.827.707
Borrowings	1.209.708
Lease liabilities	534.733
Total	3.572.148

(all the amounts are presented in '000 RSD, unless stated otherwise)

9. Credit quality of financial assets

The credit quality of trade receivables exclusive of receivables past due and receivables that have been written-off may be assessed based on historical information on counterparty default rates:

	31.12.2020.	31.12.2019.
Trade receivables		
Group 1	417.862	408.014
Group 2	253.575	464.468
Total	671.437	872.482

Within Group 1 the Company classifies trade receivables from customers hard collaterals.

Within Group 2 the Company classifies other trade receivables

10. Inventory

	31.12.2020.	31.12.2019.
Merchandise	877.036	1.176.557
Spare parts	2.059	1.914
Advances paid	15.835	22.129
Total	894.930	1.200.600

Total shortages based on the inventory stocktaking for 2020 amounted to RSD 105.124 thousand and is disclosed within other expenses (Note 29) while surpluses in the amount of RSD 86.934 thousand are disclosed within other income (Note 22).

11. Trade and Other Receivables

	31.12.2020.	31.12.2019.
Trade receivables	671.437	872.482
- Trade receivables – domestic	671.482	871.987
- Bad and doubtful debts	22.070	19.612
- Allowance for impairment	(22.115)	(19.118)
- Trade receivables - foreign related parties	-	-
Other receivables	3.442	5.000
- Receivables from the Pension and Disability Insurance Fund	1.478	1.050
- Receivables for tax prepayments	1.142	2.405
- Receivables from COMO managers	-	990
- Receivables from employees	633	366
- Other receivables	189	189
Total	674.879	877.482

The deadlines, or the conditions for performing transactions with related parties, are shown in Note 32.

Trade receivables are indemnity with different maturities depending on the type of contract concluded with the buyer.

The Company performed reconciliation trade receivables with customers as of 31 December 2020. The Company considers that the amount of non-reconciled receivables on that day is not materially significant.

(all the amounts are presented in '000 RSD, unless stated otherwise)

11. Trade and Other Receivables (continued)

Changes in the value of trade receivables impairment are shown in the following table:

	<i>Individual impairment RSD'000</i>	<i>General impairment RSD'000</i>	<i>Total RSD'000</i>
As of 1.1.2019.	18.976	-	18.976
Additional impairment	53	89	142
As of 31.12.2019.	19.029	89	19.118
Additional impairment	3.051	181	3.232
Collected written-off receivables	(10)	(225)	(235)
As of 31.12.2020.	22.070	45	22.115

Ageing structure of trade receivables as of 31 December 2020 is presented as follows:

		Overdue, not impaired receivables				
Total	Undue receivables	< 30 days	30-60 days	61 - 90 days	91 - 180 days	>180 days
RSD'000	RSD'000	RSD'000	RSD'000	RSD'000	RSD'000	RSD'000
671.437	312.325	4.418	1.478	282	286	352.648
872.482	467.595	71.079	86.274	28.011	2.544	216.979

As of 31 December 2020 trade receivables amounting to RSD 312.325 thousand (31 December 2019: RSD 467.595 thousand) are collectable in its entirety.

As at 31 December 2020 trade receivables amounting to RSD 359.112 thousand (31 December 2019: RSD 404.887 thousand) are overdue but not impaired. The major part of these receivables (RSD 352.648 thousand) relates to customer AKTOR A.T.E Branch Belgrade with whom the Company has signed corporate bank guarantee, as well as agreement for continuance of cooperation in 2021. Remaining part of these receivables relate to a number of independent customers with good payment history.

Ageing structure of these trade receivables is as follows:

	31.12.2020.	31.12.2019.
Up to 1 month	4.418	71.079
1 - 2 months	1.478	86.274
2 - 3 months	282	28.011
3 - 6 months	286	2.544
Over 6 months	352.648	216.979
	359.112	404.887

In 2020 trade receivables amounting to RSD 5.758 thousand were written off.

	2020	2019
Over 6 months (Note 29)	5.758	2.727
	5.758	2.727

(all the amounts are presented in '000 RSD, unless stated otherwise)

12. Cash and cash equivalents

	31.12.2020.	31.12.2019.
Receivables based on payment cards	18.141	19.487
Bank accounts - RSD	895.674	173.244
Cash in hand - petrol stations	489	588
Cash on special account	60.790	48.835
Foreign currency account	313	1.661
Total	975.407	243.815

The credit quality of financial assets - cash and cash equivalents has been assessed for banks with rating, however, management believes that these banks have an acceptable level of risk.

	31.12.2020.	31.12.2019.
Bank accounts		
Vojvođanska Banka	296.770	83.368
Euro Banka	593.895	89.525
Intesa Banka	5.009	351
Foreign currency account Vojvođanska Banka	313	1.661
Total	895.987	174.905

Foreign currency cash funds are denominated in EUR.

