



**Shell Licensee**

## **ANNUAL FINANCIAL REPORT**

**FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2019**

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**APRIL 2020**

# Coral



Shell Licensee

**DECLARATION OF THE REPRESENTATIVES  
OF THE BOARD OF DIRECTORS OF  
“CORAL OIL AND CHEMICAL PRODUCTS SOCIETE ANONYME”**

Pursuant to the provisions of article 4 paragraph 2 item c of Law 3556/2007 we hereby declare that to the best of our knowledge:

- A. The single and consolidated financial statements of “CORAL SINGLE MEMBER SA OIL AND CHEMICAL PRODUCTS” (the Company) for the year ended December 31, 2019, which have been prepared in accordance with the applicable accounting standards, truly present the assets, the liabilities, the shareholders’ equity and the statement of comprehensive income of the Company and the companies included in the consolidated financial statements taken as a total, and
- B. The Board of Directors’ annual report truly presents the course, the performance and the position of the Company and the companies included in the consolidated financial statements taken as a total, including the description of the most important risks and uncertainties they are facing.

**Maroussi, April 22th, 2020**

BoD CHAIRMAN

GENERAL MANAGER

BoD VICE-CHAIRMAN

JOHN V. VARDINOYANNIS  
ID No AH 567603

GEORGE N. HATZOPOULOS  
ID No. AA 075307

GEORGE K. THOMAIDIS  
ID No. Σ 040106

# Coral



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## **Coral Group of Companies**

Management Report for the year ended on 31 December 2019

## 1. Group's operation report

The financial data of the Group for the year 2019 compared to the corresponding data of the year 2018 are presented below:

| Amounts in th. €  | 1/1-           | 1/1-           | Movement       |                |
|---|----------------|----------------|----------------|----------------|
|   | 31/12/2019     | 31/12/2018     | Amount         | %              |
| <b>Revenue</b>  | 2.328.175      | 2.189.986      | 138.189        | 6,31%          |
| Cost of sales   | (2.135.912)    | (2.010.531)    | 125.380        | 6,24%          |
| <b>Gross profit</b>   | <b>192.263</b> | <b>179.455</b> | <b>12.808</b>  | <b>7,14%</b>   |
| Distribution expenses (exc. Depreciation)                         | (112.173)      | (117.370)      | (5.197)        | (4,43%)        |
| Administration expenses (exc. Depreciation)                       | (12.310)       | (12.531)       | (221)          | (1,76%)        |
| Other operating income  | 3.797          | 3.688          | 109            | 2,96%          |
| Other gain/ (losses)  | 154            | (192)          | 346            | 180,21%        |
| <b>Earnings before interest , tax &amp; depreciation (EBITDA)</b> | <b>71.731</b>  | <b>53.050</b>  | <b>18.682</b>  | <b>35,22%</b>  |
| Financial expenses  | (15.559)       | (13.033)       | 2.526          | 19,38%         |
| Income from investments   | 402            | 364            | 38             | 10,44%         |
| Profit from associates  | 5.697          | 4.617          | 1.080          | 23,39%         |
| <b>Profit/(Losses) before depreciation &amp; tax</b>              | <b>62.271</b>  | <b>44.998</b>  | <b>17.273</b>  | <b>38,39%</b>  |
| Depreciation  | (33.426)       | (14.840)       | 18.587         | 125,25%        |
| <b>Profit/(Losses) before tax</b>                                 | <b>28.845</b>  | <b>30.158</b>  | <b>(1.313)</b> | <b>(4,35%)</b> |
| Income tax  | (8.258)        | (9.668)        | (1.411)        | (14,60%)       |
| <b>Net profit /(losses) for the year after tax</b>                | <b>20.587</b>  | <b>20.490</b>  | <b>98</b>      | <b>0,48%</b>   |

Accordingly, the financial data of the Company for the year 2019 compared to the corresponding data of the year 2018 are presented below:

| Amounts in th. €  | 1/1-          | 1/1-          | Movement        |                 |
|---|---------------|---------------|-----------------|-----------------|
|   | 31/12/2019    | 31/12/2018    | Amount          | %               |
| <b>Revenue</b>  | 2.075.256     | 1.976.181     | 99.075          | 5,01%           |
| Cost of sales   | (1.984.060)   | (1.880.636)   | 103.424         | 5,50%           |
| <b>Gross profit</b>   | <b>91.196</b> | <b>95.545</b> | <b>(4.349)</b>  | <b>(4,55%)</b>  |
| Distribution expenses (exc. Depreciation)                         | (47.386)      | (58.177)      | (10.791)        | (18,55%)        |
| Administration expenses (exc. Depreciation)                       | (10.576)      | (10.142)      | 434             | 4,28%           |
| Other operating income  | 10.881        | 10.431        | 450             | 4,31%           |
| Other gain/ (losses)  | 466           | (79)          | 545             | 689,87%         |
| <b>Earnings before interest , tax &amp; depreciation (EBITDA)</b> | <b>44.581</b> | <b>37.578</b> | <b>7.003</b>    | <b>18,64%</b>   |
| Financial expenses  | (8.636)       | (7.450)       | (1.186)         | (15,92%)        |
| Income from investments   | 5.417         | 12.507        | (7.090)         | (56,69%)        |
| <b>Profit/(Losses) before depreciation &amp; tax</b>              | <b>41.362</b> | <b>42.635</b> | <b>(1.273)</b>  | <b>(2,99%)</b>  |
| Depreciation  | (24.668)      | (12.325)      | 12.343          | (100,15%)       |
| <b>Profit/(Losses) before tax</b>                                 | <b>16.694</b> | <b>30.310</b> | <b>(13.616)</b> | <b>(44,92%)</b> |
| Income tax  | (4.482)       | (6.264)       | (1.782)         | (28,45%)        |
| <b>Net profit /(losses) for the year after tax</b>                | <b>12.212</b> | <b>24.046</b> | <b>(11.835)</b> | <b>(49,22%)</b> |

According to the data above, the following can be noticed:

## 1.1 Revenue

The gross turnover of the Group increased in 2019 by € 138 million, showing an increase of 6.3 % compared to previous year, as shown in the table below:

| <i>Amounts in th. €</i> | <b>Group</b>               |                            |
|-------------------------|----------------------------|----------------------------|
|                         | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> |
| Merchandise             | 797.011                    | 684.293                    |
| Products                | 1.509.650                  | 1.486.417                  |
| Services                | 21.636                     | 19.900                     |
| Other                   | (122)                      | (624)                      |
| <b>Total</b>            | <b>2.328.175</b>           | <b>2.189.986</b>           |

The sales analysis per geographical segments of operation and by sales category for the Group is as follows:

| <b>Sales category</b><br><i>Amounts in th. €</i> | <b>Group</b>               |                            |
|--|----------------------------|----------------------------|
|  | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> |
| Fuel   | 87.921                     | 104.065                    |
| Lubricants                                       | 14                         | 9                          |
| Chemicals  | 1.744                      | 927                        |
| Natural gas/LPG                                  | 489                        | 154                        |
| Other  | 2.588                      | 851                        |
| <b>Total export sales</b>                        | <b>92.756</b>              | <b>106.006</b>             |

| <b>Sales category</b><br><i>Amounts in th. €</i> |                            |                            |
|--|----------------------------|----------------------------|
|  | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> |
| Fuel   | 2.146.102                  | 1.995.822                  |
| Lubricants                                       | 6.046                      | 5.630                      |
| Chemicals  | 36.480                     | 30.225                     |
| Natural gas/LPG                                  | 21.300                     | 28.972                     |
| Services   | 21.585                     | 19.900                     |
| Other  | 3.906                      | 3.431                      |
| <b>Total domestic sales</b>                      | <b>2.235.419</b>           | <b>2.083.980</b>           |
| <b>General Total</b>                             | <b>2.328.175</b>           | <b>2.189.986</b>           |

The total quantity traded by the Group during the year ended 31/12/2019 and during the comparative period is analyzed in the following table:

| <i>Quantity in MT</i> |                            |                            |
|-----------------------|----------------------------|----------------------------|
|                       | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> |
| Fuel                  | 2.209.315                  | 1.885.824                  |
| Lubricants            | 2.597                      | 2.415                      |
| Chemicals             | 38.728                     | 30.524                     |
| Natural gas/LPG       | 19.397                     | 44.472                     |
| Other                 | 6.166                      | 1.981                      |
| <b>Total</b>          | <b>2.276.203</b>           | <b>1.965.216</b>           |

The amount of fuel traded by the Group increased by approximately 15.8%.

The corresponding analysis of the Company's sales in 2019 is presented below:

|                         | <b>Company</b>    |                   |
|-------------------------|-------------------|-------------------|
|                         | <b>1/1-</b>       | <b>1/1-</b>       |
| <i>Amounts in th. €</i> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Merchandise             | 544.555           | 469.649           |
| Products                | 1.509.650         | 1.486.416         |
| Services                | 21.173            | 20.740            |
| Other                   | (122)             | (624)             |
| <b>Total</b>            | <b>2.075.256</b>  | <b>1.976.181</b>  |

The Company's revenue for the year 2019 amounted at € 2,075 million from € 1,976 million in the year 2018, showing an increase of 5%.

The analysis of sales by geographical segment of activity and by sales category of the Company is as follows:

|                           | <b>Company</b>    |                   |
|---------------------------|-------------------|-------------------|
| <b>Sales category</b>     | <b>1/1-</b>       | <b>1/1-</b>       |
| <i>Amounts in th. €</i>   | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Fuel                      | 32.437            | 34.767            |
| Lubricants                | 14                | 9                 |
| Chemicals                 | 1.744             | 927               |
| Natural gas/LPG           | -                 | -                 |
| Other                     | 1.019             | 178               |
| <b>Total export sales</b> | <b>35.214</b>     | <b>35.881</b>     |

| <b>Sales category</b>       | <b>1/1-</b>       | <b>1/1-</b>       |
|-----------------------------|-------------------|-------------------|
| <i>Amounts in th. €</i>     | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Fuel                        | 1.973.727         | 1.872.267         |
| Lubricants                  | 6.046             | 5.630             |
| Chemicals                   | 36.480            | 30.225            |
| Natural gas/LPG             | 14                | 9.530             |
| Services                    | 21.173            | 20.740            |
| Other                       | 2.602             | 1.908             |
| <b>Total domestic sales</b> | <b>2.040.042</b>  | <b>1.940.299</b>  |
| <b>General Total</b>        | <b>2.075.256</b>  | <b>1.976.181</b>  |

The total quantity traded by the Company during the year ended 31/12/2019 and during the comparative period is analyzed in the following table:

|                       | <b>1/1-</b>       | <b>1/1-</b>       |
|-----------------------|-------------------|-------------------|
| <i>Quantity in MT</i> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Fuel                  | 1.935.958         | 1.680.910         |
| Lubricants            | 2.597             | 2.415             |
| Chemicals             | 38.728            | 30.524            |
| Natural gas/LPG       | 20                | 27.850            |
| Other                 | 6.166             | 1.981             |
| <b>Total</b>          | <b>1.983.469</b>  | <b>1.743.680</b>  |

The quantities of fuel traded by the Company recorded an increase of approximately 13.8%.

## 1.2 Gross profit margin

Group's gross profit margin amounted to € 192,263 thousand or 8.3% of turnover compared to € 179,455 thousand or 8.2% of turnover in the previous year, showing an increase of 7.1%.

The gross profit margin of the Company amounted to € 91,196 thousand in the year 2019 compared to € 95,545 thousand in the year 2018, showing a decrease of 4.6%.

### 1.3 Operating expenses

The following table presents the movement of operating expenses between fiscal years 2019 and 2018:

| Allocation per operation: | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
|---------------------------|--------------------|--------------------|
| Cost of sales             | 6.399              | 6.633              |
| Distribution expense      | 144.725            | 131.812            |
| Administration expenses   | 13.178             | 12.929             |
| <b>Total</b>              | <b>164.302</b>     | <b>151.374</b>     |

As evidenced in the table above, operating expenses of the Group increased by € 12,928 thousand or approximately 8.5% in 2019.

In order to better assess and compare the movement of operating expenses within the two periods, the following table presents the most important sales categories.

| Amounts in th. €                                      | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | Movement      |              |
|---|--------------------|--------------------|---------------|--------------|
|   |                    |                    | Amount        | %            |
| Benefits to employees                                 | 19.182             | 18.563             | 618           | 3,33%        |
| Depreciation of Property, Plant and Equipment         | 13.521             | 12.419             | 1.102         | 8,87%        |
| Depreciation of Intangible assets                     | 2.437              | 2.421              | 16            | 0,66%        |
| Depreciation of Right of use assets                   | 17.469             | -                  | 17.469        | -            |
| Expenses of repair and maintenance of tangible assets | 3.763              | 3.765              | (2)           | (0,05%)      |
| Rental fee based on operating leases                  | 3.359              | 20.251             | (16.892)      | (83,41%)     |
| Storage charges                                       | 6.128              | 5.566              | 562           | 10,10%       |
| Provision for bad debt                                | 90                 | 301                | (211)         | (70,10%)     |
| Transportation and travel expenses                    | 22.158             | 20.239             | 1.920         | 9,49%        |
| Fees for sites' managers                              | 38.590             | 31.256             | 7.334         | 23,46%       |
| Third parties' fees and expenses                      | 20.499             | 19.477             | 1.021         | 5,24%        |
| Promotion and advertising expenses                    | 5.542              | 5.523              | 19            | 0,34%        |
| Insurance expenses                                    | 820                | 788                | 32            | 4,06%        |
| Telecommunication expenses                            | 680                | 1.359              | (679)         | (49,96%)     |
| Electricity expenses                                  | 3.542              | 3.313              | 229           | 6,91%        |
| Other taxes fees                                      | 2.573              | 2.656              | (83)          | (3,13%)      |
| Other expenses  | 3.949              | 3.477              | 473           | 13,60%       |
| <b>Total</b>  | <b>164.302</b>     | <b>151.374</b>     | <b>12.928</b> | <b>8,54%</b> |

The overall increase in Administrative and Distribution expenses comes from Group's general plan to expand its retail network of gas stations, as well as from the increased compensation cost of employees at gas stations, which is included in "Fees for sites' managers". Operating expenses for 2019 represent 7.1% of the revenues for the year, while for 2018 the corresponding figure was 6.9%.

Respectively, Company's operating expenses during 2019 are presented below:

| Allocation per operation: | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
|---------------------------|--------------------|--------------------|
| Cost of sales             | 19.504             | 18.097             |
| Distribution expense      | 71.250             | 70.247             |
| Administration expenses   | 11.380             | 10.397             |
| <b>Total</b>              | <b>102.134</b>     | <b>98.741</b>      |

| <i>Amounts in th. €</i>                               | 1/1-           | 1/1-          | Movement     |              |
|---|----------------|---------------|--------------|--------------|
|   | 31/12/2019     | 31/12/2018    | Amount       | %            |
| Benefits to employees                                 | 17.740         | 17.204        | 536          | 3,12%        |
| Depreciation of Property, Plant and Equipment         | 11.073         | 10.194        | 879          | 8,62%        |
| Depreciation of Intangible assets                     | 2.046          | 2.131         | (85)         | (3,99%)      |
| Depreciation of Right of use assets                   | 11.549         | -             | 11.549       | -            |
| Expenses of repair and maintenance of tangible assets | 2.987          | 3.068         | (81)         | (2,64%)      |
| Rental fee based on operating leases                  | 2.865          | 14.855        | (11.991)     | (80,72%)     |
| Storage charges                                       | 5.214          | 4.852         | 361          | 7,44%        |
| Provision for bad debt                                | 139            | 160           | (21)         | (13,13%)     |
| Transportation and travel expenses                    | 19.480         | 19.274        | 206          | 1,07%        |
| Third parties' fees and expenses                      | 15.370         | 14.014        | 1.355        | 9,67%        |
| Promotion and advertising expenses                    | 8.301          | 7.208         | 1.093        | 15,16%       |
| Insurance expenses                                    | 528            | 545           | (16)         | (2,94%)      |
| Telecommunication expenses                            | 549            | 975           | (425)        | (43,59%)     |
| Electricity expenses                                  | 406            | 506           | (100)        | (19,76%)     |
| Other taxes fees                                      | 1.757          | 2.032         | (275)        | (13,53%)     |
| Other expenses  | 2.130          | 1.723         | 408          | 23,68%       |
| <b>Total</b>  | <b>102.134</b> | <b>98.741</b> | <b>3.393</b> | <b>3,44%</b> |

According to the data above, operating expenses of the Company slightly increased in current year, representing 4.9% of revenues (5% for year 2018).

## 1.4 Other operating income

Other operating income of the Group and the Company increased in 2019 by 2,9% and 4,3% respectively.

| <i>Group</i><br><i>Amounts in th. €</i> | 1/1-         | 1/1-         | Movement   |              |
|---|--------------|--------------|------------|--------------|
|   | 31/12/2019   | 31/12/2018   | Amount     | %            |
| Rental income                           | 1.010        | 979          | 31         | 3,17%        |
| Income from fuel cards' clients         | 602          | 529          | 73         | 13,80%       |
| Income from commercial representatives  | 629          | 705          | (76)       | (10,78%)     |
| Income from commissions                 | 561          | 586          | (25)       | (4,27%)      |
| Other                                   | 996          | 889          | 106        | 11,92%       |
| <b>Total</b>                            | <b>3.798</b> | <b>3.688</b> | <b>110</b> | <b>2,98%</b> |

| <i>Company</i><br><i>Amounts in th. €</i> | 1/1-          | 1/1-          | Movement   |              |
|---|---------------|---------------|------------|--------------|
|   | 31/12/2019    | 31/12/2018    | Amount     | %            |
| Rental income                             | 8.422         | 8.129         | 293        | 3,60%        |
| Income from fuel cards' clients           | 602           | 529           | 73         | 13,80%       |
| Income from commercial representatives    | 815           | 873           | (58)       | (6,64%)      |
| Income from commissions                   | 561           | 586           | (25)       | (4,27%)      |
| Other                                     | 481           | 314           | 167        | 53,19%       |
| <b>Total</b>                              | <b>10.881</b> | <b>10.431</b> | <b>450</b> | <b>4,31%</b> |



## 1.5 Other Gain/(Losses)

| <b>Group</b>                                     |  | 1/1-       | 1/1-         | Movement   |                  |
|--|--|------------|--------------|------------|------------------|
| <i>Amounts in th. €</i>                          |  | 31/12/2019 | 31/12/2018   | Amount     | %                |
| Gain/ (losses) from write-off of assets          |  | (20)       | (33)         | 13         | (39,39%)         |
| Net gain/(losses) from exchange rate differences |  | 755        | (229)        | 984        | (429,69%)        |
| Other  |  | (581)      | 70           | (650)      | (928,57%)        |
| <b>Total</b>                                     |  | <b>154</b> | <b>(192)</b> | <b>346</b> | <b>(180,21%)</b> |

| <b>Company</b>                                   |  | 1/1-       | 1/1-        | Movement   |                  |
|--|--|------------|-------------|------------|------------------|
| <i>Amounts in th. €</i>                          |  | 31/12/2019 | 31/12/2018  | Amount     | %                |
| Gain/ (losses) from write-off of assets          |  | (21)       | (20)        | (1)        | 5,00%            |
| Net gain/(losses) from exchange rate differences |  | 518        | (17)        | 535        | (3147,06%)       |
| Other  |  | (31)       | (42)        | 11         | (26,19%)         |
| <b>Total</b>                                     |  | <b>466</b> | <b>(79)</b> | <b>545</b> | <b>(689,87%)</b> |

The change in other gains, comes mainly from losses from exchange rate differences, both for the Group and the Company.