13. VAT receivables and Prepaid expenses

	31.12.2020.	31.12.2019.
Prepaid expenses	7.635	533
Other prepaid expenses	7.586	5.430
VAT receivables	6.153	67.977
Total	21.374	73.940

(all the amounts are presented in '000 RSD, unless stated otherwise)

14. Equity

The table below summarises movements within equity.

	Basic capital	Accumulated loss	Actuarial gains (losses)	Total
As at 1 January 2019	6.961.115	(3.233.458)	958	3.728.615
Profit/(loss) for the year	-	570.715	-	570.715
Actuarial losses	-	-	(2.972)	(2.972)
As at 31 December 2019	6.961.115	(2.662.743)	(2.014)	4.296.358
As at 1 January 2020	6.961.115	(2.662.743)	(2.014)	4.296.358
Profit/(loss) for the year	-	406.177	-	406.177
Actuarial gains	-	-	610	610
As at 31 December 2020	6.961.115	(2.256.566)	(1.404)	4.703.145

15. Long-term provisions

	Provisions for retirement benefits RSD'000	Litigation provision RSD'000	Total RSD'000
As at 1 January 2019	4.328	4.102	8.430
Additional provision for the year (note 23)	368	233	601
Actuarial losses	2.972	-	2.972
Utilized provisions	(227)	-	(227)
Reversal of provisions (note 22)	(1.152)	-	(1.152)
As at 31 December 2019	6.289	4.335	10.624
Additional provision for the year (note 23)	636	1.280	1.916
Actuarial gains/(losses)	(610)	-	(610)
Utilized provisions	(31)	(4.925)	(4.956)
Reversal of provisions (note 22)	(236)	-	(236)
As at 31 December 2020	6.048	690	6.738

(a) Provisions for retirement benefits

In accordance with the Code of Conduct, the Company pays three average salaries to retirees. These fees are not covered by the fund, and their amount is determined using the actuarial method of crediting the projected unit. Actuarial assessment of this obligation was made on 31 December 2020 and 31 December 2019.

(all the amounts are presented in '000 RSD, unless stated otherwise)

15. Long-term provisions, continued

The basic assumptions used in estimating the net present value of the defined benefit obligation are given in the following table:

Pensions	31.12.2020.	31.12.2019.
Discount rate	4,00%	3,70%
Expected wage growth rate	3,00%	3,00%
Fluctuation of employees	3,00%	3,00%
Jubilee awards	31.12.2020.	31.12.2019.
Discount rate	4,00%	3,70%
Expected wage growth rate	0%	0%
Fluctuation of employees	0%	0%

(b) Litigation provisions

During the year, the Company was involved in a number of court disputes (both the defendant and the plaintiff) incurred during the normal course of business. The management considers that the outcome of court disputes that are in progress could not materially affect the business result or financial position of the Company.

16. Short-term financial liabilities

Short-term financial liabilities as at 31 December 2020 in the amount of RSD 1.209.708 thousand (31 December 2019: RSD 1.770.066 thousand), relate entirely to revolving loans granted by Vojvodjanska Banka to maintain liquidity of the Company.

The interest rate on the approved funds as at 31 December 2020 is 1M BELIBOR + 1.45% per annum.

The total amount of approved funds is denominated in RSD.

	31.12.2020.	31.12.2019.
Short-term borrowing	1.209.708	1.770.067
	1.209.708	1.770.067

*(all the amounts are presented in '000 RSD, unless stated otherwise)***16. Short-term financial liabilities, continued**

Bank	31.12.2020.	31.12.2019.
Vojvođanska Banka Beograd	171.072	755.000
Vojvođanska Banka Beograd	1.038.636	1.015.067
Total	1.209.708	1.770.067

Bank	Usage	Limit	Utilized	Interest rate
Vojvođanska Banka Beograd	Ug.02-21162	1.503.348	171.072	1mBelibor+1,45%
Vojvođanska Banka Beograd	Ug.02-21164	1.042.629	1.038.636	1mBelibor+1,45%

17. Lease liabilities

Lease liabilities relate to liabilities recognized in accordance with IFRS 16.

Movement in lease liabilities is presented as follows:

As of 1 January 2020	560.002
Additions	14.175
Modifications	105
Interest expenses (Note 28)	32.021
Payment	(71.570)
As of 31 December 2020	534.733
Long-term liabilities	475.026
Short-term liabilities	59.707

Summary of expenses recognized in income statement for the year ended 31 December 2020 can be presented as follows:

	2020
Depreciation (Note 7)	79.191
Interest (Note 28)	32.021
Rent expenses up to 12 months	28.218
Rent expenses of low value assets	2.994
Variable lease payments	7.409
Total	149.833

18. Advances received, deposits and other trade payables

	31.12.2020.	31.12.2019.
Advances received and deposits	45.503	32.007
Domestic trade payables	1.734.155	1.336.485
Foreign trade payables	77.091	432.722
Related parties (note 32)	16.461	4.227
Total	1.873.210	1.805.441

*(all the amounts are presented in '000 RSD, unless stated otherwise)***18. Advances received, deposits and other trade payables, continued**

Trade payables in the amount of RSD 77.091 thousand were denominated in foreign currencies, (EUR) as at 31 December 2020. Terms and conditions relating to related parties payables are shown in Note 32. Advances received are interest-free as well as trade payables for which the Company has agreed maturity date. Trade payables toward domestic suppliers are mostly related to purchase of petroleum products.

19. Other current liabilities, liabilities for other taxes, contributions and other duties and accruals**19.1. Other short-term liabilities**

	31.12.2020.	31.12.2019.
Liabilities for employee earnings	4.374	79
Interest payable	2.398	4.239
Accruals for unused vacation	6.737	6.137
Liabilities for received deposits	904	1.401
Total	14.413	11.856

19.2. Liabilities for other taxes, contributions and other duties and accruals

	31.12.2020.	31.12.2019.
Liabilities for taxes and other payments	73.668	4.907
Accrued trade payables	115.396	125.207
Provisions for SMILE cards	36.642	22.479
Other accruals	141	347
Total	225.847	152.940

20. Revenue from sales

	2020.	2019.
Revenue from sales	17.038.445	22.361.514
Discounts	(395.571)	(369.602)
Total	16.642.874	21.991.912

21. Other operating income

	2020.	2019.
Revenue - Rent	21.908	38.543
Revenue - Others	27.428	38.348
Total	49.336	76.891

*(all the amounts are presented in '000 RSD, unless stated otherwise)***22. Other income**

	2020.	2019.
Revenue-surplus goods (Note 10)	86.934	119.775
Release of provision (Note 15)	236	1.152
Other income	18.390	18.992
Total	105.560	139.919

23. Operating expenses

	2020.	2019.
Cost of goods sold	14.360.169	19.651.614
Own consumption	(1.222)	(3.233)
Cost of materials	82.240	38.505
Cost of fuel and energy (Note 24)	96.806	123.572
Cost of salaries (Note 25)	185.128	204.213
Amortization (Note 6)	8.760	8.285
Depreciation (Note 7)	293.335	296.882
Costs of production services (Note 26)	302.042	358.580
Provision expenses (Note 15)	1.916	601
Non-productions expenses (Note 25)	733.358	750.010
Total	16.062.532	21.429.029

24. Cost of fuel and energy

	2020.	2019.
Cost of energy	85.289	110.621
Cost of fuel	1.181	2.125
Cost of heating	10.336	10.826
Total	96.806	123.572

25. Cost of salaries

	2020.	2019.
Gross salaries and allowances for employees	141.146	150.376
Contribution at the expense of the employer	18.812	18.252
Cost of compensation to members of board of directors	521	2.217
Costs of compensation to individual under other contracts	6.179	8.154
Other personal costs	18.470	25.214
Total	185.128	204.213

*(all the amounts are presented in '000 RSD, unless stated otherwise)***26. Cost of production services and non-production expenses****Cost of production services**

	2020.	2019.
Costs of the communication network	2.554	3.367
Postal costs	1.274	1.632
Telephone costs	4.128	4.590
Security costs	24.557	20.855
Maintenance costs	148.777	145.614
Rental costs	24.277	34.457
Utilities	34.737	37.825
Advertising costs	38.020	83.862
Other marketing costs	23.266	26.201
Other services	425	154
Services in the sales process	27	23
Total	302.042	358.580

Non-production expenses

	2020.	2019.
Cost of commission premium	528.757	519.858
Costs of legal services	12.565	7.756
Taxes and taxes on company expiration	48.672	38.905
Public service charges	12.782	24.465
Consulting services	34.817	39.173
Representation	1.511	5.544
Bank charges	63.504	90.280
Training of employees	2.075	2.821
Other services	13.803	8.389
Insurance premiums	5.681	6.225
Membership fees	3.599	3.189
Costs for administrative and court fees	5.592	3.405
Total	733.358	750.010

27. Financial income

	2020.	2019.
Interest income	234	581
FX gains	17.371	13.849
Total	17.605	14.430

(all the amounts are presented in '000 RSD, unless stated otherwise)

28. Financial expenses

	2020.	2019.
Interest expense	53.830	68.416
Interest expenses IFRS 16 (Note 17)	32.021	31.593
FX losses	16.554	17.751
Total	102.405	117.760

29. Other expenses

	2020.	2019.
Shortages of goods (Note 10)	105.124	142.140
Write off of goods	623	1.704
Losses on disposals	12.772	7.708
Write – off of receivables (Note 11)	5.758	2.727
Other expenses	508	5.678
Total	124.785	159.957