## 1.6 Financial expenses

| <b>Group</b>  |  | 1/1-          | 1/1-          | Movement     |               |
|---|--|---------------|---------------|--------------|---------------|
| <i>Amounts in th. €</i>                               |  | 31/12/2019    | 31/12/2018    | Amount       | %             |
| Interest of short-term loans                          |  | 200           | 2.340         | (2.140)      | (91,45%)      |
| Interest and expenses of long-term loans              |  | 5.257         | 4.192         | 1.065        | 25,41%        |
| Interest on leases                                    |  | 3.269         | -             | 3.269        | -             |
| <b>Total interest</b>                                 |  | <b>8.726</b>  | <b>6.532</b>  | <b>2.194</b> | <b>33,59%</b> |
| Bank commissions                                      |  | 5.266         | 5.801         | (535)        | (9,22%)       |
| Amortization of bond loan expenses                    |  | 492           | 607           | (114)        | (18,78%)      |
| Commitment fees                                       |  | 123           | 2             | 121          | 6050,00%      |
| (Gains) / losses from derivatives accounted at FVTPL* |  | 939           | -             | 939          | -             |
| Other interest expenses                               |  | 13            | 91            | (78)         | (85,71%)      |
| <b>Total</b>  |  | <b>15.559</b> | <b>13.033</b> | <b>2.526</b> | <b>19,38%</b> |

\* Fair Value Through Profit and Loss Statement

| <b>Company</b>                           |  | 1/1-         | 1/1-         | Movement     |               |
|--|--|--------------|--------------|--------------|---------------|
| <i>Amounts in th. €</i>                  |  | 31/12/2019   | 31/12/2018   | Amount       | %             |
| Interest of short-term loans             |  | 153          | 2.050        | (1.897)      | (92,54%)      |
| Interest and expenses of long-term loans |  | 4.822        | 4.169        | 653          | 15,66%        |
| Interest on leases                       |  | 2.571        | -            | 2.571        | -             |
| <b>Total interest</b>                    |  | <b>7.546</b> | <b>6.220</b> | <b>1.326</b> | <b>21,32%</b> |
| Bank commissions                         |  | 496          | 530          | (34)         | (6,42%)       |
| Amortization of bond loan expenses       |  | 477          | 606          | (128)        | (21,12%)      |
| Commitment fees                          |  | 112          | 2            | 110          | 5500,00%      |
| Other interest expenses                  |  | 5            | 93           | (88)         | (94,62%)      |
| <b>Total</b>                             |  | <b>8.636</b> | <b>7.450</b> | <b>1.186</b> | <b>15,92%</b> |

As can be seen in the tables above, financial expenses increased by € 2,526 thousand and by € 1,186 thousand for the Group and the Company respectively. This increase is mainly attributable to the adoption of IFRS 16.

## 1.7 Income from investments

| <b>Group</b>                  | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> | <b>Movement</b> |               |
|-------------------------------|----------------------------|----------------------------|-----------------|---------------|
| <i>Amounts in th. €</i>       |                            |                            | <b>Amount</b>   | <b>%</b>      |
| Interest income               | 402                        | 364                        | 38              | 10,44%        |
| (Gain)/Losses from associates | 5.697                      | 4.617                      | 1.080           | 23,39%        |
| <b>Total</b>                  | <b>6.099</b>               | <b>4.981</b>               | <b>1.118</b>    | <b>22,45%</b> |

| <b>Company</b>          | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> | <b>Movement</b> |                 |
|-------------------------|----------------------------|----------------------------|-----------------|-----------------|
| <i>Amounts in th. €</i> |                            |                            | <b>Amount</b>   | <b>%</b>        |
| Interest income         | 664                        | 510                        | 153             | 30,00%          |
| Dividend income         | 4.753                      | 11.997                     | (7.244)         | (60,38%)        |
| <b>Total</b>            | <b>5.417</b>               | <b>12.507</b>              | <b>(7.090)</b>  | <b>(56,69%)</b> |

Regarding the Group, Profit from Associates of € 5,697 thousand in 2019 refers to Group's proportion in the financial results of the consolidated companies, accounted for using the equity method, "Shell & MoH aviation fuels SA" and "Petroleum Products Installations of Rhodes - Alexandroupolis SA».

Interest income includes mainly interest earned on deposits, as well as finance income from discounted repayable credits amounting to € 248 thousand for the year 2019 and € 300 thousand for the year 2018.

Finally, dividend income in the current period contains dividends from the associate company "Shell & MoH aviation fuels SA" of € 4,753 thousand, while in 2018 dividend income includes dividends from subsidiaries Ermis SA & Myrtea SA (€ 2,000 thousand and € 6,000 thousand respectively) as well as from associates "Shell & MoH SA aviation fuels" & "Petroleum Installations of Rhodes - Alexandroupolis SA" (€ 3,828 thousand and € 169 thousand respectively).

## 1.8 Income tax

| <b>Group</b>                           | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> | <b>Movement</b> |                 |
|--|----------------------------|----------------------------|-----------------|-----------------|
| <i>Amounts in th. €</i>                |                            |                            | <b>Amount</b>   | <b>%</b>        |
| Current corporate tax for the period   | 8.293                      | 9.226                      | (934)           | (10,12%)        |
| Tax audit differences from prior years | (19)                       | 387                        | (407)           | (105,17%)       |
| Business tax                           | -                          | 220                        | (220)           | (100,00%)       |
| Deferred tax                           | (154)                      | (206)                      | 53              | (25,73%)        |
| <b>Total</b>                           | <b>8.120</b>               | <b>9.627</b>               | <b>(1.508)</b>  | <b>(15,66%)</b> |

| <b>Company</b>                         | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> | <b>Movement</b> |                 |
|--|----------------------------|----------------------------|-----------------|-----------------|
| <i>Amounts in th. €</i>                |                            |                            | <b>Amount</b>   | <b>%</b>        |
| Current corporate tax for the period   | 4.035                      | 5.893                      | (1.858)         | (31,53%)        |
| Tax audit differences from prior years | (44)                       | 238                        | (282)           | (118,49%)       |
| Business tax                           | -                          | 14                         | (14)            | (100,00%)       |
| Deferred tax                           | 353                        | 78                         | 275             | 352,56%         |
| <b>Total</b>                           | <b>4.344</b>               | <b>6.223</b>               | <b>(1.879)</b>  | <b>(30,19%)</b> |

The income tax for fiscal 2019, in accordance with Law 4646/2018 (Government Gazette A'201/12.12.2019), is calculated at a corporate tax rate of 24% while for fiscal 2018, in accordance with the Law 4334/2015 (Government Gazette A' 80/16.07.2015) was calculated at a corporate tax rate of 29%.

The income tax for the year, results after taking into consideration the following items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible on the accounting profit:

| <b>Group</b>                                    | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> |
|---|----------------------------|----------------------------|
| <i>Amounts in th. €</i>                         |                            |                            |
| Profit/(Losses) before tax                      | 28.845                     | 30.158                     |
| Tax calculated based on the effective tax rates | 6.923                      | 8.746                      |
| Tax audit differences from prior years          | (19)                       | 387                        |
| Business tax                                    | -                          | 220                        |
| Non-deductible for tax purposes expenses        | 970                        | 794                        |
| Income excepted from tax                        | (1.285)                    | (1.224)                    |
| Other   | 1.531                      | 704                        |
| <b>Total</b>                                    | <b>8.120</b>               | <b>9.627</b>               |

| <b>Company</b>                                  | <b>1/1-<br/>31/12/2019</b> | <b>1/1-<br/>31/12/2018</b> |
|---|----------------------------|----------------------------|
| <i>Amounts in th. €</i>                         |                            |                            |
| Profit/(Losses) before tax                      | 16.694                     | 30.310                     |
| Tax calculated based on the effective tax rates | 4.006                      | 8.790                      |
| Tax audit differences from prior years          | (44)                       | 238                        |
| Business tax                                    | -                          | 14                         |
| Non-deductible for tax purposes expenses        | 729                        | 613                        |
| Income excepted from tax                        | (1.058)                    | (3.364)                    |
| Other   | 711                        | (68)                       |
| <b>Total</b>                                    | <b>4.344</b>               | <b>6.223</b>               |

## 2. Financial Ratios

The basic financial ratios of the group are as follows:

|   | <b>Group</b>      |          |                   |          |
|---|-------------------|----------|-------------------|----------|
| <i>Amounts in th. €</i>                     | <b>31/12/2019</b> | <b>%</b> | <b>31/12/2018</b> | <b>%</b> |
| <b>a. Return on Assets (ROA)</b>            |                   |          |                   |          |
| Net Profit (losses) after tax               | 20.587            | 3,5%     | 20.490            | 5,0%     |
| Total assets                                | 588.019           |          | 410.614           |          |
| <b>b. Return on Equity (ROE)</b>            |                   |          |                   |          |
| Net Profit (losses) after tax               | 20.587            | 13,4%    | 20.490            | 14,9%    |
| Total Equity                                | 154.089           |          | 137.458           |          |
| <b>c. Return on Invested Capital (ROIC)</b> |                   |          |                   |          |
| Profit after tax + Financial Expenses       | 36.147            | 8,8%     | 33.523            | 11,3%    |
| Total Net Indebtedness+Equity +Provisions   | 410.607           |          | 295.439           |          |
| <b>d. Capital Gearing ratio</b>             |                   |          |                   |          |
| Total Net Indebtedness                      | 254.267           | 62,3%    | 155.484           | 53,1%    |
| Total Net Indebtedness & Equity             | 408.356           |          | 292.942           |          |
| <b>e. Ratio of Debt over Equity</b>         |                   |          |                   |          |
| Total Net Indebtedness                      | 254.267           | 165,0%   | 155.484           | 113,1%   |
| Total Equity                                | 154.089           |          | 137.458           |          |

The respective ratios for the Company are displayed below:

|  | <u>Company</u> |        |            |        |
|--|----------------|--------|------------|--------|
| Amounts in th. €                             | 31/12/2019     | %      | 31/12/2018 | %      |
| <b>a. Return on Assets (ROA)</b>             |                |        |            |        |
| Net Profit (losses) after tax                | 12.212         | 2,5%   | 24.046     | 6,4%   |
| Total assets                                 | 494.637        |        | 373.193    |        |
| <b>b. Return on Equity (ROE)</b>             |                |        |            |        |
| Net Profit (losses) after tax                | 12.212         | 9,4%   | 24.046     | 19,7%  |
| Total Equity                                 | 130.094        |        | 121.913    |        |
| <b>c. Return on Invested Capital (ROIC)</b>  |                |        |            |        |
| Profit after tax + Financial Expenses        | 20.847         | 5,9%   | 31.496     | 11,2%  |
| Total Net Indebtedness + Equity + Provisions | 352.566        |        | 282.342    |        |
| <b>d. Capital Gearing ratio</b>              |                |        |            |        |
| Total Net Indebtedness                       | 221.358        | 63,0%  | 158.964    | 56,6%  |
| Total Net Indebtedness & Equity              | 351.452        |        | 280.876    |        |
| <b>e. Ratio of Debt over Equity</b>          |                |        |            |        |
| Total Net Indebtedness                       | 221.358        | 170,2% | 158.964    | 130,4% |
| Total Equity                                 | 130.094        |        | 121.913    |        |

In 2019, the effect from IFRS 16 was taken into consideration for the calculation of the basic ratios.

### 3. Transactions among Related Parties

The following transactions refer to transactions with related parties:

|   | <u>Group</u>       |                    | <u>Company</u>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
| Amounts in th. €                        | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <b>Sale of services and goods:</b>      |                    |                    |                    |                    |
| To the parent company                   | 20.746             | 22.047             | 20.723             | 22.036             |
| To subsidiaries                         | -                  | -                  | 1.051.099          | 981.820            |
| To associates                           | 1.486              | 1.573              | 1.486              | 1.572              |
| To other related parties                | 91.395             | 51.125             | 91.110             | 50.907             |
| <b>Total</b>                            | <b>113.627</b>     | <b>74.745</b>      | <b>1.164.418</b>   | <b>1.056.335</b>   |
| <b>Purchases of services and goods:</b> |                    |                    |                    |                    |
| From the parent company                 | 699.103            | 604.158            | 617.993            | 546.384            |
| From subsidiaries                       | -                  | -                  | 13.435             | 3.693              |
| From associates                         | 382                | 387                | 382                | 387                |
| From other related parties              | 96.361             | 71.636             | 73.715             | 52.874             |
| <b>Total</b>                            | <b>795.846</b>     | <b>676.181</b>     | <b>705.525</b>     | <b>603.338</b>     |

Services from and to related parties, as well as sales and purchases of goods are performed under normal commercial terms. Other related parties mainly refer to associates and companies in which the Group's main shareholder has significant influence.

|  | <u>Group</u>       |                    | <u>Company</u>     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| Amounts in th. €                         |                    |                    |                    |                    |
| <b>Receivables from related parties:</b> |                    |                    |                    |                    |
| From parent company                      | 2.344              | 6.105              | 2.321              | 6.097              |
| From subsidiaries                        | -                  | -                  | 23.195             | 30.372             |
| From associates                          | 130                | 140                | 130                | 140                |
| From other related parties               | 16.071             | 2.522              | 13.725             | 2.497              |
| <b>Total</b>                             | <b>18.545</b>      | <b>8.767</b>       | <b>39.371</b>      | <b>39.106</b>      |
| <b>Liabilities to related parties:</b>   |                    |                    |                    |                    |
| To parent company                        | 30.043             | 6.542              | 27.764             | 4.232              |
| To subsidiaries                          | -                  | -                  | 1.709              | 3.119              |
| To associates                            | 176                | 150                | 176                | 150                |
| To other related parties                 | 4.862              | 5.268              | 2.865              | 4.364              |
| <b>Total</b>                             | <b>35.081</b>      | <b>11.960</b>      | <b>32.514</b>      | <b>11.865</b>      |

### **Benefits to management**

For 2019, Group management fee amounted to € 3,977 thousand. The corresponding amount for the year ended December 31, 2018 was € 3,129 thousand. There is no amount owned to board members neither as at 31/12/2019 nor as at 31/12/2018 (Company: 1/1-31/12/2019: € 3,810 thousand, 1/1-31/12/2018: € 2,963 thousand).

## **4. Operations review**

### **4.1 Investments – Development**

Regarding retail business in the Greek region, 12 new own-operating RBA and 21 new co-operating gas stations, were added to Coral's retail network of gas stations. In addition, autogas stations were installed in 5 more own-operating RBA. Finally, the Group continued to upgrade its network and added 20 new "AB Shop & Go" and 14 new "I LOVE Café", allowing its customers to cover their needs through the shop network operating in our gas stations.

In addition, the Group has laid the foundations for the expansion of its activities in the Balkan countries and Cyprus through the establishment of new companies, namely:

- CORAL ENERGY PRODUCTS (CYPRUS) LTD is the company entitled to use the Shell trademarks in Cyprus. The company was named after the completion of Lukoil Cyprus Limited acquisition by Coral SA in January 2017. The company in its former form, has been operating in the country since 2002. The company's core operation in Cyprus is the distribution and trading, through Shell gas stations, of a wide range of petroleum products such as petrol, diesel and lubricants. The company already operates 33 gas stations under the Shell brand. At the same time, it continues to expand its network and has already secured five new leases regarding the construction of new gas stations within the next semester
- CORAL SRB DOO BEOGRAD is the company entitled to use the Shell trademark in Serbia. The company was established in 2017 with the objective to distribute and trade, through Shell branded gas stations, a wide range of petroleum products such as fuel, oil and lubricants. Coral Serbia aims to grow with targeted investments in its central gas stations through which it will be able to supply quality products and services to Serbian consumers. Four gas stations are already in operation, one on the E-70 motorway near Adasevci, another on Jurica Gagarina 40B in New Belgrade, a third in Novi Sad and the fourth in south Serbia at Valjevo. Additionally, there has been an agreement for the construction of seven new own-operating gas stations. Three of them are already under construction and expected to be operating within 2020, while the rest are under the construction licencing procedure and are expected to be ready to operate within the following year.

At the same time, the Group expanded its activities and strengthened its presence in new sectors through the following companies:

- Coral Products and Trading SA, which operates in the fuel shipping industry throughout the Greek region since 2017, continued its investment plan for 2019, with the objective to further provide low sulphur products following the provisions of IMO2020.

- Coral Innovations SA operates in the e-commerce industry through [www.allsmart.gr](http://www.allsmart.gr) website, selling thousands of products and investing in important collaborations to deliver the best products and services to its customers. Already in 2019, the company doubled the variety of products available on its website, implementing a stable expansion plan to new product categories.

In addition, Coral Innovations SA is responsible for the procurement of hall products for Coral and AVIN own operating RBA's and is the exclusive distributor for Greece, Cyprus, Serbia, Albania and Montenegro for the products of SENGLED, STAYHOLD, TRICO, COOLIO. Finally, it has designed and distributed in Greece and abroad the vitamin water COOLVIT.

## 4.2 Quality– Environment– Health & Safety– Labor issues

Coral Group has consistently been operating in the oil trading sector since 1928, acting primarily with regard to respect for man and the environment. It offers excellent customer service, providing high quality services and products of high standards.

In order to achieve its objectives in the Quality - Environment - Health and Safety sectors, Coral Group:

Is supplying its products mainly from Motor Oil Hellas, thus ensuring products of certified quality and high standards. It systematically examines the management of Quality, Health, Safety, Protection and Environment in order to ensure compliance with existing legislation and to ensure continuous improvement in performance. It strategically pursues continuous improvement by measuring, evaluating and communicating the achievement of its goals.

Additionally, the Group, having an absolute sense of social responsibility, applies rigorous policies on issues related to Quality, Health, Safety, Protection and Environment. As a result, the Group received:

- Distinction for fourth consecutive year in the Hellenic Health and Safety Awards, winning the «WINNER OF THE INDUSTRY» award in the petroleum industry (this award constitutes the highest recognition a company could obtain regarding the management of Health & Safety on the workplace), due to the fact that Health & Safety is an integral part of the Coral SA DNA, as corporate performance is directly related with the employee' contribution to Health & Safety matters.
- Distinction in the Hellenic Energy Mastering Awards, winning the GOLD price for energy saving actions through its customers, that resulted in much greater energy savings than the national target.
- Active participation in the European act «Project EDWARD - European Day Without A Road Death» providing information about the matter constantly to the public, either verbally or with other communicative means, through the retail network of gas station, the other corporate facilities and offices in Greece, Cyprus and Serbia.
- Certification according to ISO 9001: 2015 (Quality), ISO14001: 2015 (Environment), OHSAS 18001 (Health and Safety at Work) throughout the supply chain and Motorway Service Stations.