30. Income tax

The main components of the corporate income tax for 2020 and 2019 are as follows:

	2020 RSD'000	2019 RSD'000
Income tax expenses	(69.654)	-
Deferred tax (expenses)/benefits of the period	(43.308)	49.582
Net income tax	(112.962)	49.582

Current income tax expense

Reconciliation of income tax expenses and accounting profit for 2020 and 2019 can be presented as follows:

	2020 RSD'000	2019 RSD'000
Profit before tax	519.139	521.133
Tax at statutory income tax rate of 15%	77.871	78.170
<i>Tax effects on:</i>		
Expenses not recognized for tax purposes	26.090	17.159
Unrecognized tax losses	-	(95.329)
Utilized tax credits	(34.307)	-
Current tax expense	69.654	-

(all the amounts are presented in '000 RSD, unless stated otherwise)

30. Income tax (continued)

Deferred taxes

	Balance sheet		Income statement	
	31.12.2020.	31.12.2019.	2020.	2019.
Deferred tax assets				
Tax losses available for carry-forward	-	-		(76.992)
Deferred taxes based on the difference between accounting and tax depreciation	130.604	125.288	5.316	125.288
Provisions for retirement benefits and jubilee awards	907	636	272	636
Provisions for litigations	104	650	(546)	650
Tax credits for investment in fixed assets	12.058	60.408	(48.350)	-
Total deferred tax assets	143.673	186.982		
Deferred tax recognized in the income statement			(43.308)	49.582

As at 31 December 2020, the Company has unused tax credits for investment in fixed assets in the total amount of RSD 12.058 thousand. These tax credits can be utilized as a reduction of 33% of calculated tax in future periods, as follows:

Year:	RSD'000
2022	2.406
2023	9.652
Total	12.058

The Company has recognized deferred tax assets based on temporary difference between accounting and tax depreciation in the amount of RSD 130.604 thousand as of 31 December 2020.

Total amount of tax base presented in OA summary for calculation of depreciation for tax purposes	2.999.775
Accounting base of fixed assets	2.129.079
Temporary difference	870.696
Total deferred tax assets (15% on difference)	130.604

Based on the calculation of provision for retirement benefits, jubilee awards, as well as litigations, the Company recognized tax assets in the amount of RSD 1,011 thousand in 2020 as follows:

*(all the amounts are presented in '000 RSD, unless stated otherwise)***30. Income tax (continued)**

Provision for retirement benefits	
Accounting value as of 31 December 2020	6.048
Tax value	0
Temporary difference	6.048
Deferred tax assets	907
Litigations	
Accounting value as of 31 December 2020	690
Tax value	-
Temporary difference	690
Deferred tax assets	104
Total Deferred tax assets	1.011

31. Contingent liabilities*(a) Transfer prices*

The fiscal legislation of the Republic of Serbia includes regulations regarding transfer pricing between related parties. The current legislative framework defines the "arm's length" principle for transactions between related parties, as well as the methods for determining the transfer prices. Thus, it is expected that Tax Authorities may initiate an in-depth review of transfer prices in order to ensure that taxable profit and/or customs value of imported goods is not misstated due to the impact of transfer prices between related parties. The Company cannot assess in advance the outcome of any such inspection.

As the Company has significant transactions with related parties, in the moment of preparation of the financial statements for the year ended 31 December 2020 the Company is in the process of preparing the study of transfer pricing. Based on the previous year result the Company believes that potential annual tax return correction arising as a result of transactions with related parties will not have materially significant effects on the financial statements.

(b) Insurance policies

The Company concluded liability insurance policies and a property insurance policy. The total insurance costs stated in the Company's income statement in 2020 amounted to RSD 5,681 thousand.

(c) Environmental issues

Environmental regulations in the Republic of Serbia are being developed, therefore by 31 December 2019, the Company did not record liabilities for any projected costs, including fees for legal and consulting services, site investigation, design and implementation of corrective measures relating to environmental issues. Management believes that environmental costs are not material.

(d) Litigations

During the year, the Company has been involved in a number of lawsuits (as both the defendant and the plaintiff) arising in the ordinary course of business. Management believes that there are no current legal proceedings or outstanding claims that could have a material effect on the result of operations and the financial position of the Company.

(e) Bank and other guarantees

The Company has contingent liabilities for bank and other guarantees as well for other issues arising from the ordinary course of business. Significant liabilities are not expected to arise from contingent liabilities.

*(all the amounts are presented in '000 RSD, unless stated otherwise)***32. Related party transactions**

The Company's sole owner is HELLENIC PETROLRUM SERBIA (HOLDINGS) registered in Cyprus, with a 100% share in the Company. The Company's ultimate controlling party is Hellenic - Petroleum (registered in Greece).

The Company had the following related party transactions:

a) Purchase of goods and Services

	2020.	2019.
HFL S.A	19.991	26.842
EKO BULGARIA	793	618
HELLENIC-PETROLEUM	40.805	85.869
JUGOPETROL	-	866
OKTA	-	-
HELPE CONSULTING	24.634	18.375
Total	86.223	132.570

b) Sale of goods and services

	2020.	2019.
- OKTA	-	-
-JUGOPETROL KOTOR	-	-
-HELLENIC-PETROLEUM	-	2.084
-HFL S.A	-	-
Total	-	2.084

c) Year-end balances arising from purchases of goods/services

	31.12.2020.	31.12.2019.
Payables to related parties		
- EKO BULGARIA	231	-
- HELLENIC-PETROLEUM	11.187	-
- HFL S.A	5.043	4.227
Total	16.461	4.227

Liabilities to related parties arise mainly from purchase transactions and are due one month after the date of purchase.

d) Payments made to members of the Supervisory Boards

Total compensations paid to the members of the Supervisory Board in the form of salaries and bonuses amounted to RSD 31.759 thousand in 2020 (2019: RSD 39.626 thousand).

	2020.	2019.
Payments made to members of the Supervisory Board	31.759	39.626
Total	31.759	39.626

(all the amounts are presented in '000 RSD, unless stated otherwise)

33. Reconciliation

Pursuant to the Article 18 of the Law on Accounting, the Company has made reconciliation of receivables and liabilities with customers and suppliers. Reconciliation was performed as of 31 December 2020. The amounts of unreconciled receivables and liabilities are not material.

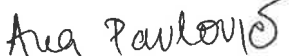
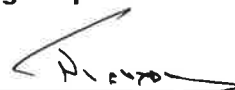
34. Subsequent events

During the first and the second wave of coronavirus pandemic in 2020, the Company managed to maintain its financial position without significant impact on revenues and cash flows. In 2021, despite the continuation of the pandemic, the Company managed to maintain stable margin, high profitability and a low level of net debt. Management of the Company believes that the third wave of coronavirus in 2021 will not have significant negative impact on the Company's ability to service its obligations nor a long-term impact on revenues and business operations which could affect ability of the Company to continue its operations in accordance with going concern assumption.

Except aforedescribed event, after 31 December 2020, there have been no other significant events which would require adjustments or disclosures in the accompanying financial statements.

Notes prepared by

Ana Pavlović

**Legal representative**

Paschos Nikolaos

On behalf of CEO per power of attorney



EKO SERBIA A.D. BEOGRAD

ANNUAL BUSINESS REPORT FOR YEAR ENDED 31 DECEMBER 2020

Company EKO Serbia AD was founded on 6 September 2002 as part of Hellenic Petroleum Group from Greece.

Since then our network has expanded, with increase in number of employees and services provided.

In December 2007 Company have changed ownership structure when Cypris Company Hellenic Petroleum Serbia (Holdings) became owner of 100% shares of EKO Serbia a.d., Beograd.

The Company's registered office is in Belgrade, at 274a Tošin Bunar street.

The Company has been registered as a closed joint stock company and is not listed on the Belgrade stock exchange.

Beside main business activity, selling all types of fuel on 55 gas stations, Company offers different services and products to customers. EKO gas stations are modern objects with large spectrum of services. There are mini markets with carefully chosen product assortment, vehicle maintenance products, EKO oils and lubricants, EKO Racing Café, automatic and manual car wash, playground for children, ATM, free WIFI.

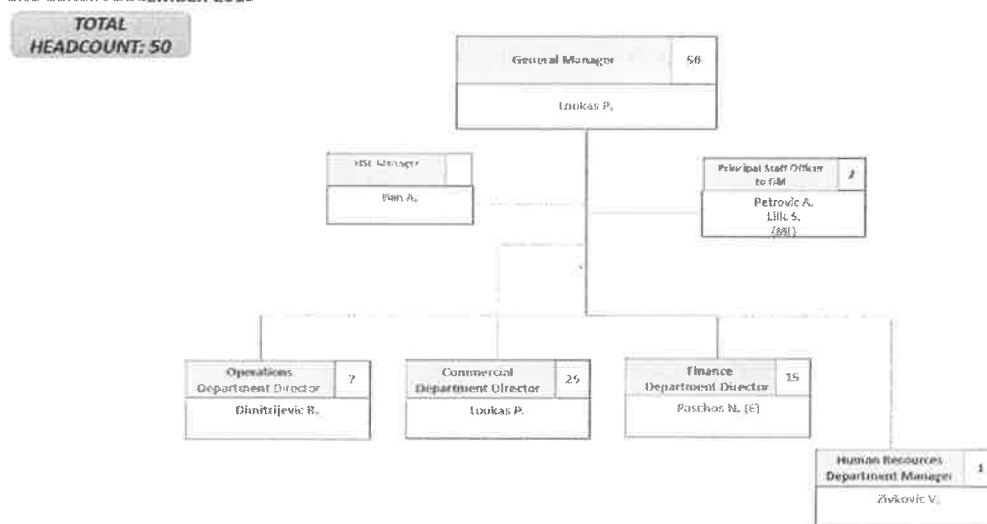
Gas stations located on highway have restaurants which are part of famous OLYMPUS PLAZA restaurants chain from Greece.