In addition, it requires from contractors, partners and joint ventures under its operational control, to implement these policies, as well as to utilise their influence in promoting these policies. In order to cultivate that mentality, so that Coral Group staff will embrace these commitments, performance on issues regarding Quality, Health, Safety, Protection and Environment is part of the overall staff performance evaluation and it is rewarded accordingly.

Coral Group has both on its facilities and office premises the necessary equipment required to deal directly and effectively with any emergency situation that can cause harm to humans, the environment, its facilities or third parties.

Labour relations stand at a very good level, since their conformation, besides the relevant clauses, is based on respect for human rights and labour freedoms, on the development of a spirit of mutual trust, understanding and co-operation, as well as on the establishment of human resources management policies that define in a clear and non-discriminatory way the issues related to Human Resource Management.

A consistent, transparent and objective system is applied for the definition, management and evolution of staff remuneration. Competitive performance-based remuneration is provided.

In addition to all kind of monetary rewards, we offer to our staff and their families a wide range of voluntary benefits. Voluntary benefits aim to strengthen their insurance beyond the provisions of the law, to further strengthen their ties with the Group, to develop the cooperation and team spirit and to ensure a balance between personal and professional life is achieved. Some of the actions undertaken, on the initiative of the Group, are the following:

- Lifetime and health insurance supplementary program.
- Pension plan.

We recognize that the development and implementation of the Group's business strategy, in an internationalized and highly technical sector such as the oil industry, is closely linked to the development of its employees' skills and competences. Hence, the training of human resources in the areas of both vocational training and individual training is a key issue for which significant investment in money and time is spent. Education policy aims to link all jobs positions with the knowledge and skills that each member of staff needs to possess, having as ultimate goal the continuous, responsible, flexible and integrated vocational education and training of employees.

## 5. Group structure (Subsidiaries & Affiliates)

### 5.1 Subsidiaries

#### **SOCIETE ANONYME COMPANY OF TRANSPORTATION EXPLOITATION TRADING OF OIL PRODUCTS AND SERVICES' PROVISION "ERMIS"**

The company was established on 1969 and is currently based on Marousi, Attica (12A Irodou Attikou street, zip code: 151 24). It has duration until 2068 and its main activity concerns the management of retail fuel sites. ERMIS A.E.M.E.E has share capital of € 5,475,800 divided in 54,758 shares with nominal value of € 100 each. Coral A.E holds 100% of the company's share capital.

The Financial Statements of the company are uploaded on the website <https://www.coralenergy.gr/en/>

#### **MYRTEA SOCIATE ANONYME COMPANY OF TRADING, STORAGE, REPRESENTATION OF OIL PRODUCTS AND SERVICES' PROVISION**

The company was established on 1995 and is currently based on Marousi, Attica (12A Irodou Attikou street, zip code: 151 24). It has duration until 2045 and its main activity concerns the management of retail fuel sites. MYRTEA A.E has share capital of € 1,175,000 divided in 23,500 shares with nominal value of € 50 each. Coral SA holds 100% of the company's share capital.

The Financial Statements of the company are uploaded on the website <https://www.coralenergy.gr/en/>

#### **CORAL PRODUCTS AND TRADING SOCIATE ANONYME TRADING COMPANY OF YAGHT FUEL, LUBRICANTS, YAGHT SUPPLIES, OIL PRODUCTS, CHEMICAL PRODUCTS AND SERVICES' PROVISION**

The company was established on 2014 and is currently based on Marousi, Attica (12A Irodou Attikou street, zip code: 151 24). It has duration until 2064 and its main activity concerns the trading of marine fuels. Coral products and trading A.E has share capital of € 3,500,000 divided in 350,000 shares with nominal value of € 10 each. Coral SA holds 100% of the company's share capital.

The Financial Statements of the company are uploaded on the website <https://www.coralenergy.gr/en/>

#### **CORAL INNOVATIONS SOCIATE ANONYME TRADING COMPANY, DEVELOPMENT AND SOFTWARE EXPLOITATION, AND SERVICES' PROVISION OF TELECOMMUNICATION AND INTERNET**

The company was established on 2015 and is currently based on Perissos, Attica (26-28 George Averof street, zip code: 142 32). It has duration until 2065 and its main activity concerns e-commerce and the provision of related services. Coral Innovations A.E has share capital of € 1,500,000 divided in 150,000 shares with nominal value of € 10 each. Coral SA holds 100% of the company's share capital.

The Financial Statements of the company are uploaded on the website <https://www.coralenergy.gr/en/>

CORAL SA has laid the foundations for the expansion of its activities in the Balkan countries and in Cyprus through MEDSYMPAN LIMITED and MEDPROFILE LIMITED which are holding companies.

**MEDSYMPAN LIMITED** was founded on June 1<sup>st</sup>, 2017 with headquarters in Nicosia. CORAL A.E is the sole shareholder of the company. As of 31.12.2018 the issued and paid-in share capital of MEDSYMPAN LIMITED equaled € 8,000 divided into 8,000 registered shares of nominal value Euro 1 each. By virtue of a decision of the company BoD dated on 23.05.2019, a share capital

increase in cash took place through the issuance of 2,000 new shares of nominal value Euro 1 each at a subscription price of € 75 each (the amount of € 2,000 was booked for the payment of the nominal value of the shares and the remaining amount of Euro 148,000 was booked as share premium). The new shares were taken up by CORAL A.E. Following the above-mentioned corporate action, as of 31.12.2019 the issued and paid-in share capital of MEDSYMPAN LIMITED equals Euro 10,000 divided into 10,000 registered shares of nominal value Euro 1 each. The said share capital increase of MEDSYMPAN LIMITED was carried out in order to meet the capital needs of its subsidiary CORAL ALBANIA A.E. (Relevant details are cited in the following paragraphs). MEDSYMPAN LIMITED participates with 100% in CORAL SRB d.o.o Beograd, CORAL - FUELS DOOEL Skopje, CORAL MONTENEGRO DOO Podgorica and CORAL ALBANIA A.E. Relevant information regarding these companies are presented below.

#### **CORAL SRB d.o.o Beograd**

The company was established on 13 January 2017 with headquarters in Belgrade, Serbia. The authorised share capital amounts to 516,194,660 RSD. On 31.12.2019 the paid up share capital of CORAL SRB d.o.o Beograd was 231,099,856.63 RSD (€ 1,920,850) and the outstanding authorised and unissued share capital was 285,094,803.37 RSD which MEDSYMPAN LIMITED holds full payment obligation until 11.05.2022 (according to Serbian Law the payment of the authorised share capital of a company must be fully paid within five years). The major activity of CORAL SRB d.o.o Beograd, as set out in its articles of association, is wholesale of solid, liquid and gaseous fuels and similar products. The company operates four (4) SHELL branded retail service stations.

#### **CORAL - FUELS DOOEL Skopje**

The company was established on 24 November 2017 as a limited liability incorporation for an indefinite period of time, with headquarters in Skopje and authorised share capital € 30,000 which was paid in on 19.11.2018. The major business activity of CORAL FUELS DOOEL Skopje, as set out in its articles of association, is retail trade of motor fuel and lubricants through specialised stores.

#### **CORAL MONTENEGRO DOO Podgorica**

The company was established on 27 November 2017 as an independent, economic and business unit responsible for its obligations with all its assets (complete liability) and authorised share capital € 50,000 which was paid in upon foundation of the company. The major activity of CORAL MONTENEGRO DOO Podgorica, as set out in its articles of association, is wholesale of liquid and gaseous fuels and similar products.

#### **CORAL ALBANIA S.A**

The company was founded on 2 October 2018 with headquarters in Tirana of Albania and initial share capital 6,300,000 Albanian Lek, divided into 63,000 shares of nominal value 100 (Albanian Lek) each. The major activities of CORAL ALBANIA A.E. include imports, exports, wholesale and retail trade of petroleum products and the management of retail fuel sites. In 2019, a share capital increase was effected through the issuance of 184,275 new shares of nominal value 100 Albanian Lek each. All shares were taken up by MEDSYMPAN LIMITED. As of 31.12.2019 the share capital of CORAL ALBANIA equaled 24,727,500 Albanian Lek divided into 247,275 shares of nominal value 100 Albanian Lek each.

**MEDPROFILE LIMITED** was founded in 2017 with headquarters in Nicosia. The authorised share capital of the company equals € 10,001, divided into 10,000 common registered shares plus one (1) non-voting preference share. The nominal value of each share is Euro 1. On 31.12.2019 the paid in share capital of MEDPROFILE LIMITED equaled € 9,601 divided into 9,600 common registered shares plus one (1) non-voting preference share. The shareholder structure of MEDPROFILE LIMITED is as follows: CORAL A.E. holds 7,200 common registered shares plus one non-voting preference share (75% stake), RASELTON HOLDINGS LTD holds 2,400 common registered shares (25% stake). MEDPROFILE LIMITED participates with 100% in **CORAL ENERGY PRODUCTS CYPRUS LIMITED** which is based in Nicosia and has share capital of € 342,001.71 divided into 200,001 common registered shares of nominal value € 1.71 each. CORAL ENERGY PRODUCTS CYPRUS LIMITED operates a network of 32 retail fuel sites in Cyprus, out of which 29 operate under the SHELL brand.

## **5.2 Related Companies**

#### **SHELL & MOH AVIATION FUELS S.A**

The company was founded on 2009. Its duration is for 50 years and its registered address is at Maroussi, Attica (151 Kifissias Avenue, zip code 151 24) of Athens. According to article 3 of the Codified Memorandum and Articles of Association of the company, its corporate objectives include the trade of aviation fuels as well as the provision of aircraft refuel services. Within this context, apart from the provision of refuel services to its own customers, SHELL & MOH AVIATION FUELS A.E. has entered



into business agreements with foreign companies, members of the Shell International Aviation Trading System for the provision of refuel services to their customers in airports located in Greece. Today, SHELL & MOH AVIATION FUELS has presence in 20 airports throughout Greece and refuels more than 60,000 aircrafts per annum, through two joint ventures that has founded and participates (GISSCO and SAFCO). Furthermore, as a member of the Shell International Aviation Trading System SHELL & MOH AVIATION FUELS is able to offer its services to any Greek and Cypriot airline company, in approximately 800 airports worldwide. The share capital of SHELL & MOH AVIATION FUELS A.E. amounts to € 7,547,000 divided into 754,700 shares of nominal value € 10 each. The shareholder structure of the company is as follows: 51% SHELL OVERSEAS HOLDINGS LIMITED, 49% CORAL A.E.

At the end of December 2019, SHELL & MOH AVIATION FUELS A.E. had 12 employees.

#### **RHODES ALEXANDROUPOLIS PETROLEUM INSTALLATION S.A**

The company was founded on 1967 in Maroussi, Attica (26 Kifissias Avenue & 2 Paradisou street, zip code 151 25), with the trading name "R.A.P.I." and duration until 2027. According to article 3 of the Codified Memorandum and Articles of Association of the company, its corporate objective is to manage oil depots at airports. The shareholder structure of "R.A.P.I." is as follows: 62.51% BP Hellenic A.E., 37.49% CORAL A.E. On 31.12.2018, the share capital of "R.A.P.I." amounted to € 926,750 divided into 37,070 common registered shares of nominal value € 25 each. Following the decision of the Ordinary General Assembly of the company shareholders dated on June 26th, 2019, the share capital increased by € 300,000 through the issuance of 12,000 new shares of nominal value € 25 each. The increase was affected by capitalization of reserves amounting to € 149,706.29 and by cash of € 150,293.71. CORAL A.E., as a shareholder holding 37.49% of the company voting rights, paid the amount of € 56,345.11, while the remaining amount was paid by BP Hellenic A.E. As a result of the above corporate action, the share capital of "R.A.P.I." on 31.12.2019 was equal to € 1,226,750 divided into 49,070 shares of nominal value € 25 each.

## **6. Shareholders**

The parent company of Coral Group was a 100% subsidiary of Shell Overseas Holdings Limited and a member of the Royal Dutch Shell Group until June 30, 2010. On July 1, 2010, the acquisition of 100% of the Company was completed by Motor Oil (Hellas) Corinth Refineries SA. Motor oil SA is a listed in the Athens Stock Exchange societe anonyme, based in Maroussi, Attica (12a Herodes Atticus, zip code: 151 24) which has been incorporated in Greece in accordance with the provisions of Codified Law 2190/1920.

The share capital of Coral SA amounts to € 80,150,976, consisting of 2,730,868 common registered shares with no right to a fixed income, of nominal value € 29.35 each. The Company's shares are not traded on any active stock market. On 31/12/2019 the company did not hold owned shares

## **7. Significant events incurred up until today**

Following the relative decisions of the Greek Government on March 2020 to impose a temporary ban on the operation of companies, in the whole range of economic activity, and the traffic restrictions that where imposed aiming to contain the spread of the Coronavirus, the Company, in this exceptional period, has set clear priorities:

- a. Protecting the health and safety of its employees, partners, customers and local communities in which it operates. In addition, where necessary, a special remote working plan was implemented for a significant number of employees, ensuring the smooth operation of all individual departments that were part of it.
- b. Taking measures to mitigate the impact of COVID-19 after the future resumption of business under normal circumstances and to protect the financial position of the Group and the Company.

Similar measures such as the ban of operating activities of Companies and traffic restrictions, have been taken from all Governments in countries that the Group operates.

The Coronavirus pandemic is anticipated to affect the entire Global and Greek economy and therefore the financial performance of both the Company and the Group in financial year 2020. The magnitude of the impact will depend on factors such as the duration of the pandemic, its possible recurrence in the year, the duration of the current restrictions and the implement of any further restrictions, as well as the financial consequences in other economic sectors after it is over. Therefore, the financial impact of COVID-19 on operations and the financial position of both the Group and the Company, is uncertain at this point of time and cannot be reliably estimated.

In addition, the drop in international fuel prices is expected to have a negative impact on the measurement of the Group's safety stock during 2020.

Regarding the retail network of gas stations, the Group's business model is based on gas station managers, whose compensation is directly linked with sales revenues generated in the gas station they manage. This model keeps costs in a relative low level, allowing the Group to efficiently manage any impact on its profitability.

Regarding the adequacy of cash flows, the Company examines all factors that contribute to the maintenance of sufficient working capital, the identification of cost saving areas and the readjustment of the investment plan, without negatively affecting the successful operation of both the Company and the Group in the short and long run.

The Company has such bank credit agreements which ensure the necessary liquidity required for the continuous operation of its individual activities and its capability to serve its current and non-current liabilities.

The Management team in cooperation with all senior executives, design and implement measures that ensure the smooth operating activity of the Company, taking actions where necessary, that secure its business going concern, trying to minimize the impact of COVID – 19.

## **8. Main Sources of Accounting Estimates' Uncertainty**

The preparation of the Consolidated Financial Statements requires the use of estimates and assumptions that may affect the carrying amounts of assets and liabilities and disclosures required for contingent assets and liabilities, as well as the amount of revenues and expenses recognized. The use of adequate information and the application of subjective judgment are an integral part of estimating asset valuations, employee benefits' obligations, impairment losses, open tax liabilities and pending court cases. Estimates are important but not binding. Actual future results may differ from the above estimates. The most significant sources of uncertainty in the management's accounting estimates mainly concern the disputed cases and tax unaudited fiscal years, as detailed in note 33 of the financial statements. Other sources of uncertainty are related to the Management's assumptions regarding employees' retirement benefit plans and rises in inflation rates. Also, a source of uncertainty is the estimation of the useful life of the fixed assets. Management's estimates and judgments, are continually being reviewed and are based on historical data and expectations for future events that are judged to be reasonable under current conditions.

## **9. Financial Risk Management**

Group's Management team has assessed the consequences regarding the management of economic risks that may arise due to the general conditions in Greek business environment. In general, as mentioned in management of overall risks below, management does not believe that any negative outcome in Greek economy will have a significant effect on the smooth operation of the Group.

## Financial risk factors

The Group is exposed to financial risks such as market risk (fluctuations in foreign exchange rates, cash flow risk and fair value from changes in interest rates and price risk), credit risk and liquidity risk. The general risk management plan of the Group pursues to minimize any potential negative effect stemming from the volatility of the financial markets.

In summary, the types of financial risks that arise are analyzed below.

### 9.1 Market risk

#### 9.1.1 Foreign exchange rate risk

The Group is mainly active in the Greek market and invoices in Euro. For foreign currency transactions, the Company is exposed to currency risk from the US Dollar. Because of this, there is a risk from fluctuations in exchange rates. Also, due to the use of international platts prices in US dollars for petroleum markets, the relative US Dollar / Euro exchange rate is an important factor in the Group's profit margins. Currency risk management is conducted by maximizing natural hedging through debt obligations - receivables and inflows - outflows in US dollars.

#### 9.1.2 Cash flow risk and fair value changes due to changes in interest rates

The Group has access to the domestic money market and is able to achieve competitive interest rates and borrowing terms. The risk stems mainly from the fact that the total borrowing of the Company uses floating interest rates.

At 31 December 2019, if the existing interest rates on loans were 1% higher or lower, keeping the other variables constant, the results for the Group and the Company for the year would be reduced / increased by approximately € 1.74 million and € 1.5 million, respectively.

#### 9.1.3 Price risk

The Group is exposed to price risk caused by fluctuations in oil prices due to stockpiling. It faces this risk by regulating stocks at the lowest possible levels and setting sales prices from the daily international prices.

### 9.2 Credit risk

Credit risk is primarily attributable to trade and other receivables, as the Group's cash and cash equivalents are deposited to well-known banking institutions.

Group receivables are allocated to a large number of customers and therefore there is no concentration and consequently significant credit risk. The Group has contracts for trading with its customers, which define that selling prices will be in line with the corresponding current prices prevailing during the trading period. In addition, the credit risk management department deals exclusively with the implementation of the Group's credit policy. Furthermore, in order to secure its receivables, the Group receives real estate's encumbrances from its clients, as well as bank guarantee letters where is deemed necessary.

Regarding credit risk associated with cash deposits, it is noted that the Group cooperates only with the largest financial institutions in the country with a high credit rating.

### 9.3 Liquidity risk

The Group prepares and monitors on a monthly basis a cash flow program that includes both operating and investing cash flows.

Prudent liquidity management is achieved by the availability of an appropriate mix of cash and bank credit. The Group manages the risks that may arise from lack of sufficient liquidity by ensuring that there are always secured bank credits for use by domestic banks or from foreign banks through the Group. The existing available unutilized approved bank credits to the Company are sufficient to address any potential cash deficit.

The table below analyzes the Group's liabilities according to the time horizon from the date of the statement of financial position to the contractual maturity date. The amounts shown are for contractual obligations.