Customer support is available 24 hours every day for telephone or email comments, complaints, or praise from customers.

ORGANIZATIONAL STRUCTURE

The Company's organizational structure as at 31 December 2020 is presented on the following organogram:

Organization Chart
EKO SERBIA DECEMBER 2019



EKO SERBIA A.D. BEOGRAD

TOSIN BUNAR 274A, 11 070 BEOGRAD, SRBIJA

PIB 100118236

MAT.BR. 17413333

PHONE: 00 381 11 20 61 500

FAX: 00 381 11 20 61 555

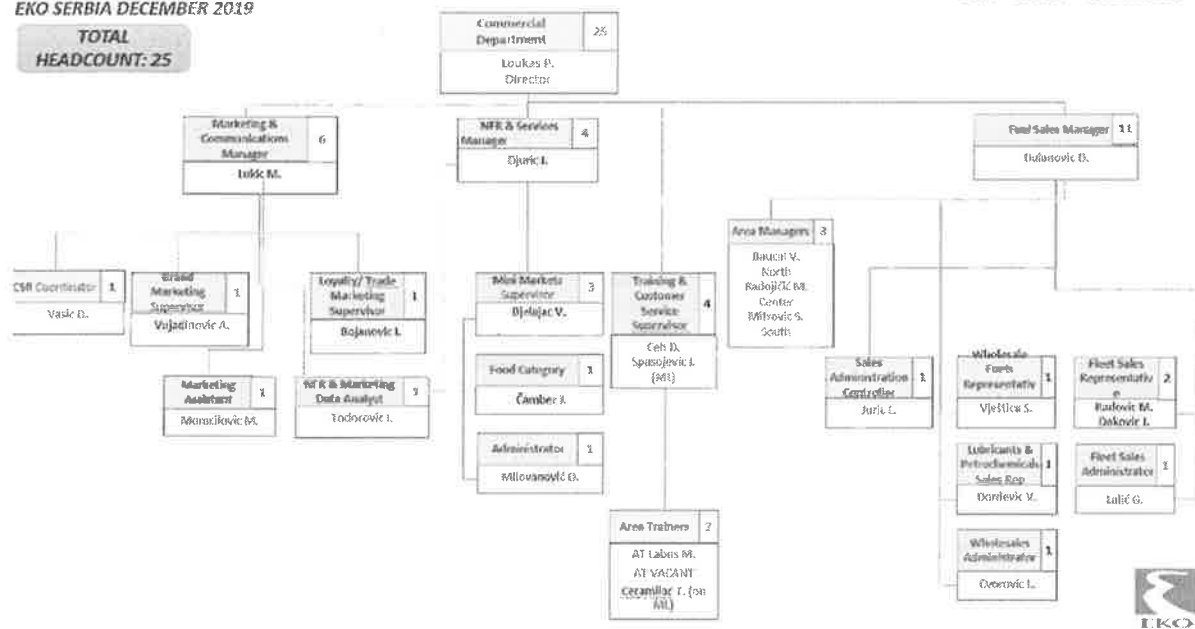
www.ekoserbia.com



EKO SERBIA A.D. BEOGRAD

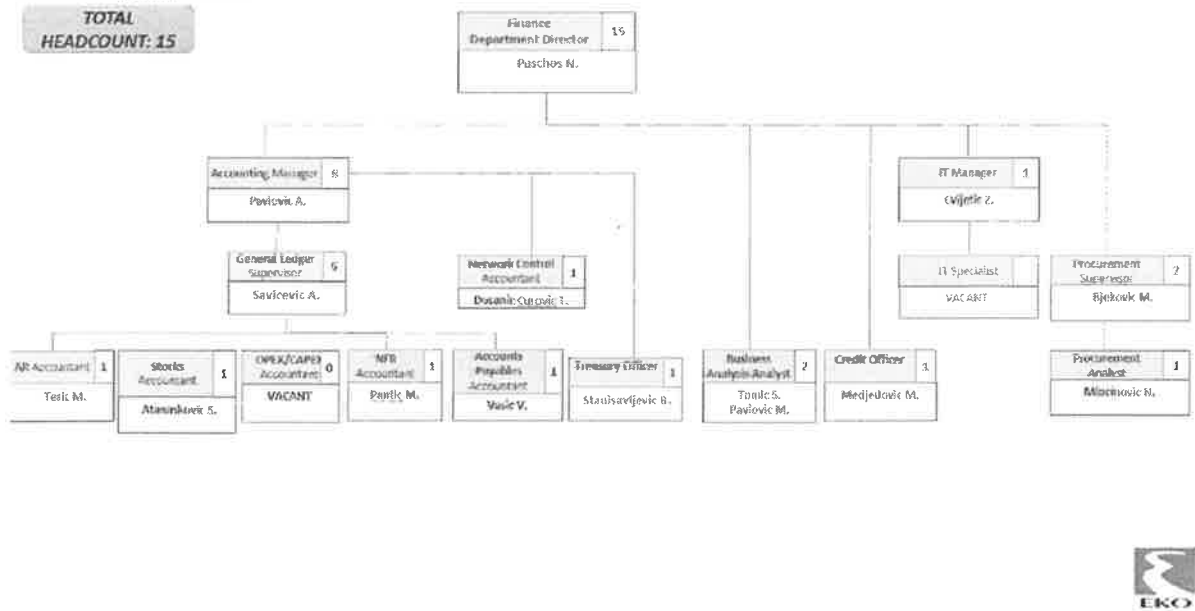
Organization Chart
EKO SERBIA DECEMBER 2019