## Group

Amounts in th. €

| 31/12/2019                  | Overall average<br>interest rate | Less than 1 year | From 1 to 2 years | From 2 to 5 years | More than 5<br>years |
|-----------------------------|----------------------------------|------------------|-------------------|-------------------|----------------------|
| Trade and other liabilities | 0,00%                            | 143.864          | -                 | -                 | -                    |
| Leases                      | 3,40%                            | 14.955           | 13.065            | 24.864            | 47.073               |
| Loans                       | 3,13%                            | 4.613            | 78.000            | 91.317            | -                    |
| Interest                    | -                                | 7.692            | 7.075             | 10.497            | 10.632               |

| 31/12/2018                  | Overall average<br>interest rate | Less than 1 year | From 1 to 2 years | From 2 to 5 years | More than 5<br>years |
|-----------------------------|----------------------------------|------------------|-------------------|-------------------|----------------------|
| Trade and other liabilities | 0,00%                            | 83.391           | -                 | -                 | -                    |
| Loans                       | 3,95%                            | 50.528           | -                 | 122.631           | -                    |
| Interest                    | -                                | 4.403            | 3.794             | 7.568             | -                    |

## Company

Amounts in th. €

| 31/12/2019                  | Overall average<br>interest rate | Less than 1 year | From 1 to 2 years | From 2 to 5 years | More than 5<br>years |
|-----------------------------|----------------------------------|------------------|-------------------|-------------------|----------------------|
| Trade and other liabilities | 0,00%                            | 123.004          | -                 | -                 | -                    |
| Leases                      | 3,40%                            | 8.560            | 8.220             | 20.515            | 38.699               |
| Loans                       | 3,17%                            | 1.690            | 60.000            | 88.846            | -                    |
| Interest                    | -                                | 6.517            | 6.155             | 9.191             | 7.589                |

| 31/12/2018                  | Overall average<br>interest rate | Less than 1 year | From 1 to 2 years | From 2 to 5 years | More than 5<br>years |
|-----------------------------|----------------------------------|------------------|-------------------|-------------------|----------------------|
| Trade and other liabilities | 0,00%                            | 72.359           | -                 | -                 | -                    |
| Loans                       | 3,93%                            | 48.572           | -                 | 115.655           | -                    |
| Interest                    | -                                | 4.179            | 3.570             | 7.363             | -                    |

## 9.3.1 Capital risk management

The Group's objectives in relation to capital management are to ensure its ability to operate smoothly in the future and to maintain an ideal capital structure thereby reducing capital costs. The Group's funds are judged to be satisfactory on the basis of the leverage ratio. This ratio is calculated by dividing net borrowing with total shareholders' equity.

|                                  | <u>Group</u>   |                | <u>Company</u> |                |
|----------------------------------|----------------|----------------|----------------|----------------|
| Amounts in th. €                 | 31/12/2019     | 31/12/2018     | 31/12/2019     | 31/12/2018     |
| Current Debt                     | 4.613          | 50.466         | 1.690          | 48.511         |
| Non-current Debt                 | 169.317        | 122.693        | 148.845        | 115.716        |
| Total Debt                       | 173.930        | 173.159        | 150.535        | 164.227        |
| Minus: cash and cash equivalents | (19.620)       | (17.676)       | (5.171)        | (5.263)        |
| <b>Net debt</b>                  | <b>154.310</b> | <b>155.483</b> | <b>145.364</b> | <b>158.964</b> |
| Total Shareholders' Equity       | 154.089        | 137.458        | 130.094        | 121.913        |
| <b>Total Capital employed</b>    | <b>308.399</b> | <b>292.941</b> | <b>275.458</b> | <b>280.877</b> |
| <b>Leverage ratio</b>            | <b>50%</b>     | <b>53%</b>     | <b>53%</b>     | <b>57%</b>     |

|                               | <u>Group</u>   |                | <u>Company</u> |                |
|-------------------------------|----------------|----------------|----------------|----------------|
| Amounts in th. €              | 31/12/2019     | 31/12/2018     | 31/12/2019     | 31/12/2018     |
| <b>Net debt</b>               | <b>154.310</b> | <b>155.483</b> | <b>145.364</b> | <b>158.964</b> |
| Current Lease liabilities     | 14.955         | -              | 8.560          | -              |
| Non-current Lease liabilities | 85.002         | -              | 67.434         | -              |
| <b>Net indebtedness</b>       | <b>254.267</b> | <b>155.483</b> | <b>221.358</b> | <b>158.964</b> |
| Total Shareholders' Equity    | 154.089        | 137.458        | 130.093        | 121.913        |
| <b>Total Capital employed</b> | <b>408.356</b> | <b>292.941</b> | <b>351.451</b> | <b>280.877</b> |
| <b>Leverage ratio</b>         | <b>38%</b>     | <b>53%</b>     | <b>41%</b>     | <b>55%</b>     |

## 10. Information on the Group's Projected Development

The Company's management team constantly examines all available information about COVID-19 and sets as primary objective for 2020 the protection of health and safety of its employees, partners, customers and local communities in which it operates.

In this context, it takes all necessary measures to confine the negative impact, of this worldwide health crisis, on both the financial position of the Company and the Group, by reassessing its expenses and focusing on its liquidity.

Under these circumstances, the Group has set the following objectives for year 2020:

The maintenance of positive cash flows from operating activities mainly through optimization of working capital management (inventories, trade receivables, trade payables) as well as rigorous selection and evaluation of investment opportunities.

The strict implementation of the credit policy in order to avoid the possibility of increased bad debts due to the difficult economic environment in which the Group operates, in combination with the fact that part of the economy will face liquidity problems due to COVID-19.

The reduction of operating costs primarily through further exploitation of synergies with the related companies of the Motor Oil Group and through optimizing the efficiency of the operation of fuel storage facilities.

The maintenance of Group's leadership in the provision of innovative products and services that help strengthen its competitive advantage and diversification in products, services and brands.

The development of its activities in the Balkans.

The further improvement of the already very high level of services provided in the network of our gas stations, through the continuous training of staff.

The maintenance of the highest level of safety in all Group's activities with continuous improvement of the existing practices, continuous personnel training in the high safety standards of the Group and equipment adequacy.

Maroussi, 22 April 2020

**BoD CHAIRMAN**

**BoD VICE-CHAIRMAN**

JOHN V. VARDINOYANNIS

GEORGE K. THOMADIS

**THE GENERAL MANAGER**

**BoD MEMBERS**

GEORGE N. HATZOPOULOS

JOHN N. KOSMADAKIS

PETROS TZ. TZANNETAKIS

GEORGE D. PROTOPSALTIS

NIKOLAOS A. GHIOKAS

NIKOLAOS G. DIKAIOS

KONSTANTINOS N. THANOPOULOS

NIKOLAOS P. TSALAMANDRIS

EXACT COPY FROM THE BoD MINUTES' BOOK

**THE BoD CHAIRMAN**

**THE GENERAL MANAGER**

JOHN V. VARDINOYANNIS

GEORGE N. HATZOPOULOS



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## CORPORATE GOVERNANCE STATEMENT (LAW 4548/2018)

The present statement that has been compiled according to the provisions of Law 4548/2018 (Government Gazette A' 104/13.6.2018) forms part of the Report of the Board of Directors of the year 2019 of "CORAL OIL AND CHEMICAL PRODUCTS SOCIETE ANONYME" (hereinafter referred to as CORAL SA) as a separate section of it and it is available through the Company's website <https://www.coralenergy.gr/en/>.

Part of the information included in the following topics, is included in the Report of the Board of Directors and the Notes of the year 2019 Financial Statements of "CORAL S.A.".

**a)** The board of directors of the Company declares that the Company has adopted and fully complies with the existing corporate governance framework which is in force in Greece and in particular in accordance with laws 4548/2018, which replaced law 2190/1920,3016/2002 and 4449/2017 (Audit Committee) as they apply, and that it has developed and implements a Code of Corporate Governance which was drafted pursuant to Law 4403/2016.

The Company has prepared a Corporate Governance Code, which was approved and entered into force by the decision of the Board of Directors dated 10.01.2018. The Corporate Governance Code includes chapters related with the Company's Board of Directors, the Directors and Board Members Remuneration Policy, the General Meetings, the relations with Shareholders and Investors, Accountability and Audit. The present Corporate Governance Code, with the indication "January 2018" is available through the company's website (<https://www.coralenergy.gr/en/for-the-customer/general-business-principles/>).

Furthermore, the Company has an Internal Operating Regulation, which was approved and entered into force by the decision of the Board of Directors dated 10/01/2018. The Internal Operating Regulation has the minimum content referred in article 6 of Law 3016/2002, as currently in force.

**b)** No practices additional to those provided by the law are applied as the Board of "CORAL S.A." deems the existing institutional and regulatory framework in place in our country as fully adequate.

**c)** With reference to the way of function of the Internal Control and Risk Management Systems of the Company in relation to the process of preparation of Company financial statements, it is hereby mentioned that the reporting system of "CORAL S.A." utilizes a professional and highly advanced software for reporting to the top management of the Company and to external users. Comprehensive Income and Financial Position Statements along with other relevant analyses are prepared on a stand alone and consolidated basis on a monthly basis for top management, on a quarterly basis for parent company (MOTOR OIL (HELLAS) CORINTH REFINERIES SA) and on a semi – annually basis for statutory reporting purposes in accordance to IFRS. Both management and statutory reporting include all the necessary information pertinent to an up-to-date controlling system, including sales, costs, operating profit and other details. All management reports include current period data which are compared to the budget that was approved by the BoD and to the Previous Year comparative reporting period. All the statutory interim and year end reporting financial statements are prepared in accordance to IFRS, include all the necessary financial information and disclosures according to IFRS, are respectively reviewed by the Audit Committee and duly approved by the BoD as a whole.

d) The table below shows the share composition of the Company as at 31/12/2019:

| Shareholders                               | No of shares     | Participation Percentage |
|--|------------------|--------------------------|
| MOTOR OIL (HELLAS) CORINTH REFINERIES S.A. | 2.730.868        | 100%                     |
| <b>Total</b>                               | <b>2.730.868</b> | <b>100%</b>              |

The Group's share capital amounts to € 80,151 thousand and is divided into 2,730,868 shares of € 29.35 each. All shares are common and registered.

The rights of the shareholders are exercised in accordance with the applicable law and the Company's Articles of Association. The Company's shareholders exercise their rights (deriving from the law and the Article of Association) according to their percentage over the Company's share capital. The Company declares that it complies with the corporate governance requirements to ensure that the control exercised by MOTOR OIL (HELLAS) CORINTH REFINERIES SA is not abusive.

The Company declares that on 31.12.2019 is not aware of any agreement, the application of which at a later date, could lead to changes in the control of the Company. The Company, is not aware of any information regarding agreements between its shareholder which regulate matters of direct or indirect control over it.

e) The General Assembly of Shareholders is the Company's highest governing body and is entitled to decide on any matter concerning the Company. Its lawful decisions also bind the shareholders who are absent or disagree.

The General Assembly of Shareholders is the only body competent to decide on:

a) Extension of the duration, merger or dissolution of the Company, b) Amendment of the Articles of Association, c) Increase or decrease of the Share Capital, except for special cases, d) issue of a bond loan, except for special cases, e) Election of members of the Board of Directors, except of special cases, (f) Election of auditors, (g) Appointment of liquidators, h) Distribution of net profits and i) Approval of the annual financial statements.

The General Assembly of Company's shareholders is convened by the Board of Directors and regularly meets at Company's premises at least once a year, in accordance with Company's Article of Association and the applicable law. The Board of Directors may convene an Extraordinary General Assembly when it deems it appropriate.

The General Assembly is in quorum and validly meets on the items of the agenda when at least 20% of the paid-up share capital is represented in it. If such a quorum does not occur at the first meeting, a second assembly shall be held within twenty (20) days of the cancelled assembly (with an invitation at least ten – 10 – days before). This second Assembly is in quorum and validly meets on the items of the agenda regardless of the part of the paid-up share capital represented in it.

The decisions of the General Meeting are taken by an absolute majority of the votes represented in it, except in the cases provided by the applicable legislation and the Articles of Association of the Company.

The exact manner of operation of the General Assembly of Shareholders of the Company is recorded in detail in the Articles of Association of the Company and the applicable legislation.

f) According to article 18 of the Company's Articles of Association, the Board of Directors consists of three (3) up to eleven (11) members. The members of the Board of Directors are elected by the General Assembly of the Company's shareholders for a term of three (3) years, which automatically extends through the first ordinary General Assembly after the end of their term of office, which may not exceed four (4) years. The members of the Board of Directors may be re-elected. If, for any reason, a member's seat is vacated, then, the remaining members, if they are at least three, shall be elect a deputy for the remaining term of office of the BoD. This election shall be announced at the first convened General Assembly, which may replace the elected, even if no relevant manner has been entered in the agenda. The acts of temporary members elected by the Board of Directors



are considered valid even if their election by the General Assembly is not yet validated. At the meetings of the Board of Directors, they may attend - if they have been invited - employees or associates of the Company, as well as legal or technical advisors with no voting rights.

The Company's current Board of Directors was elected at the Annual General Assembly of Shareholders' held on 28.06.2019 and is composed of ten (10) members, of which four (4) are executive and six (6) are non-executive members. Two (2) of non – executive members are independent, within the meaning of Law 3016/2002.

In particular, the current composition of the Board of Directors as it formed after its constitution under the Board of Directors' decision of 28.06.2019 is as follows:

| Name                        | Board Position       | Member Identity                  |
|-----------------------------|----------------------|----------------------------------|
| John V. Vardinoyannis       | Chairman             | Executive Member                 |
| George K. Thomaidis         | Vice Chairman        | Executive Member                 |
| George N. Hatzopoulos       | Managing Director    | Executive Member                 |
| John N. Kosmadakis          | Member               | Non executive Member             |
| Petros Tz. Tzannetakis      | Member               | Non executive Member             |
| George D. Protopsaltis      | Member               | Non executive Member             |
| Nikolaos G. Dikaïos         | Member and Secretary | Executive Member                 |
| Nikolaos A. Giokas          | Member               | Non executive Member             |
| Nikolaos P. Tsalamandris    | Member               | Non executive-Independent Member |
| Konstantinos N. Thanopoulos | Member               | Non executive-Independent Member |

The term of office of the members of the Board of Directors, in accordance with the decision of the Annual General Assembly of Shareholders dated 28/06/2019, was set at three (3) years, ie until 28/06/2022 and may be extended until the first Ordinary General Assembly of the Company's shareholders after its expiration, but cannot exceed four (4) years.

In accordance with the applicable legislation, the Corporate Governance Code and the Company's Articles of Association, the Board of Directors determines by decision the responsibilities of its executive and non-executive members, as well as the establishment of committees.

The Board of Directors has the management (administration and disposal) of the Company's property and the representation of the Company. It decides on all general matters concerning the Company within the framework of the corporate purposes, with the exception of those which according to the law or the Articles of Association belong to the exclusive competence of the General Assembly.

The Board of Directors may entrust the exercise of any of its powers and responsibilities in whole or in part (other than those requiring collective action) and the representation of the Company in general, to one or more persons, members or employees of the company or third parties, defining the scope or terms of such assignment. It may also appoint their alternates in case of their absence or impediment. However, the responsibilities of the Board of Directors are subject to the relevant articles of Law 4548/2018, as in force.

According to article 20 of the Company's Articles of Association, the Board of Directors immediately after its election, meets and is constituted in a body, electing the President and its Secretary and, one or more Vice-Presidents. Any third person or non-member of the Board of Directors may be elected as a Secretary.

The Chairman of the Board of Directors directs the meetings. The Chairman, when absent or impeded, overrides his / her responsibilities to the Vice-Chairman and when absent or impeded, to the Chief Executive Officer or any of the Directors, in accordance with the decision of the Board of Directors.

The Board of Directors meets at least once a month at the Company's headquarters or at the Municipality of Athens. It shall be convened at any time by its chairman or at the request of two of its members. A member absent may be represented by another member. Each counselor may represent only one counselor absent.

The Board of Directors is in quorum and validly meets when present or represented in this half plus one of the members, but the number of present members may not be less than three (3). Decisions of the Board of Directors are taken by an absolute majority of the members present and those represented, except for special cases of the Company's Articles of Association, where a majority of at least two-thirds (2/3) of the members is required.

The minutes and the decisions of the Board of Directors are recorded in minutes, which are signed by the chairman and the members present at the meeting. Members do not have the right to refuse to sign the minutes of the meetings they attended. In case of refusal, a summary of the opinion of the refusing member is recorded in the minutes. Copies and extracts from the minutes of the Board of Directors shall be validated by the Chairman or his deputy or a person appointed by the Board of Directors by decision.

The exact manner of operation of the Company's Board of Directors is described in detail in the Company's Articles of Association and the applicable law.

g) The following committees operate within the Company:

#### **Organization of Corporate Governance & Remuneration Committee**

##### **Audit Committee**

#### **Organization of Corporate Governance & Remuneration Committee**

The Organization of Corporate Governance & Remuneration Committee operates within the framework of the Board of Directors. The Board of Directors has, on the one hand, assigned staffing and remuneration to the Committee to ensure that senior executives and directors are rewarded in a manner consistent with the company's remuneration policy, competition, current institutional framework for employment and the interests of shareholders; on the other hand, to monitor the implementation of the corporate governance requirements, to inform the Company's Management of the developments of the current regulatory framework and to propose optional practices of Corporate Governance to Management.

The current composition of the Corporate Governance and Remuneration Committee consists of three (3) members of the Board of Directors. The Corporate Governance and Remuneration Committee is composed of the following members of the Board of Directors of the Company, pursuant to the decision of the Board of Directors dated 28.06.2019: Mr George K. Thomaidis, Mr George N. Hatzopoulos and Mr Nikolaos G. Dikaos.

##### **Audit Committee**

##### **Purpose and Responsibilities**

The Audit Committee was set up with the primary objective of assisting the Company's Board of Directors in fulfilling its supervisory responsibilities related to the financial reporting process, the effectiveness of internal control systems to ensuring quality and risk management related to the Company, the independence of the statutory auditor, as well as the review of the statutory audit of the annual and consolidated financial statements.

In particular, the Audit Committee, among others:

a) Briefing the Board for the result of the statutory audit, explaining the contribution of this audit on the truthfulness of the financial information and what was the role of Audit Committee in this process,

- b) Monitoring the process of the financial reporting and submitting recommendations or proposals in order to secure its integrity,
- c) Supervising the effective operation of the Company's Internal Control and Risk Management Systems and, as the case may be, of the Internal Audit Department with regard to the financial information of the audited entity without affecting its independence,
- d) Observing the statutory audit of the yearly stand alone and consolidated financial statements and, particularly, the performance of this audit,
- e) Supervising and overseeing the independence of the statutory auditors or of the auditing firms and especially the rightness of the non-financial services provided to the Company,
- f) Having the responsibility for the selection process and the submission of the recommendation to the Board regarding the appointment of the statutory auditors or of the auditing firms.

In addition, the Audit Committee monitors and insures the proper functioning of the Internal Audit Dpt in accordance with professional standards and the applicable legal and regulatory framework, and evaluates its work, adequacy and effectiveness, without affecting its independence.

Where appropriate, the Audit Committee submits proposals to the Board of Directors to ensure that the Internal Audit Dpt has the necessary means, is adequately staffed with sufficient knowledge, experience and training, there are no limitations on its work and has the required independence.

In any case, the Audit Committee operates under the existing legislation and according to the provisions of its Articles of Association, which has been approved on 10.01.2018 by decision of the Company's Board of Directors.

#### Composition

The Audit Committee is a committee of the Company's Board of Directors, in accordance with the definitions in article 44 par. (b) of Law 4449/2017 and is composed of three (3) members, who are non-executive members of the Board of Directors and independent non-executive members of the Board of Directors. Most of them are independent of the Company. All members of the Audit Committee are appointed by the General Assembly of the Company's shareholders. The Chairman of the Committee is appointed by its members (or elected by the General Assembly of Company Shareholders) and is also independent of the Company. Members' term of office is annual and is renewed annually at the Annual General Assembly of Company Shareholders. The Audit Committee may also have a substitute member.

The members of the Audit Committee, as a whole, have proven sufficient knowledge of the sector of petroleum and chemicals products, in which the Company operates. At least one (1) member of the Audit Committee has in this case proven sufficient knowledge in auditing and accounting, as required by the provisions of the last paragraph of Article 44 (1) of Law 4449/2017, in order the Audit Committee to fulfill specific responsibilities related to paragraph 3 of Article 44 of Law 4449/2017. The evaluation of the candidate members of the Audit Committee is carried out, each time, by the Board of Directors of the Company.

The Audit Committee consists of the following independent non-executive and non-executive members of the Board of Directors of the Company, which were elected by the decision of the Ordinary General Assembly of Company Shareholders dated 28.06.2019:

1. Chairman - Independent Non-Executive Member of the BoD: Konstantinos N.Thanopoulos,
2. Member - Independent Non-Executive Member of the BoD: Nikolaos P. Tsalamandris,
3. Member- Non-Executive Member of the BoD: George D. Protopsaltis

Substitute member: Nikolaos A. Giokas.

**h)** The Company opts to maintain a Board with a number of Directors notably greater than the minimum of three (3) provided by the Company Articles of Association so that a wide array and range of knowledge, qualifications and experience conducive to corporate goals are represented in it. At the same time ensuring, to the degree this is feasible, a relative balance between the number of executive and non - executive members. There is no limiting factor related to age, gender, educational and professional background regarding the people appointed at the Company's administrative, management and supervisory bodies, but they are evaluated in order to ensure the integrity of each Company's operation.

# **Coral**



**Shell Licensee**

## **Coral Group of Companies**

### **ANNUAL FINANCIAL STATEMENTS**

**IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS THEY HAVE BEEN ADOPTED BY THE  
EUROPEAN UNION**

**FOR THE FISCAL YEAR 1 JANUARY – 31 DECEMBER 2019  
OF THE GROUP AND THE PARENT COMPANY  
CORAL OIL AND CHEMICAL PRODUCTS SOCIETE ANONYME**

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The financial statements of the Group and the Company, pages 4 to 52, were approved at the Board of Directors' meeting on Wednesday, April 22, 2020 and are subject to the approval of the Annual General Meeting of Shareholders.

## Statement of Total Comprehensive Income for the year ended on 31<sup>st</sup> of December 2019

| Amounts in th. €  | Note | Group              |                    | Company            |                    |
|---|------|--------------------|--------------------|--------------------|--------------------|
|   |      | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <b>Revenue</b>  | 5    | 2.328.175          | 2.189.986          | 2.075.256          | 1.976.181          |
| Cost of sales   |      | (2.135.919)        | (2.010.531)        | (1.984.060)        | (1.880.636)        |
| <b>Gross profit</b>   |      | <b>192.256</b>     | <b>179.455</b>     | <b>91.196</b>      | <b>95.544</b>      |
| Distribution expenses   | 6    | (144.725)          | (131.812)          | (71.250)           | (70.247)           |
| Administration expenses   | 6    | (13.178)           | (12.929)           | (11.380)           | (10.397)           |
| Other operating income  | 8    | 3.798              | 3.688              | 10.881             | 10.431             |
| Other gain/ (losses)  | 9    | 154                | (192)              | 466                | (79)               |
| <b>Operating results</b>  |      | <b>38.305</b>      | <b>38.210</b>      | <b>19.913</b>      | <b>25.253</b>      |
| Financial expenses  | 10   | (15.559)           | (13.033)           | (8.636)            | (7.450)            |
| Income from investments   | 11   | 402                | 364                | 5.417              | 12.507             |
| Profit from associates  | 11   | 5.697              | 4.617              | -                  | -                  |
| <b>Profit/(Losses) before tax</b>                                       |      | <b>28.845</b>      | <b>30.158</b>      | <b>16.694</b>      | <b>30.310</b>      |
| Income tax  | 12   | (8.258)            | (9.668)            | (4.482)            | (6.264)            |
| <b>Net profit /(losses) for the year after tax</b>                      |      | <b>20.587</b>      | <b>20.490</b>      | <b>12.212</b>      | <b>24.046</b>      |
| Attributable to the shareholders of the Company                         |      | 20.963             | 20.689             | 12.212             | 24.046             |
| Non-controlling interests   |      | (376)              | (199)              | -                  | -                  |
| Profit /(losses) per share in €   | 13   | <b>7,68</b>        | <b>7,58</b>        | <b>4,47</b>        | <b>8,81</b>        |
| <b>Other comprehensive income</b>                                       |      |                    |                    |                    |                    |
| <b>Items that they will be reclassified subsequently to p&amp;I</b>     |      |                    |                    |                    |                    |
| Other comprehensive income  |      | 79                 | (80)               | -                  | -                  |
| <b>Items that they will not be reclassified subsequently to p&amp;I</b> |      |                    |                    |                    |                    |
| Actuarial gain /(losses) from pension schemes                           | 29   | (577)              | 56                 | (576)              | 56                 |
| Other comprehensive income  |      | (3)                | (1)                | -                  | -                  |
| Income tax  | 12   | 138                | 41                 | 138                | 41                 |
| <b>Total comprehensive income</b>                                       |      | <b>20.224</b>      | <b>20.506</b>      | <b>11.774</b>      | <b>24.143</b>      |
| Attributable to the shareholders of the Company                         |      | <b>20.600</b>      | <b>20.705</b>      | <b>11.774</b>      | <b>24.143</b>      |
| Non-controlling interests   |      | <b>(376)</b>       | <b>(199)</b>       | <b>-</b>           | <b>-</b>           |

The notes in pages 8 until 52 constitute integral part of these financial statements.



## Statement of Financial Position on 31<sup>st</sup> of December 2019

| Amounts in th.€                                    | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 31/12/2019     | 31/12/2018     | 31/12/2019     | 31/12/2018     |
| <b>ASSETS</b>                                      |      |                |                |                |                |
| <b>Non-current assets</b>                          |      |                |                |                |                |
| Property, Plant and Equipment                      | 14   | 160.733        | 149.079        | 140.834        | 130.320        |
| Intangible assets                                  | 15   | 10.310         | 10.020         | 7.951          | 8.453          |
| Right of use assets                                | 16   | 111.361        | -              | 87.367         | -              |
| Investments in subsidiaries                        | 17   | -              | -              | 20.386         | 20.236         |
| Investments in associates                          | 17   | 9.348          | 8.269          | 3.071          | 3.015          |
| Other long-term receivables                        | 19   | 6.150          | 17.191         | 5.878          | 16.553         |
| Other financial assets                             | 18   | 500            | 500            | -              | -              |
| <b>Total Non-current assets</b>                    |      | <b>298.402</b> | <b>185.059</b> | <b>265.487</b> | <b>178.577</b> |
| <b>Current Assets</b>                              |      |                |                |                |                |
| Inventories  | 20   | 132.890        | 101.674        | 97.164         | 77.206         |
| Trade and other short term receivables             | 21   | 137.107        | 106.205        | 126.815        | 112.147        |
| Cash and cash equivalents                          | 22   | 19.620         | 17.676         | 5.171          | 5.263          |
| <b>Total current assets</b>                        |      | <b>289.617</b> | <b>225.555</b> | <b>229.150</b> | <b>194.616</b> |
| <b>Total Assets</b>                                |      | <b>588.019</b> | <b>410.614</b> | <b>494.637</b> | <b>373.193</b> |
| <b>EQUITY AND LIABILITIES</b>                      |      |                |                |                |                |
| <b>Equity</b>                                      |      |                |                |                |                |
| Share capital                                      | 23   | 80.151         | 80.151         | 80.151         | 80.151         |
| Reserves   | 24   | 40.036         | 30.987         | 38.280         | 29.637         |
| Retained earnings                                  |      | 31.793         | 23.835         | 11.663         | 12.125         |
| <b>Equity attributable to company shareholders</b> |      | <b>151.980</b> | <b>134.973</b> | <b>130.094</b> | <b>121.913</b> |
| Non-controlling interests                          |      | 2.109          | 2.485          | -              | -              |
| <b>Total Equity</b>                                |      | <b>154.089</b> | <b>137.458</b> | <b>130.094</b> | <b>121.913</b> |
| <b>LIABILITIES</b>                                 |      |                |                |                |                |
| <b>Non-current Liabilities</b>                     |      |                |                |                |                |
| Loans  | 25   | 169.317        | 122.693        | 148.845        | 115.716        |
| Lease liabilities                                  | 26   | 85.002         | -              | 67.434         | -              |
| Deferred tax liabilities                           | 28   | 762            | 916            | 1.756          | 1.403          |
| Provision for retirement benefit obligation        | 29   | 6.898          | 6.217          | 6.884          | 6.207          |
| Provisions   | 30   | 1.712          | 1.933          | 576            | 902            |
| Other long-term liabilities                        | 32   | 6.116          | 5.595          | 5.105          | 4.634          |
| <b>Total non-current liabilities</b>               |      | <b>269.807</b> | <b>137.354</b> | <b>230.600</b> | <b>128.862</b> |
| <b>Current liabilities</b>                         |      |                |                |                |                |
| Trade and other liabilities                        | 31   | 143.865        | 83.391         | 123.003        | 72.359         |
| Loans  | 25   | 4.613          | 50.466         | 1.690          | 48.511         |
| Lease liabilities                                  | 26   | 14.955         | -              | 8.560          | -              |
| Income taxes                                       | 27   | -              | 1.260          | -              | 863            |
| Provision for retirement benefit obligation        | 29   | 151            | 120            | 151            | 120            |
| Provisions   | 30   | 539            | 565            | 539            | 565            |
| <b>Total current liabilities</b>                   |      | <b>164.123</b> | <b>135.802</b> | <b>133.943</b> | <b>122.418</b> |
| <b>Total Liabilities</b>                           |      | <b>433.930</b> | <b>273.156</b> | <b>364.543</b> | <b>251.280</b> |
| <b>Total Equity and Liabilities</b>                |      | <b>588.019</b> | <b>410.614</b> | <b>494.637</b> | <b>373.193</b> |

The notes in pages 8 until 52 constitute integral part of these financial statements.

## Statement of Changes in Equity for the year ended on 31 December 2019

### Group

| Amounts in th. €   | Share capital | Other reserves | Retained earnings | attributable to shareholders | Non-controlling interests | Total equity   |
|--|---------------|----------------|-------------------|------------------------------|---------------------------|----------------|
| <b>Balance 1 January 2018</b>                            | <b>80.151</b> | <b>26.488</b>  | <b>8.981</b>      | <b>115.620</b>               | 2.684                     | <b>118.304</b> |
| Effect of changes in accounting policy (IFRS 9 adoption) | -             | -              | (1.352)           | (1.352)                      | -                         | (1.352)        |
| <b>Adjusted Balance 1 January 2018</b>                   | <b>80.151</b> | <b>26.488</b>  | <b>7.629</b>      | <b>114.268</b>               | <b>2.684</b>              | <b>116.952</b> |
| Net profit for the year                                  | -             | -              | 20.689            | 20.689                       | (199)                     | 20.490         |
| Dividends' reserves                                      | -             | 3.587          | (3.587)           | -                            | -                         | -              |
| Transfer   | -             | 913            | (913)             | -                            | -                         | -              |
| Other total comprehensive income                         | -             | (1)            | 17                | 16                           | -                         | 16             |
| <b>Balance 31 December 2018</b>                          | <b>80.151</b> | <b>30.987</b>  | <b>23.835</b>     | <b>134.973</b>               | <b>2.485</b>              | <b>137.458</b> |
| <b>Balance 1 January 2019</b>                            | <b>80.151</b> | <b>30.987</b>  | <b>23.835</b>     | <b>134.973</b>               | <b>2.485</b>              | <b>137.458</b> |
| Net profit for the year                                  | -             | -              | 20.963            | 20.963                       | (376)                     | 20.587         |
| Dividends' reserves                                      | -             | 11.599         | (11.599)          | -                            | -                         | -              |
| Transfer   | -             | 1.046          | (1.046)           | -                            | -                         | -              |
| Other total comprehensive income                         | -             | (3)            | (360)             | (363)                        | -                         | (363)          |
| Dividends  | -             | (3.593)        | -                 | (3.593)                      | -                         | (3.593)        |
| <b>Balance 31 December 2019</b>                          | <b>80.151</b> | <b>40.036</b>  | <b>31.793</b>     | <b>151.980</b>               | <b>2.109</b>              | <b>154.089</b> |

### Company

| Amounts in th. €   | Share capital | Other reserves | Retained earnings | attributable to shareholders |
|--|---------------|----------------|-------------------|------------------------------|
| <b>Balance 1 January 2018</b>                            | <b>80.151</b> | <b>25.389</b>  | <b>(6.775)</b>    | <b>98.765</b>                |
| Effect of changes in accounting policy (IFRS 9 adoption) | -             | -              | (995)             | (995)                        |
| <b>Adjusted Balance 1 January 2018</b>                   | <b>80.151</b> | <b>25.389</b>  | <b>(7.770)</b>    | <b>97.770</b>                |
| Net profit for the year                                  | -             | -              | 24.046            | 24.046                       |
| Dividends' reserve                                       | -             | 3.587          | (3.587)           | -                            |
| Transfer   | -             | 661            | (661)             | -                            |
| Other total comprehensive income                         | -             | -              | 97                | 97                           |
| <b>Balance 31 December 2018</b>                          | <b>80.151</b> | <b>29.637</b>  | <b>12.125</b>     | <b>121.913</b>               |
| <b>Balance 1 January 2019</b>                            | <b>80.151</b> | <b>29.637</b>  | <b>12.125</b>     | <b>121.913</b>               |
| Net profit for the year                                  | -             | -              | 12.212            | 12.212                       |
| Dividends' reserve                                       | -             | 11.599         | (11.599)          | -                            |
| Transfer   | -             | 637            | (637)             | -                            |
| Other total comprehensive income                         | -             | -              | (438)             | (438)                        |
| Dividends  | -             | (3.593)        | -                 | (3.593)                      |
| <b>Balance 31 December 2019</b>                          | <b>80.151</b> | <b>38.280</b>  | <b>11.663</b>     | <b>130.094</b>               |

The notes in pages 8 until 52 constitute integral part of these financial statements.

## Statement of Cash Flows for the year ended 31 December 2019

|   |      | Group              |                    | Company            |                    |
|---|------|--------------------|--------------------|--------------------|--------------------|
|   |      | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| Amounts in th. €  | Note |                    |                    |                    |                    |
| <b>Operating activities</b>   |      |                    |                    |                    |                    |
| Net profit / (losses) before taxes  |      | 28.845             | 30.158             | 16.694             | 30.310             |
| Adjustments for:  |      |                    |                    |                    |                    |
| Depreciation of Property, Plant and Equipment   | 14   | 13.521             | 12.419             | 11.073             | 10.194             |
| Amortization of intangible assets   | 15   | 2.437              | 2.421              | 2.046              | 2.131              |
| Depreciation of right of use assets   | 16   | 17.469             | -                  | 11.549             | -                  |
| Losses/ (gain) from fixed assets write off  | 9    | 20                 | 33                 | 21                 | 20                 |
| Provisions  |      | 1.307              | (39)               | 1.248              | 468                |
| Exchange rate differences   |      | (321)              | 31                 | (241)              | 41                 |
| Interest and related expenses   | 10   | 15.559             | 13.033             | 8.636              | 7.450              |
| (Income- gain)/expenses- losses from investing activities   | 11   | (6.099)            | (4.972)            | (5.417)            | (12.498)           |
| <b>Cash inflows/(outflows) from operating activities before changes in working capital accounts</b> |      | <b>72.738</b>      | <b>53.084</b>      | <b>45.609</b>      | <b>38.116</b>      |
| <b>Changes in the working capital accounts</b>  |      |                    |                    |                    |                    |
| (Increase)/ decrease of inventories   |      | (31.216)           | (1.993)            | (19.958)           | 3.765              |
| (Increase)/ decrease of receivables   |      | (34.807)           | 4.263              | (17.328)           | (3.887)            |
| Increase/ (decrease) of payables  |      | 60.370             | (21.221)           | 51.511             | (23.677)           |
| <b>Cash flows from operating activities</b>   |      | <b>67.085</b>      | <b>34.133</b>      | <b>59.834</b>      | <b>14.317</b>      |
| Interest paid   |      | (13.748)           | (11.872)           | (8.117)            | (6.427)            |
| Income tax paid   |      | (10.787)           | (6.301)            | (7.009)            | (2.725)            |
| <b>Net cash inflows/(outflows) from operating activities</b>  |      | <b>42.550</b>      | <b>15.960</b>      | <b>44.708</b>      | <b>5.165</b>       |
| <b>Cash flows from investing activities</b>   |      |                    |                    |                    |                    |
| Purchase of Property, Plant and Equipment   | 14   | (25.725)           | (26.659)           | (22.076)           | (21.698)           |
| Purchase of Intangible assets   | 15   | (2.276)            | (1.166)            | (1.258)            | (393)              |
| Sales of Property, Plant and Equipment  |      | 93                 | 22                 | 175                | 5                  |
| Interest received   |      | 116                | 25                 | 297                | 11                 |
| Acquisition of subsidiaries, associates, joint ventures and other investments                       |      | (56)               | -                  | (206)              | (400)              |
| Dividends received  | 11   | 4.753              | 3.997              | 4.753              | 11.996             |
| <b>Net cash inflows/(ouflows) from investing activities</b>   |      | <b>(23.095)</b>    | <b>(23.781)</b>    | <b>(18.315)</b>    | <b>(10.479)</b>    |
| <b>Cash flows from financing activities</b>   |      |                    |                    |                    |                    |
| Loans received  |      | 55.190             | 106.971            | 39.713             | 103.539            |
| Loans repaid  |      | (54.913)           | (104.479)          | (53.883)           | (101.956)          |
| Repayments of leases  |      | (14.195)           | -                  | (8.722)            | -                  |
| Dividends paid  |      | (3.593)            |                    | (3.593)            |                    |
| <b>Net cash inflows/(ouflows) from financing activities</b>   |      | <b>(17.511)</b>    | <b>2.492</b>       | <b>(26.485)</b>    | <b>1.583</b>       |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   |      | <b>1.944</b>       | <b>(5.329)</b>     | <b>(92)</b>        | <b>(3.731)</b>     |
| Cash and cash equivalents at the beginning of the year  |      | 17.676             | 23.005             | 5.263              | 8.994              |
| Cash and cash equivalents at the end of the year  | 22   | 19.620             | 17.676             | 5.171              | 5.263              |

The notes in pages 8 until 52 constitute integral part of these financial statements.