**TOTAL
HEADCOUNT: 25**



Organization Chart
EKO SERBIA DECEMBER 2019

**TOTAL
HEADCOUNT: 15**



EKO SERBIA A.D. BEOGRAD

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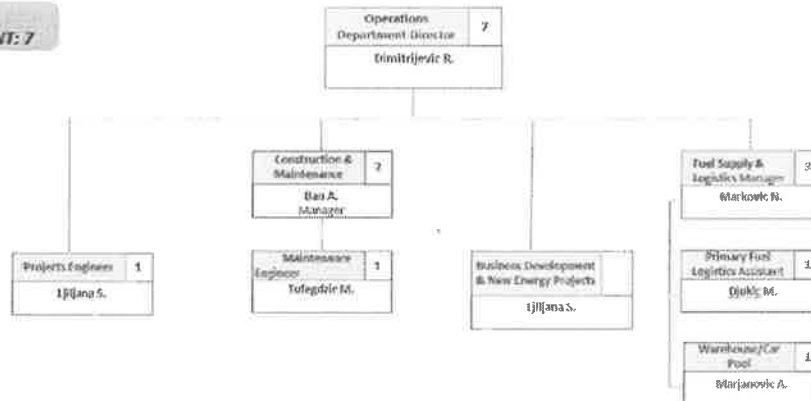


EKO SERBIA A.D. BEOGRAD

Organization Chart
EKO SERBIA DECEMBER 2019

**TOTAL
HEADCOUNT: 7**

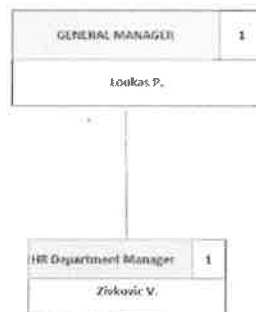
OPERATIONS DEPARTMENT



Organization Chart
EKO SERBIA DECEMBER 2019

**TOTAL
HEADCOUNT: 1**

HUMAN RESOURCES DEPARTMENT



EKO SERBIA A.D. BEOGRAD

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EKO SERBIA A.D. BEOGRAD

HUMAN RESOURCES

Company offers equal possibilities to all employees without any form of discrimination, advocating open communication transparency, meritocracy in all employment and labor policies and practices.

Qualification structure of employees as at 31 December 2020 is shown in following table:

Education level	Number of employees
High school	7
Bachelor's degree	2
Faculty degree	34
Master's degree	10
Ph.D.	1
Total	54

FINANCIAL INSTRUMENTS

Company's activities in 2020 were financed through:

- Operating cash inflows
- Loans

Eko Serbia is financed through cash inflow from operating activities and through short-term loan from Vojvodjanska bank.

As at 31 December 2020, Company used two credit lines from Vojvodjanska bank.

OPERATING RESULTS

Management of the Company concluded that business operations in 2020 were conducted in accordance with business policy.

Company successfully finished 2020 business year with positive result. Total revenues, amounted RSD 16,815,985 thousand, exceeded total expenses amounted RSD 16,409,808 thousand, by RSD 406.177 thousand. Profit gained is used for previous years losses coverage.