# Notes on the financial statements in accordance with International Financial Reporting Standards

## 1. General information

Coral S.A Oil and Chemical products company (the Company) is the Parent Company of Coral Group (the Group). The Group operates in Greece in the petroleum sector. Its main activities concern the trading of petroleum products, the blending, packaging and trading of mineral oils and related products. It also provides related services which complement or serve the purposes of the aforementioned activities or general purposes of the Group.

Coral S.A is based in Maroussi (12A Irodou Attikou str., zip code 151 24) and is incorporated in Greece in accordance with the provisions of Codified Law 2190/1920. The company was originally incorporated under the name Shell Hellas S.A. and changed its name on June 29, 2010 according to decision 7803/10 of Athens Prefecture.

The Company was a 100% subsidiary of Shell Overseas Holdings Limited and a member of the Royal Dutch Shell Group until June 30, 2010. On July 1, 2010, Motor Oil (Hellas) Corinth Refineries SA, acquired 100% of the Company's stake. Motor Oil (Hellas) Corinth Refineries SA is a listed company on the Athens Stock Exchange.

The number of staff employed by the Group and the Company on 31 December 2019 amounted to 318 people and 283 people respectively (31 December 2018: Group 313 people, Company 276 people).

The site of the group is <https://www.coralenergy.gr/en/>

## 2. New standards, amendments to standards and interpretations

### New standards, amendments of existing standards and interpretations:

Specifically, new standards, amendment to existing standards and interpretations have been issued, which are obligatory for accounting periods beginning during the present fiscal year or at a future time, and have an impact in the Group's financial data. The Group's appraisal regarding the effects from adopting new standards, amendment to existing standards and interpretations is analyzed below.

### 2.1. Standards and Interpretations mandatory for Fiscal Year 2019

#### 2.1.1. Changes in accounting policies

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The new lease standard applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. The standard supersedes the following Standards and Interpretations:

- IAS 17 Leases
- IFRIC 4 Determining whether an Arrangement contains a Lease
- SIC-15 Operating Leases—Incentives; and
- SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

IFRS 16 introduces significant changes to lessee accounting in the sense that it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, and continue to require a lessor to classify a lease either as an operating lease or a finance lease. However, under IFRS 16, an intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease and not by reference to the underlying asset. In addition, IFRS 16 provides guidance on the accounting for sale and leaseback transactions. Extensive

disclosures are also required by the new Standard.

The Group adopted IFRS 16 as of 1 January 2019 using the modified retrospective approach. All modifications made at the date of transition to IFRS 16 were recognized as adjustments in the opening balances of the respective captions of the Group's statement of financial position (Note 2.1.2) as of 1 January 2019 without restating the comparative figures.

### 2.1.2. Impact of adoption of IFRS 16

Under the provisions of IAS 17, the Group classified each of its leases (as a lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group has opted to recognize a lease expense on a straight-line basis for short-term leases and leases of low value assets.

The Group has not made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease and related guidance in IFRS 16 has been applied to all lease contracts that were effective as of 1 January 2019. The reassessment did not change significantly the scope of the contracts that meet the definition of a lease for the Group. In applying IFRS 16, the Group also elected to use the following practical expedients available by the standard at the date of initial application: (a) the exclusion of initial direct costs from the measurement of the right-of-use asset, (b) reliance on the assessment made before the date of initial application on whether leases are onerous by applying the provisions of IAS 37 and (c) the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

After excluding the short-term leases and leases of low-value assets, the Group recognized a right-of-use assets and corresponding lease liabilities for all leases previously classified as operating. The right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for prepayments previously recognized. There were no onerous lease contracts that would have required an adjustment to the right-of-use asset at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. For leases previously classified as finance leases, the Group recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.

The effect of adoption IFRS 16 as at 1 January 2019 (increase / (decrease)) is as follows:

| Amounts in th.€                        | Ref. | Group          | Company        |
|--|------|----------------|----------------|
| <b>ASSETS</b>                          |      |                |                |
| <b>Non-current assets</b>              |      |                |                |
| Right of use assets                    | (i)  | 106.508        | 84.510         |
| Other long-term receivables            | (ii) | (10.009)       | (10.009)       |
| <b>Total Non-current assets</b>        |      | <b>96.499</b>  | <b>74.501</b>  |
| <b>Current Assets</b>                  |      |                |                |
| Trade and other short term receivables | (ii) | (2.217)        | (1.894)        |
| <b>Total current assets</b>            |      | <b>(2.217)</b> | <b>(1.894)</b> |
| <b>Total Assets</b>                    |      | <b>94.282</b>  | <b>72.607</b>  |
| <b>LIABILITIES</b>                     |      |                |                |
| <b>Non-current Liabilities</b>         |      |                |                |
| Lease liabilities                      | (i)  | 81.530         | 63.652         |
| <b>Total non-current liabilities</b>   |      | <b>81.530</b>  | <b>63.652</b>  |
| <b>Current liabilities</b>             |      |                |                |
| Lease liabilities                      | (i)  | 12.752         | 8.955          |
| <b>Total current liabilities</b>       |      | <b>12.752</b>  | <b>8.955</b>   |
| <b>Total Liabilities</b>               |      | <b>94.282</b>  | <b>72.607</b>  |
| <b>Total Equity and Liabilities</b>    |      | <b>94.282</b>  | <b>72.607</b>  |

- I. The application of IFRS 16 to leases previously classified as operating leases resulted in the recognition of right-of-use assets and lease liabilities.
- II. The carrying amount of those previously recognized lease prepayments was reclassified from the captions “Other non-current assets” and “Trade & other receivables” respectively to the caption “Right-of-use assets”.

The reconciliation schedule between the operating lease commitments disclosed in the Group’s annual financial statements as of 31 December 2018 according to IAS 17 and the lease liabilities recognized in the statement of financial position as of 1 January 2019 according to IFRS 16 is presented in the following table:

| <i>Amounts in th.€</i>   | <b>Group</b>   | <b>Company</b> |
|--|----------------|----------------|
| <b>Operating lease commitments as of 31 December 2018</b>                        | <b>115.973</b> | <b>89.769</b>  |
| Commitments relating to short-term leases  | (527)          | (527)          |
| Adjustments as a result of a different treatment of Leases' stamp duty           | 3.618          | 3.439          |
| <b>Adjusted operating lease commitments as of 31 December 2018</b>               | <b>119.064</b> | <b>92.681</b>  |
| Effect from discounting at the incremental borrowing rate as of 1st January 2019 | (24.782)       | (20.074)       |
| <b>Lease liabilities as of 1 January 2019</b>                                    | <b>94.282</b>  | <b>72.607</b>  |

Of which:

|                               |               |               |
|-------------------------------|---------------|---------------|
| Non-current lease liabilities | 81.530        | 63.652        |
| Current lease liabilities     | 12.752        | 8.955         |
|                               | <b>94.282</b> | <b>72.607</b> |

The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.40% for both the Group and the Company.

### 2.1.3. Revised accounting policies

#### 2.1.4. The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. Accordingly, it recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the leases. If this rate cannot readily be determined, the Group uses its incremental borrowing rate. Lease payment included in the measurement of the lease liability comprise:

- fixed lease payment (including in-substance fixed payments), less any lease incentives
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- the amount expected to be payable by the lessee under the residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The right-of-use asset comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The Group applies IAS 36 to determine whether a right-of-use asset is impaired.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. The costs are included in the related right-of-use asset. The Group did not incur any such costs during the periods presented.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the lease commencement date.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in the captions of "Distribution expenses" and "Administrative expenses" in the statement of profit or loss and other comprehensive income.

As permitted by IFRS 16, the Group applied the practical expedient according to which a lessee is not required to separate non-lease components, and as such, it accounts for any lease and associated non-lease components as a single arrangement.

### **The Group as a lessor**

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

## 2.2. New standards, interpretations and amendments

New standards, amendments to existing standards and interpretations have been issued, which are effective for accounting periods starting on or after January 1st, 2019. Those which are expected to have an impact on the Group are listed in the following paragraphs.

### **IFRIC 23 “Uncertainty over Income Tax Treatments”**

The interpretation sets out to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12 (Income Taxes). The Interpretation requires from an entity to assess the probability that the relevant authority will accept each tax treatment (or group of tax treatments) that it used or plans to use in its income tax filing.

In case the entity concludes that it is most probable that a particular tax treatment will be accepted from the relevant authority, it has to determine the relevant tax effect in accordance with the tax treatment included in its income tax filings.

In case the entity concludes that it is not highly probable that a particular tax treatment will be accepted, it has to use the most likely amount or the expected value of the tax treatment when determining the relevant tax effect.

The decision should be based on which method provides better predictions of the resolution of the uncertainty.

The interpretation does not have significant impact on the financial position and / or the financial performance of the Group and the Company.

### **IAS 19 (Amendment) “Plan Amendment, Curtailment or Settlement”**

The Amendments to IAS 19 clarify that in case a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, Amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group estimates that the amendment will not have any material impact in the financial statements of the Company and the Group.

### **IAS 28 (Amendment) “Long-term Interests in Associates and Joint Ventures”**

The amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Detailed amendments to the initial IAS text are provided. The Group estimates that the amendment will not have any material impact in the financial statements of the Company and the Group.

Amendments to standards being part of the annual improvement program of 2017 of the IASB (International Accounting Standards Board) 2015 – 2017 Cycle.

The following amendments describe the most important changes brought to the IFRS due to the results of the annual improvement program of the IASB published in December 2017. The amendments have not yet been endorsed by the E.U.

### **IFRS 3 “Business Combinations” and IFRS 11 “Joint Arrangements”**

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

### **IAS 12 “Income Taxes”**

The amendment clarifies that an entity must recognize all income tax consequences of dividends in profit or loss, other comprehensive income or equity, depending on where the entity recognized the originating transaction or event that generated the distributable profits giving rise to the dividend.



## **IAS 23 “Borrowing Costs”**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally.

### **Amendments effective for periods beginning on or after January 1st, 2020**

The following amendments were issued by the International Accounting Standards Board (IASB) and are effective for periods beginning on or after January 1st, 2020.

## **IAS 1 and IAS 8: Definition of Material**

The amendments aim to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition.

The new definition states that “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. Additionally, the entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments are not expected to have significant impact on the financial position and / or the financial performance of the Group and the Company.

## **IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform**

The amendments published deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 (Financial Instruments) and IAS 39 (Financial Instruments: Recognition and Measurement), which require forward-looking analysis.

There are also amendments to IFRS 7 (Financial Instruments: Disclosures) regarding additional disclosures around uncertainty arising from the interest rate benchmark reform.

The amendments are not expected to have significant impact on the financial position and / or the financial performance of the Group and the Company.

## **IFRS 3 Business Combinations - (issued on 22 October 2018)**

On October 2018, the International Accounting Standards Board (IASB) issued Definition of a “Business” (Amendments to IFRS 3).

The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets in the process of determining the nature of the activities and assets acquired.

The amendments to IFRS 3 are effective as of January 1st, 2020 and must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after January 1, 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed. The amendment has not yet been endorsed by the European Union.

## **3. Summary of significant accounting policies**

### **3.1. Basis of preparation**

The current financial statements have been prepared under the going concern basis and include the separate financial statements of the Company and the consolidated financial statements of Coral Group, for the year ended 31 December 2019. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the IFRIC interpretations issued by the International Accounting Standards Board (IASB) and the IFRIC Interpretation Committee respectively of IFRS (IFRIC), which have been adopted by the European Union.

The financial statements have been prepared under the historical cost principle.

The preparation of the financial statements in accordance with IFRS requires the use of certain significant accounting estimates and management's judgment in the process of applying the accounting principles. It also requires the use of calculations and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting year. Although these calculations are based on management's best knowledge of current conditions and actions, actual results may ultimately differ from these calculations. Areas concerning complex transactions involving a high degree of subjectivity, or assumptions and estimates that are material to the financial statements are disclosed in Note 4.

The accounting estimates and assumptions used for the preparation of the financial statements for the year ended 31 December 2019, were consistent with those used in the preparation of the financial statements for the year ended 31 December 2018.

### **3.2. Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and the entities controlled by the company (its subsidiaries) at the end of the respective period. Control is achieved where the Company has the power to regulate the financial and operating policies of the business in which it participates, in order to benefit from its activities. Upon acquisition, the assets, liabilities and contingent liabilities of each subsidiary are measured at their fair value at the date of the acquisition. The excess amount paid for the acquisition, from the fair value of the net equity acquired, is recognized as goodwill. If the cost of acquisition is less than the fair value of the net position acquired, then the difference is credited to the results in the year of acquisition. The accounting policies of the subsidiaries are the same and / or are adjusted to those of the parent. During the consolidation, all significant intercompany transactions, balances, profits and losses between the Group's operations are eliminated.

The Company's Board of Directors is the principal business decision-making body and controls internal financial reporting in order to assess the performance of both the Company and the Group and make decisions about the allocation of resources. Management has defined the business segments based on internal financial reporting, in accordance with IFRS 8. For the classification per segment, the following have been taken into account:

- The nature of products and services,
- The quantitative limits set by IFRS 8.

Based on the above, the Group presents the information in a functional segment as follows:

- Trading of petroleum products.

The main part of the Group's activity by geographical area is in Greece. Sales abroad relate to activities in Cyprus and Serbia as well as exports of goods. There is no dependence on major clients, as there are no transactions with an external customer amounting to 10% or more of the Group's total revenues.

### **3.3. Participation in associates**

An associate is an enterprise in which the Company exercises significant influence, but not control or joint control, through its participation in the administrative and operational decisions of the enterprise in which it participates. The results, assets and liabilities of associates are included in these financial statements using the Equity method unless the investments in these companies are classified as available for sale. Investments in associates are presented in the statement of financial position at their cost, as this was restated with the post-acquisition changes in the Group's share of the associate's net equity less any impairment in the value of individual investments. The losses of associate companies that exceed the Group's participation in them, are not recognized. Profits or losses arising from transactions between associate companies and the Group's consolidated companies are eliminated by the Group's participation in associates. The losses may be an indication of impairment of the carrying amount that is transferred, in which case the provision that is required for the impairment of the asset is formed. Investments in subsidiaries and associates are measured at historical cost in the separate Financial Position Statements of the companies that are consolidated and are subject to control for possible impairment.

### **3.4. Revenues' recognition**

The Group recognizes revenue from the following major sources:

#### **3.4.1. Sale of oil products**

##### **Recognition**

Regarding sales of oil products to retail customers, revenue is recognized when control of the products has been transferred, that is when the customer purchases the products at the retail network of gas stations. For the majority of the retail transactions, payment of the transaction price is due immediately at the gas station the customer purchases the products. The Group has a customer loyalty scheme for its retail customers, which is analyzed below.

The Group operates Customer Loyalty Program under the name 'Shell Smart Club'. Through the aforementioned loyalty schemes, retail customers accumulate points on purchases of oil products and/or services from the retail network of gas stations that entitle them either to get free of charge products listed on specific catalogs or to get a discount on future purchases of oil & gas products. These points provide a material right to customers in the sense that they would not be able to receive those products free of charge or get a discount on future purchases without purchasing oil products and/or services. The promise to provide those products to the customer free of charge or get a discount on future purchases is therefore a separate performance obligation. The transaction price is allocated between the oil products, the services and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the price of the products to be given free of charge, or the amount of discount to be provided on future purchases when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Group's historical experience. A contract liability is recognized for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognized when the points are redeemed by the customer, or when the points are expired

Regarding sales of oil & gas products to the wholesale domestic and foreign market, revenue is recognized at a point of time when control of the products has been transferred to the customer, that is when the products are delivered at a named place subject to the shipping incoterm rules that are applicable according to the contractual agreement between the counterparties. Following delivery, the buyer has the ability to direct the use of and obtain substantially all of the remaining benefits from the products, either by reselling those to end customers or through internal consumption for the production of goods or the provision of services. A trade receivable is recognized by the Company and the Group when the products are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

##### **Measurement**

Certain contracts with customers in the wholesale market of oil products provide volume rebates. Volume rebates give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

To estimate the variable consideration for the expected future volume rebates, the Company and the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company and the Group then applies the requirements on constraining estimates of variable consideration and recognizes a contract liability for the expected future rebates by adjusting accordingly the amount of revenue.

In general, the period between the Company and the Group transferring a product or service and the customer paying for it is one year or less. In this context, the Company and the Group decided to apply the practical expedient of IFRS 15:63 according to which it is not required to adjust the consideration for the effects of a significant financing component. However, certain contracts that the Group has with some of its dealers contain a significant financing component, in the sense that the credit term provided to them is on average 4 to 5 years, whereas the usual credit term that the Group provides to its customers, in the domestic markets, range from 5 to 30 days. In these cases, the Group recognizes revenue at an amount that reflects the price that a customer would have paid in cash when the products are transferred to the customer (i.e. the cash selling price). The transaction price for such contracts is discounted using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception. That rate reflects the credit characteristics of the party receiving financing in the contract, as well as any collateral or security provided by the customer.

## **Presentation**

### **Trade receivables**

A receivable depicts the Group's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due. The Group accounts for its receivables in accordance with IFRS 9 (please refer to Note 21).

### **Contract assets**

A contract asset depicts the Group's right to consideration in exchange for products or services that the Group has transferred to its customers. Whenever, the Group performs by transferring products or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset. The Group assesses its contract assets for impairment in accordance with IFRS 9.

### **Contract liability**

A contract liability depicts the Group's obligation to transfer products or services to its customers for which the Group has received consideration (or an amount of consideration is due) from the customer. Whenever, a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Group transfers a product or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

### **3.4.2. Fuel storage services**

The Group through its fuel storage facilities provide to its customers storages services, which include the receipt, storage and distribution of fuels in accordance with the customers' needs and directions. For the provision of the above-mentioned services, the Group collects a fee from its customers that is calculated as a charge per cubic meter of fuels received and stored in the facility.

The individual services described above (i.e.: receipt, storage and fuel distribution) are not distinct and as such all the services promised in the contracts with the Group's customers are accounted for as a single performance obligation. Revenue from fuel storage services is recognized over time since the Group's customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

### **3.4.3. Royalties in exchange for a license of trademarks**

The Group enters into contracts with customers and promises to:

- grant a license that provides its customers the right to use the Group's trade names,
- provide the right to its customers to control the use of a gas station and
- sell the Group's products for a predetermined period of time.

The Group assessed that the promises (a) to grant a license, (b) to provide the right to use the gas station and (c) the sale of products are three distinct components. The recognition and measurement criteria for the sale of the Group's products are in detail analyzed above under the section "Sale of Oil & Gas products". The right to control the use of the gas station constitutes a lease-component and as such is accounted for according to the provisions of IFRS 16 (please refer to Note 2.1.3).

In exchange for granting the above-mentioned license for using the Group's trade names, the Group receives as royalty a monthly fixed fee. The consideration relating to the license is not in the form of a sale or usage-based royalty. The transaction price is allocated between the trademark license, the right to use the gas station and the products on a relative stand-alone selling price basis.

The Group concluded that the nature of its promise is to provide a right to access the Group's symbolic intellectual property. The trade names have limited standalone functionality. Substantially, all of the utility inherited in the trade names granted under the license, stems from the Group's past and ongoing activities of establishing, building, and maintaining its trademarks. Consequently, the license provides the customer with a right to access the Group's intellectual property and the Group's performance obligation to transfer the license is satisfied over time.

The Group recognizes revenue over time on a straight-line basis because this reasonably depicts the Group's progress towards complete satisfaction of the trademark license performance obligation.

#### **3.4.4. Income from interest**

Interest income is recognized on a time proportion basis using the effective interest rate. When there is a write-down of receivables, their carrying amount is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted at the initial effective interest rate and allocates the discount as interest income.

#### **3.4.5. Dividends**

The dividends are accounted as income, when the collection right is established.

#### **3.4.6. Income from leases**

The Group recognizes operating leases on a straight-line basis over the lease term.

#### **3.4.7. Revenue from other services**

Revenues from of services is accounted in the period in which the services are provided, based on the stage of completion of the service provided in relation to all the services provided.

### **3.5. Exchange conversions**

#### **3.5.1. Functional and presentation currency**

The financial statements' items of the Group are measured using the main currency of the main economic environment in which the Group operates ("functional currency"). The financial statements are presented in Euro, which is the functional and presentation currency of the Group.

#### **3.5.2. Transactions and balances**

Transactions in foreign currencies are translated into the operational currency at the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions during the period and from the translation of monetary items denominated in foreign currencies to the effective exchange rates at the date of the statement of financial position are recognized in the income statement.

#### **3.5.3. Conversion of operation abroad**

The results and financial position of all Group subsidiaries that have an operational currency other than the reference currency are translated to the reference currency as follows: (i) Assets and liabilities of each balance sheet presented, are translated at the exchange rate prevailing at the date of the balance sheet date. (ii) Revenues and expenses for each income statement, are translated at average exchange rates (unless average values are not a good approximation of the cumulative effect arising from the exchange rates of the day the transactions are made, in which case exchange rates at the date of the transaction are used ). (iii) All resulting exchange differences are recognized as a separate movement in equity.

### **3.6. Post-employment benefits**

#### **3.6.1. Post-employment indemnities**

Post-employment benefits include defined benefit plans as well as a defined contribution plan.

The Group recognizes as an expense in the period in question, the contributions paid to the defined contribution plan for the employees' provision of services during that period. Contributions to pension funds (Insurance Funds) are treated as contributions to defined contribution schemes.

The cost of staff benefits for the defined benefit plan, is calculated annually using the projected unit credit method by an independent actuary at the end of each reporting period. The liability presented in the Statement of Financial Position is the present value of the defined benefit obligation.

The components of the defined benefit cost recognized in the income statement (gain or loss) are as follows:

- (a) the current employee's cost of work for one additional year,
- (b) the net interest on the liability resulting from the multiplication of the discount rate on the net defined benefit obligation at the beginning of the reference period,
- (c) past service cost due to any changes or cuts in program data; and
- (d) gains or losses arising from settlements.

Actuarial gains and losses arising from increases or decreases in the present value of the defined benefit obligation due to changes in actuarial assumptions and adjustments based on experience are recognized in Other Total Comprehensive income.

### **3.6.2. Retirement benefit costs**

Termination benefits are paid when employees leave before the retirement date. The Group recognizes these benefits when committed, either when it terminates the employment of employees under a detailed plan for which there is no probability of withdrawal, or when it offers these benefits as an incentive for voluntary retirement.

### **3.7. Taxation**

The tax expense represents the sum of the current tax payable and the deferred tax, plus any additional tax from a tax audit of previous years. The tax for the current year is based on the taxable profit for the year. Taxable profit differs from the net book profit that appears in the income because it excludes income or expense that is taxed or exempt from tax in other periods and in addition excludes items that are never taxed or tax deductible. The tax is calculated according to the applicable tax rates or those that have been enacted at the date of the Statement of Financial Position. Deferred tax is recognized in the differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases that are used for the calculation of taxable profits and is accounted for using the liability method in the Statement of Financial Position. Deferred tax liabilities are recognized for all tax temporary differences whereas deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences may be used. Such receivables and payables are not recognized if temporary differences arise from goodwill or from the initial recognition (except for a business combination) of assets and liabilities from transactions that do not affect either the taxable or the accounting profits.

Deferred tax liabilities are recognized for temporary tax differences arising from investments in subsidiaries and associates and interests in joint ventures, except where the Group may control the reversal of temporary differences and it is probable that such differences will not be reversed in the projected future. Deferred tax assets are recognized for temporary tax differences arising on investments and interests only to the extent that there is likely to be sufficient taxable profits against which the benefits of temporary tax differences will be used and it is expected that they will be reversed in the foreseeable future. The carrying amount of the deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that there will be sufficient taxable profits that will allow the asset to be recovered in whole or in part.

Deferred tax is calculated using the tax rates that are expected to be in force at the time the asset is disposed of or the liability is settled. Deferred tax charges or benefits the results for the year, except for those that are directly attributable to equity, and thus deferred tax is accounted for in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax receivables with current tax liabilities and when they are related to income taxes charged by the same tax authority and in addition the Group intends to settle its current tax assets and liabilities in a net basis.

### **3.8. Property, Plant and Equipment**

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment. Acquisition cost includes all costs directly associated with the acquisition of assets.

Additional costs are added to the carrying amount of Property, Plant and Equipment or are recognized as a separate asset only if they are expected to generate future economic benefits to the Group and their cost can be measured reliably. Repairs and maintenance expenses are recognized in the income statement when realised.

Plots are not depreciated. Depreciation of other tangible assets is calculated using the straight-line method over their useful life as follows:

|                                 |       |       |
|---------------------------------|-------|-------|
| - Buildings                     | 10-40 | Years |
| - Machinery                     | 5-30  | Years |
| - Transportation means          | 5-20  | Years |
| - Furniture and other equipment | 4-25  | Years |

The residual values and useful lives of Property, Plant and Equipment, are reassessed at regular time intervals to allow for changes in estimates to be applied in future periods.

When the carrying values of tangible assets exceed their recoverable amount, the difference (impairment) is recognized immediately as an expense in the income statement.

The cost and accumulated depreciation of an asset is written off when it is sold or withdrawn, when no further economic benefits from its continued use are expected. Gains or losses on the sale of Property, Plant and Equipment are determined by the difference among the price received less their carrying amount net of the cost of selling the Property, Plant and Equipment. Gains or losses arising on sale are included in the profit or loss for the year that is sold or written off.

### **3.9. Intangible assets**

#### **3.9.1. Software**

Purchased software programs are measured at cost less amortization. Amortization is calculated using the straight-line method over the useful life of those assets, which ranges from 4 to 8 years. Costs associated with the maintenance of software programs are recognized as expenses when incurred.

#### **3.9.2. Rights**

The "Rights" category mainly includes the intangible commercial leases paid by the Group. Amortization is calculated using the straight-line method over the useful life of those assets. Their useful life follows the years of the lease and ranges from 1 to 20 years.

The residual values and useful lives of intangible assets are reassessed at regular intervals to allow for changes in estimates to be applied in future periods.

### **3.10. Inventories**

Inventories are measured at the lower between acquisition cost and net realizable value. The cost comprises of direct materials and where applicable direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the monthly weighted average cost method. Net realizable value is estimated on the basis of the current sales prices of inventories, in the ordinary course of business less any selling expenses.

When deemed necessary, provision for slow moving or obsolete inventories is formed.

### **3.11. Cash and cash equivalents**

Cash and cash equivalents include cash, sight deposits and short-term up to three-month investments of high liquidation and low risk.



### **3.12. Share capital**

The share capital includes the common shares of the Group. Common shares are included in equity.

Direct share issuance costs are shown after the deduction of the relevant income tax, resulting in a reduction in the proceeds of the issue.

### **3.13. Loans**

Interest-bearing bank loans and overdrafts are recorded at the respective amounts of the relevant withdrawals less their direct issuance costs. Financial expenses, including premiums at repayment or re-purchase and direct issuance costs, are accounted on an accrual basis to the results using the effective interest rate method and are added to the net book value of the relevant loan or overdraft, to the extent that they are not settled in the period that they arise.

### **3.14. Trade payables**

Trade payables are initially recognized at fair value and subsequently measured using the amortized cost method using the effective interest rate.

### **3.15. Provisions**

Provisions are recognized when there is 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 required can be estimated reliably. Provisions are measured in the best possible estimate of the Management as to the costs incurred for the settlement of the liability.

### **3.16. Financial Instruments**

#### **3.16.1. Initial Recognition**

Financial assets and financial liabilities are recognized on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

#### **3.16.2. Initial Measurement**

The Group measures financial assets and liabilities on their initial recognition at their fair value plus/minus transaction cost that are directly attributable to the acquisition of the financial asset or issue of the financial liability respectively (other than financial assets and liabilities at FVTPL).

The Group recognizes initially trade receivables without a significant financing component at their transaction price.

#### **3.16.3. Classification and Measurement of financial assets**

##### **3.16.3.1. Trade Receivables and Debt instruments**

All financial assets that fall within the scope of IFRS 9, are subsequently to their initial recognition measured at amortized cost or fair value. The basis of their measurement depends both on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group's assessment of the business model is determined at a higher level of aggregation that reflects how groups of financial assets are managed together to meet the Group's business objective, rather than on an instrument-by-instrument basis.

Financial assets that give rise to cash flows, consisting only of payments of principal and interest, are classified by taking into account the business model for holding these instruments. Financial assets that are held under a business model with the objective to hold them until maturity and collect the contractual cash flows, are measured at amortized cost. If the business model has the intention to hold the financial assets to collect the contractual cash flows but expects to sell these financial assets



when this is necessary (e.g. to fulfill a specific need for liquidity), then these instruments are measured at FVTOCI. Financial assets held within a business model other than the above are measured at FVTPL.

The Group has one business model for managing its financial assets that reflects how the Group manages those in order to generate cash flows. In particular, the financial assets of the Group are held within a business model whose objective is to hold assets in order to collect contractual cash flows. Following the objective of the aforementioned business model the financial assets of the Group are managed in order to realize cash flows by collecting the corresponding payments over the life of the financial asset.

The Group in making its assessment of whether cash flows are going to be realized by collecting the corresponding payments over the life of the financial asset, considers the frequency, value and time of sales in prior periods, the reason of those sales and the group's expectations about future sales activity.

Apart from the above, the Group also considers all relevant information in performing the business model assessment, excluding scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. In performing this exercise the Group exercises judgement considering all available and relevant information, such as but not limited to, how the performance of the assets is measured, monitored and reported to the Group's key management personnel, how the risks underpinning the performance of the assets are managed and how the managers of the assets are compensated.

At the initial recognition of a financial asset, the Group determines whether it is part of the business model or it reflects the commencement of a new business model.

The group reassess its business model each reporting period to determine whether the business model has changed from the previous reporting period. For the reporting periods of the current financial year, the Group has not identified a change in its business model.

#### **3.16.3.2. Equity Instruments**

Financial instruments that meet the definition of equity instruments as provided by IAS 32, are measured subsequently to their initial recognition at FVTPL. The Group may irrevocably choose to present changes in the fair value of an equity investment in OCI, provided that the equity instrument is not held for trading and it is not a contingent consideration recognized by the Group in a business combination in which IFRS 3.

The Group applies the above irrevocable election on an asset by asset basis.

#### **3.16.3.3. Reclassifications**

In case the business model under which the Group holds financial assets changes, due to external or internal changes that are determined to be significant to the Group's operations and demonstrable to external parties, all affected financial assets are reclassified. Reclassifications are expected to be very infrequent. Investments in equity instruments that the Group has made the irrevocable choice to designate at FVTOCI and any financial assets that have been designated at FVTPL at their initial recognition, cannot be reclassified, since their designation at the time of their initial recognition is irrevocable. During the current financial year, no reclassifications took place since there was no change in the business model within which the Group holds the financial assets.

#### **3.16.4. Classification and Measurement of financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities (i.e. amortized cost). The Group currently has not classified any of its financial liabilities at FVTPL.

The Group measures financial liabilities, such as bond loans, Interest-bearing bank loans and overdrafts at amortized cost (i.e. Other financial liabilities). Finance charges including premiums payable on settlement or redemption and direct issuance costs,

are accounted for on an accrual basis to the profit and loss account, using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

### 3.16.5. Measurement of Impairment of Financial Assets

The Group measures the loss allowance on its trade receivables as the estimate of the present value of all cash shortfalls over the life of its trade receivables. A cash shortfall is defined as the difference between the cash flows that are due based on contractual terms and the cash flows that are expected to be received.

The Group has adopted the simplified approach with respect to estimating the ECLs for its trade receivables. Therefore, the Group at each reporting date, measures the loss allowance for its trade receivables at an amount equal to their lifetime expected credit losses. Accordingly, all trade receivables of the Group are classified into the following two stages:

Stage 2: Measurement of ECL over the lifetime – not credit impaired. Financial assets that are not credit impaired, are classified at Stage 2 and measured at lifetime expected credit loss, which is defined as the expected credit loss that results from all possible default events over its expected life.

Stage 3: Measurement of ECL over the lifetime – credit impaired. If a financial asset is defined as credit impaired, it is transferred to Stage 3 and measured at lifetime expected credit loss. Objective evidence for a credit-impaired financial asset includes ageing more than 90 days past due and other information about significant financial difficulties of the borrower.

The following are the main inputs in the process of applying the Group's accounting policies with respect to the estimations of ECLs of the Group:

- Exposure at Default ("EAD"): represents the amount of exposure at the reporting date.
- Probability of Default ("PD"): Probability of default is an estimate of the likelihood of default over a given time horizon. The Group calculates probabilities of default utilizing historical data, assumptions and expectations about the future.
- Loss given default ("LGD") represents the estimation of loss that will be incurred at the default date. LGD is calculated as the difference arising between the contractual cash flows of the instrument that are due and the future expected cash flows of the instrument that are expected to be received. The determination of LGD considers also the effect from the recoveries on expected cash flows arising from collaterals held by the Group.

The Group possess collaterals as a mean of mitigating credit risk associated with its trade receivables. The main types of collateral held are:

- Cash
- Commercial and Residential real estate
- Letters of guarantees
- Letters of Credit
- Cheques

As of 31.12.2019, the Group did not hold any trade receivable for which no ECL is recognized due to the effect of any corresponding collateral held.

The definition of default is at the heart of the measurement of ECL. The Group considers as an event of default when the debtor is either past due more than 90 days or it is unlikely to pay its obligations to the Group due to financial difficulties.

The Group measures ECLs on a collective basis for portfolios of trade receivables with similar economic credit characteristics. In particular, the Group estimates the ECL by grouping together receivables based on common risk characteristics and past due days.

In addition, the Group assesses the expected credit losses associated with the financial assets of the Group, taking into account forward looking information. Forward looking information is incorporated in the ECL model through the consideration of various internal and external sources of actual and forecast economic information.

The Group recognizes the related loss provision at each reporting date.

### **3.16.6. Derivative financial instruments**

The Group enters into a limited number of derivative financial instruments to manage its exposure to the risks of the market in which it operates.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### **3.17. Other Financial Assets**

Other Financial assets comprise of financial assets at fair value through other comprehensive income (FVOCI) that refer to unlisted equity securities which are not held for trading and which the group has irrevocably elected at initial recognition (transition) to recognize in this category.

### **3.18. Impairment of assets non-financial assets**

The book values of the non-current assets are tested for impairment purposes when events or changes in circumstances indicate that the carrying amount may not be recoverable. When the carrying amount of an asset exceeds its recoverable amount, the corresponding impairment loss is recognized in the income statement. The recoverable amount is determined as the highest value between the net selling price and the value in use. Fair value less sales costs is the amount that can be obtained from the sale of an asset in an arm's length transaction in which the parties have full knowledge and are willing to accede, after deducting any additional direct cost of disposal of the asset. The value in use is the net present value of the estimated future cash flows expected to be realized by the continuing use of an asset and the revenue expected to arise from its disposal at the end of its useful life. For the purpose of determining the impairment, assets are grouped to the lowest level for which cash flows can be separately determined.

### **3.19. Dividend distribution**

Dividend distribution is recognized as a liability when distribution is approved by the General Meeting of Shareholders.

### **3.20. Financial expenses**

Financial expenses are recognized in the income statement when they are realized.

### **3.21. Rounding of accounts**

The amounts included in the Financial Statements are rounded to thousands of Euro. Differences that may exist are due to these rounding.

### **3.22. Reclassification of Comparable Amounts**

Certain items of the "Statement of Profit or Loss and other Comprehensive Income" of the comparative fiscal year 2018 have been reclassified to become comparable to those of the current fiscal year. These reclassifications relate to "Revenue" (Group

€8.3 million, Company €20.7 million), “Cost of Sales” (Group €10.1 million, Company €15.2million) and “Gross Margin” (Group €1.8 million, Company €5.5 million).

The above mentioned reclassifications had no effect on the Net Results and Equity of the Group and/or the Company.

#### **4. Significant accounting estimates and management’s judgements**

Management's estimates and judgments are continually being reviewed and are based on historical data and expectations for future events that are judged to be reasonable under the current circumstances.

The Group makes estimates and assumptions about the evolution of future events. Estimates and assumptions that present a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in the next 12 months are as follows:

##### **4.1. Income tax**

A judgment is required to determine the provision for income tax and deferred taxation as there are transactions and calculations for which the final determination of the tax is uncertain.

Deferred income tax is determined by the tax rates and laws that are expected to apply when deferred tax assets are incurred or deferred tax liabilities are repaid as those (future tax rates) are known at the date of the statement of financial position’s preparation. Deferred tax assets are recognized to the extent that future taxable profit will be available to use the temporary difference that creates the deferred tax asset and are reviewed at each balance sheet date. Based on the above, it is obvious that the accuracy of the deferred tax assessment depends on a number of factors that are either outside the Group's control (i.e. changes in tax rates, changes in tax legislation that may affect the tax base of assets, or categories of temporary differences), or are based on forecasts for the future course of the business, which by definition represent a significant risk.

##### **4.2. Pension schemes**

The present value of pension benefits is based on a number of factors determined using actuarial methods and assumptions, such as the discount rate for the calculation of the cost of service.

The Group determines the appropriate discount rate at the end of each fiscal year. This is defined as the interest rate to be used in order to determine the present value of the future cash flows that are expected to be required for the coverage of the pension plan liabilities. The discount rate used by the Group for the current year is 0.8%.

The other assumptions used are presented in note 29.

##### **4.3. Litigation cases**

The Group recognizes a provision for litigation based on evidence from its Legal Service.

Other sources of uncertainty related to Management's assumptions are the estimate of the useful life of the fixed assets and the provision for doubtful clients.