EKO SERBIA A.D. BEOGRAD

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EKO SERBIA A.D. BEOGRAD

Revenues analysis

Description	(in RSD thousands)		%		
Revenues:	2020	2019	Structure 2020	Structure 2019	2020/2019 (index)
Revenue from operating activities	16,692,820	22,071,736	99%	99%	76%
Finance income	17,605	14,430	0%	0%	122%
Other income	105,560	139,919	1%	1%	75%
Previous year income	-	1,936	0%	0%	0%
Deferred tax income	-	49,582	0%	0%	0%
Total	16,815,685	22,277,603	100%	100%	75%

Expenses analysis

Description	(in RSD thousand)		%		
Expenses:	2020	2019	Structure 2020	Structure 2019	2020/2019 (index)
Operating expenses	16,062,532	21,429,029	98%	98%	75%
Finance expenses	102,405	117,760	1%	1%	87%
Other expenses	124,785	159,975	1%	1%	95%
Expense from value adjustments of assets	3,232	142	0%	0%	2276%
Previous year expenses	3,892	-	0%	0%	100%
Current income tax expense	69,654	-	0%	0%	-
Deferred tax expenses	43,308	-	0%	0%	-
Total	16,409,808	21,706,888	100%	100%	76%

Operating result analysis

Description	(in RSD thousands)		%
Operating result:	2020	2019	2020/2019 (index)
Operating gain/(loss)	630,288	642,707	98%
Financial gain/(loss)	(84,800)	(103,330)	82%
Other income/(expense)	(26,349)	(18,244)	144%
Current income tax expense	(69,654)	-	100%
Deferred tax income/(expense)	(43,308)	49,582	-87%
Total	406,177	570,715	71%

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EKO SERBIA A.D. BEOGRAD

ENVIRONMENTAL PROTECTION

The Company takes care of environmental protection.

At each gas station facility, grease and oil separators are installed to treat oily surface waters draining from the plateau. The system is rigged and drained by the system of rigs and grilles to the separator where grease and oil are separated, and the purified water is discharged into the sewer. The quality of the treated water is tested.

It is a legal obligation to clean the separators 4 times a year and to check the quality of the discharged water as many times. The company that cleans the separators must have, besides special cleaning vehicles, a sludge disposal contract in a specially designated place.

PLANNED DEVELOPMENT AND RESEARCH

An expansion of the gas station network is planned for the next period, as a renovation of the existing gas stations. In 2021, it is expected to open a new gas station under the brand name EKO Serbia AD, investment worth RSD 27,140 thousand. On the other hand, an amount of RSD 293,073 thousand has been planned for investments in interior renovation and the appearance of the existing 47 gas stations.

The Company has the following strategic visions for the coming year:

- increase in market share in the Clean sales segment (retail sales);
- a new business model related to car washes and cafes will be presented in 2021;
- increasing profitability in the Fleet segment (sale to legal entities) through the introduction of a new commercial policy;
- introduction of a new premium derivative in 2021;
- building frequency and long-term relationship with loyal customers through the SMILE program;
- Focusing on customer service.

STOCK COMPANY

The company has 750 shares with a total value of RSD 4,980,000 thousand.

In 2014, EKO Serbia issued shares of VII emission to raise capital.

The buyer of the stocks was existing shareholder Hellenic Petroleum Serbia (Holdings) Cyprus, as the sole shareholder.

Eko Serbia AD is a closed joint stock company and is not listed on the Belgrade Stock Exchange.

COMPANY BRANCHES

The company has 10 branches, which refer to gas stations where we have a catering facility. The branches are located on the territory of the Republic of Serbia.

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FINANCIAL RISK MANAGEMENT AND PROTECTION POLICIES

The Company is exposed to certain financial risks in the ordinary course of business.

- Market risk

It mainly refers to price risk. The market is constantly monitored and carefully analyzed. Depending on price movements, a policy of selling and maintaining inventories is also followed.

- Credit risk

A detailed credit and financial solvency check are carried out for each new client to avoid further business risk.

In case of default of the debtor, further delivery of the goods is suspended. When all the possibilities of debt collection are exhausted and the solution of mutual relations (cession, transfer of debt, etc.) resorts to the final solution, which is the realization of bills of exchange (which are obtained as a means of security).

- Liquidity risk

It represents the risk that EKO Serbia as a company will not be able to meet its financial obligations at their maturity. Liquidity risk management always aims to provide adequate liquidity to meet liabilities at maturity. The expected cash inflow from receivables is monitored together with the expected cash outflows from liabilities. Cash inflow and outflow are monitored daily. The maximum amount of advance payment to suppliers (fuel) is defined, the expected cash inflow from receivables is monitored, together with the expected cash outflows from liabilities.

SUBSEQUENT EVENTS

During the first and the second wave of coronavirus pandemic in 2020, the Company managed to maintain its financial position without significant impact on revenues and cash flows. In 2021, despite the continuation of the pandemic, the Company managed to maintain stable margin, high profitability and a low level of net debt. Management of the Company believes that the third wave of coronavirus in 2021 will not have significant negative impact on the Company's ability to service its obligations nor a long-term impact on revenues and business operations which could affect ability of the Company to continue its operations in accordance with going concern assumption.

Except aforementioned event, after 31 December 2020, there have been no other significant events which would require adjustments or disclosures in the accompanying financial statements.

In Belgrade, 2021



Paschos Nikolaos

On behalf of CEO per power of attorney

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