## 5. Revenue

The analysis of revenue is as follows:

|                         | <u>Group</u>     |                  | <u>Company</u>   |                  |
|-------------------------|------------------|------------------|------------------|------------------|
|                         | 1/1 -            | 1/1 -            | 1/1 -            | 1/1 -            |
| <i>Amounts in th. €</i> | 31/12/2019       | 31/12/2018       | 31/12/2019       | 31/12/2018       |
| Merchandise             | 797.011          | 684.293          | 544.555          | 469.649          |
| Products                | 1.509.650        | 1.486.417        | 1.509.650        | 1.486.416        |
| Services                | 21.636           | 19.900           | 21.173           | 20.740           |
| Other                   | (122)            | (624)            | (122)            | (624)            |
| <b>Total</b>            | <b>2.328.175</b> | <b>2.189.986</b> | <b>2.075.256</b> | <b>1.976.181</b> |

Sales of merchandise and products include wholesale and retail sales. Retail sales are mostly made by the subsidiaries that operate the network of gas station both in Greece and abroad.

"Other" Group sales mainly concern revenues from services related to the implementation of IFRS 15 regarding customer loyalty programs, as well as the impact on the result due to the discounting of future long-term receivables related to trade credit, that the Company grants to commercial customers.

The table below presents an analysis of revenues by geographic market (foreign - domestic) and by category of goods sold.

|                           | <u>Group</u>  |                | <u>Company</u> |               |
|---------------------------|---------------|----------------|----------------|---------------|
| <b>Category of sales</b>  | 1/1 -         | 1/1 -          | 1/1 -          | 1/1 -         |
| <i>Amounts in th. €</i>   | 31/12/2019    | 31/12/2018     | 31/12/2019     | 31/12/2018    |
| Fuel                      | 87.921        | 104.065        | 32.437         | 34.767        |
| Lubricants                | 14            | 9              | 14             | 9             |
| Chemicals                 | 1.744         | 927            | 1.744          | 927           |
| Natural gas/LPG           | 489           | 154            | -              | -             |
| Other                     | 2.588         | 851            | 1.019          | 178           |
| <b>Total export sales</b> | <b>92.756</b> | <b>106.006</b> | <b>35.214</b>  | <b>35.881</b> |

|                             | <u>Group</u>     |                  | <u>Company</u>   |                  |
|-----------------------------|------------------|------------------|------------------|------------------|
| <b>Category of sales</b>    | 1/1 -            | 1/1 -            | 1/1 -            | 1/1 -            |
| <i>Amounts in th. €</i>     | 31/12/2019       | 31/12/2018       | 31/12/2019       | 31/12/2018       |
| Fuel                        | 2.146.102        | 1.995.822        | 1.973.727        | 1.872.267        |
| Lubricants                  | 6.046            | 5.630            | 6.046            | 5.630            |
| Chemicals                   | 36.480           | 30.225           | 36.480           | 30.225           |
| Natural gas/LPG             | 21.300           | 28.972           | 14               | 9.530            |
| Services                    | 21.585           | 19.900           | 21.173           | 20.740           |
| Other                       | 3.906            | 3.431            | 2.602            | 1.908            |
| <b>Total domestic sales</b> | <b>2.235.419</b> | <b>2.083.980</b> | <b>2.040.042</b> | <b>1.940.300</b> |
| <b>Total sales</b>          | <b>2.328.175</b> | <b>2.189.986</b> | <b>2.075.256</b> | <b>1.976.181</b> |

Activity abroad is analyzed as follows:

**1/1/2019-31/12/2019**

| Category of sales<br>Amounts in th. € | Cyprus' Activities | Serbia's Activities | Exports       | Total         |
|---------------------------------------|--------------------|---------------------|---------------|---------------|
| Fuel                                  | 69.625             | 7.974               | 10.322        | 87.921        |
| Lubricants                            | -                  | -                   | 14            | 14            |
| Natural gas/LPG                       | -                  | 489                 | -             | 489           |
| Chemicals                             | -                  | -                   | 1.744         | 1.744         |
| Other                                 | 642                | 1.147               | 799           | 2.588         |
| <b>Total</b>                          | <b>70.267</b>      | <b>9.610</b>        | <b>12.879</b> | <b>92.756</b> |

**1/1/2018-31/12/2018**

| Category of sales<br>Amounts in th. € | Cyprus' Activities | Serbia's Activities | Exports       | Total          |
|---------------------------------------|--------------------|---------------------|---------------|----------------|
| Fuel                                  | 66.736             | 4.677               | 32.652        | 104.065        |
| Lubricants                            | -                  | -                   | 9             | 9              |
| Natural gas/LPG                       | -                  | 154                 | -             | 154            |
| Chemicals                             | -                  | -                   | 927           | 927            |
| Other                                 | 381                | 470                 | -             | 851            |
| <b>Total</b>                          | <b>67.117</b>      | <b>5.301</b>        | <b>33.588</b> | <b>106.006</b> |

## 6. Expenses per category

| Amounts in th. €                                      | Note | <u>Group</u>       |                    | <u>Company</u>     |                    |
|---|------|--------------------|--------------------|--------------------|--------------------|
|   |      | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| Benefits to employees                                 | 7    | 19.182             | 18.563             | 17.740             | 17.204             |
| Depreciation of Property, Plant and Equipment         | 14   | 13.521             | 12.419             | 11.073             | 10.194             |
| Depreciation of intangible assets                     | 15   | 2.437              | 2.421              | 2.046              | 2.131              |
| Depreciation of Right of use Assets                   | 16   | 17.469             | -                  | 11.549             | -                  |
| Expenses of repair and maintenance of tangible assets |      | 3.763              | 3.765              | 2.987              | 3.068              |
| Rental fee based on operating leases                  |      | 3.359              | 20.251             | 2.865              | 14.855             |
| Warehousing charges                                   |      | 6.128              | 5.566              | 5.214              | 4.852              |
| Provision for bad debt                                | 21   | 90                 | 301                | 139                | 160                |
| Transportation and travel expenses                    |      | 22.158             | 20.239             | 19.480             | 19.274             |
| Fees for sites' managers                              |      | 38.590             | 31.256             | -                  | -                  |
| Third parties' fees and expenses                      |      | 20.499             | 19.477             | 15.370             | 14.014             |
| Promotion and advertising expenses                    |      | 5.542              | 5.523              | 8.301              | 7.208              |
| Insurance expenses                                    |      | 820                | 788                | 528                | 545                |
| Telecommunication expenses                            |      | 680                | 1.359              | 549                | 975                |
| Electricity expense                                   |      | 3.542              | 3.313              | 406                | 506                |
| Other taxes fees                                      |      | 2.573              | 2.656              | 1.757              | 2.032              |
| Other expenses  |      | 3.949              | 3.477              | 2.130              | 1.723              |
| <b>Total</b>  |      | <b>164.302</b>     | <b>151.374</b>     | <b>102.134</b>     | <b>98.741</b>      |

  

|                           |  | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
|---------------------------|--|--------------------|--------------------|--------------------|--------------------|
| Allocation per operation: |  |                    |                    |                    |                    |
| Cost of sales             |  | 6.399              | 6.633              | 19.504             | 18.097             |
| Distribution expense      |  | 144.725            | 131.812            | 71.250             | 70.247             |
| Administration expenses   |  | 13.178             | 12.929             | 11.380             | 10.397             |
| <b>Total</b>              |  | <b>164.302</b>     | <b>151.374</b>     | <b>102.134</b>     | <b>98.741</b>      |

The cost of sales for the year ended 31/12/2019 includes € 6,399 thousand relating services costs. The corresponding amount for the year 2018 was € 6,633 thousands.

Third parties' fees and expenses include statutory auditors' fees of € 442 thousand for the year 2019 (2018: € 505 thousand).

## 7. Benefits to employees

|  | <u>Group</u>       |                    | <u>Company</u>     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <i>Amounts in th. €</i>                |                    |                    |                    |                    |
| Salaries and daily wages               | 11.982             | 11.690             | 10.773             | 10.549             |
| Expenses of social contribution        | 3.384              | 3.303              | 3.196              | 3.150              |
| Other employers' benefits and expenses | 3.413              | 3.277              | 3.371              | 3.221              |
| Pension plan cost of defined benefits  | 403                | 293                | 400                | 284                |
| <b>Total</b>                           | <b>19.182</b>      | <b>18.563</b>      | <b>17.740</b>      | <b>17.204</b>      |

## 8. Other operating income

|                                       | <u>Group</u>       |                    | <u>Company</u>     |                    |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                       | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <i>Amounts in th. €</i>               |                    |                    |                    |                    |
| Rental income                         | 1.010              | 979                | 8.422              | 8.129              |
| Income from fuel cards' clients       | 602                | 529                | 602                | 529                |
| Income from commercial representative | 629                | 705                | 815                | 873                |
| Income from commissions               | 561                | 586                | 561                | 586                |
| Other                                 | 996                | 889                | 481                | 314                |
| <b>Total</b>                          | <b>3.798</b>       | <b>3.688</b>       | <b>10.881</b>      | <b>10.431</b>      |

## 9. Other gain / (losses)

|   | <u>Group</u>       |                    | <u>Company</u>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <i>Amounts in th. €</i>                         |                    |                    |                    |                    |
| Gain/ (losses) from write-off of assets         | (20)               | (33)               | (21)               | (20)               |
| Net gain/(losses) from exchange rate difference | 755                | (229)              | 518                | (17)               |
| Other   | (581)              | 70                 | (31)               | (42)               |
| <b>Total</b>                                    | <b>154</b>         | <b>(192)</b>       | <b>466</b>         | <b>(79)</b>        |

## 10. Financial expenses

|  | <u>Group</u>       |                    | <u>Company</u>     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <i>Amounts in th. €</i>                              |                    |                    |                    |                    |
| Interest of short-term loans                         | 200                | 2.340              | 153                | 2.050              |
| Interest and expenses of long-term loans             | 5.257              | 4.192              | 4.822              | 4.169              |
| Interest on leases                                   | 3.269              | -                  | 2.571              | -                  |
| <b>Total interest</b>                                | <b>8.726</b>       | <b>6.532</b>       | <b>7.546</b>       | <b>6.219</b>       |
| Bank commissions                                     | 5.266              | 5.801              | 496                | 530                |
| Amortization of bond loan expenses                   | 492                | 607                | 477                | 606                |
| Commitment fees                                      | 123                | 2                  | 112                | 2                  |
| (Gains) / losses from derivatives accounted at FVTPL | 939                | -                  | -                  | -                  |
| Other interest expenses                              | 13                 | 91                 | 5                  | 93                 |
| <b>Total</b>   | <b>15.559</b>      | <b>13.033</b>      | <b>8.636</b>       | <b>7.450</b>       |

\*Fair Value Through Profit and Loss Statement

## 11. Income from investments and participations

|                               | <u>Group</u>       |                    | <u>Company</u>     |                    |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
|                               | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <i>Amounts in th. €</i>       |                    |                    |                    |                    |
| Interest income               | 402                | 364                | 664                | 510                |
| Dividend income               | -                  | -                  | 4.753              | 11.997             |
| (Gain)/Losses from associates | 5.697              | 4.617              | -                  | -                  |
| <b>Total</b>                  | <b>6.099</b>       | <b>4.981</b>       | <b>5.417</b>       | <b>12.507</b>      |

Gain from associates of € 5,697 thousand refers to Group's share in the financial results of the consolidated companies, accounted for using the equity method, "Shell & MoH aviation fuels SA" and "Petroleum Installations of Rhodes - Alexandroupolis SA".

Interest income includes interest earned on deposits, as well as finance income from discounted repayable credits amounting to € 248 thousand for the year 2019 and € 300 thousand for the year 2018.

Finally, dividend income in current period contains dividends from the associate company "Shell & MoH aviation fuels SA" of € 4.753 thousand. In 2018, dividend income includes dividends from subsidiaries Ermis SA & Myrtea SA (€ 2,000 thousand and € 6,000 thousand respectively) as well as from associates "Shell & MoH aviation fuels SA" & "Petroleum Installations of Rhodes - Alexandroupolis SA" (€ 3,828 thousand and € 169 thousand respectively).

## 12. Income tax

|  | <u>Group</u>       |                    | <u>Company</u>     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <i>Amounts in th. €</i>                |                    |                    |                    |                    |
| Current corporate tax for the period   | 8.293              | 9.226              | 4.035              | 5.893              |
| Tax audit differences from prior years | (19)               | 387                | (44)               | 238                |
| Business tax                           | -                  | 220                | -                  | 14                 |
| Deferred tax                           | (154)              | (206)              | 353                | 78                 |
| <b>Total</b>                           | <b>8.120</b>       | <b>9.627</b>       | <b>4.344</b>       | <b>6.223</b>       |

The income tax for fiscal 2019, in accordance with Law 4646/2018 (Government Gazette A'201/12.12.2019), is calculated at a corporate tax rate of 24% while for fiscal 2018, in accordance with the Law 4334/2015 (Government Gazette A' 80/16.07.2015) was calculated at a corporate tax rate of 29%.

The income tax for the year, results after taking into consideration the following items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible on the accounting profit:

|   | <u>Group</u>       |                    | <u>Company</u>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <i>Amounts in th. €</i>                         |                    |                    |                    |                    |
| <b>Profit/(Losses) before tax</b>               | <b>28.845</b>      | <b>30.158</b>      | <b>16.694</b>      | <b>30.310</b>      |
| Tax calculated based on the effective tax rates | 6.923              | 8.746              | 4.006              | 8.790              |
| Tax audit differences from prior years          | (19)               | 387                | (44)               | 238                |
| Business tax                                    | -                  | 220                | -                  | 14                 |
| Non-deductible for tax purposes expenses        | 970                | 794                | 729                | 613                |
| Income excepted from tax                        | (1.285)            | (1.224)            | (1.058)            | (3.364)            |
| Other   | 1.531              | 704                | 711                | (68)               |
| <b>Total</b>                                    | <b>8.120</b>       | <b>9.627</b>       | <b>4.344</b>       | <b>6.223</b>       |

## 13. Earnings per share

Earnings per share are calculated by dividing the net profit after tax with the weighted average number of shares of each period/year. The weighted average number of shares results by adding the current number of shares into which the share capital is divided, with the potential rights that the Parent company holds and can exercise, and by subtracting the number of treasury shares. The calculation of the basic earnings per share is based on the following data:



|  | <u>Group</u> |             | <u>Company</u> |             |
|--|--------------|-------------|----------------|-------------|
|  | 1/1-         | 1/1-        | 1/1-           | 1/1-        |
| Amounts in th.€  | 31/12/2019   | 31/12/2018  | 31/12/2019     | 31/12/2018  |
| Profit/ (losses) attributable to the shareholders of the Company | 20.963       | 20.689      | 12.212         | 24.046      |
| shares for the purpose of basic earnings per share               | 2.730.868    | 2.730.868   | 2.730.868      | 2.730.868   |
| <b>Profti/(Loss) per share in €</b>                              | <b>7,68</b>  | <b>7,58</b> | <b>4,47</b>    | <b>8,81</b> |

## 14. Property, Plant and Equipment

The movement of the Property, Plant and Equipment of the Group for the year 1/1/2018 – 31/12/2018 and for the year 1/1/2019 – 31/12/2019 is presented in the following table:

| <u>Group</u>                              | Land and buildings | Machinery      | Transportation means | other equipment | Assets under construction | Total          |
|---|--------------------|----------------|----------------------|-----------------|---------------------------|----------------|
| Amounts in th.€                           |                    |                |                      |                 |                           |                |
| <b>Cost</b>                               |                    |                |                      |                 |                           |                |
| <b>Balance 1 January 2018</b>             | <b>168.405</b>     | <b>94.497</b>  | <b>6.803</b>         | <b>35.700</b>   | <b>12.181</b>             | <b>317.585</b> |
| Additions                                 | 6.034              | 5.826          | 301                  | 2.034           | 12.721                    | 26.916         |
| Disposals/Write-off                       | (54)               | (41)           | -                    | (87)            | (1)                       | (182)          |
| Transfers                                 | 3.499              | 4.535          | 1                    | 1.212           | (10.294)                  | (1.047)        |
| <b>Balance 31 December 2018</b>           | <b>177.884</b>     | <b>104.817</b> | <b>7.105</b>         | <b>38.859</b>   | <b>14.607</b>             | <b>343.272</b> |
| <b>Balance 1 January 2019</b>             | <b>177.884</b>     | <b>104.817</b> | <b>7.105</b>         | <b>38.859</b>   | <b>14.607</b>             | <b>343.272</b> |
| Additions                                 | 3.758              | 4.090          | 586                  | 2.055           | 15.236                    | 25.725         |
| Disposals/Write-off                       | (830)              | (812)          | (18)                 | (1.225)         | (60)                      | (2.945)        |
| Transfers                                 | 5.403              | 4.242          | -                    | 1.967           | (12.040)                  | (428)          |
| <b>Balance 31 December 2019</b>           | <b>186.215</b>     | <b>112.337</b> | <b>7.673</b>         | <b>41.656</b>   | <b>17.743</b>             | <b>365.624</b> |
| <b>Accumulated depreciation</b>           |                    |                |                      |                 |                           |                |
| <b>Balance 1 January 2018</b>             | <b>96.850</b>      | <b>56.125</b>  | <b>4.466</b>         | <b>24.464</b>   | -                         | <b>181.906</b> |
| Depreciation expense                      | 5.806              | 3.926          | 306                  | 2.381           | -                         | 12.419         |
| Disposals/Write-off                       | (43)               | (31)           | -                    | (54)            | -                         | (128)          |
| <b>Balance 31 December 2018</b>           | <b>102.613</b>     | <b>60.020</b>  | <b>4.772</b>         | <b>26.788</b>   | -                         | <b>194.193</b> |
| <b>Balance 1 January 2019</b>             | <b>102.613</b>     | <b>60.020</b>  | <b>4.772</b>         | <b>26.788</b>   | -                         | <b>194.193</b> |
| Depreciation expense                      | 6.010              | 4.650          | 319                  | 2.542           | -                         | 13.521         |
| Disposals/Write-off                       | (820)              | (789)          | (20)                 | (1.194)         | -                         | (2.823)        |
| <b>Balance 31 December 2019</b>           | <b>107.803</b>     | <b>63.881</b>  | <b>5.071</b>         | <b>28.136</b>   | -                         | <b>204.891</b> |
| <b>Net book value on 31 December 2018</b> | <b>75.271</b>      | <b>44.796</b>  | <b>2.333</b>         | <b>12.072</b>   | <b>14.607</b>             | <b>149.079</b> |
| <b>Net book value on 31 December 2019</b> | <b>78.412</b>      | <b>48.456</b>  | <b>2.602</b>         | <b>13.520</b>   | <b>17.743</b>             | <b>160.733</b> |

The movement of fixed assets for the year 1/1/2018 – 31/12/2018 and for the year 1/1/2019 – 31/12/2019 is presented in the following table:

| <b>Company</b>                            | <b>Land and buildings</b> | <b>Machinery</b> | <b>Transportation means</b> | <b>other equipment</b> | <b>Assets under construction</b> | <b>Total</b>   |
|---|---------------------------|------------------|-----------------------------|------------------------|----------------------------------|----------------|
| <i>Amounts in th.€</i>                    |                           |                  |                             |                        |                                  |                |
| <b>Cost</b>                               |                           |                  |                             |                        |                                  |                |
| <b>Balance 1 January 2018</b>             | 145.424                   | 81.438           | 5.004                       | 31.752                 | 12.174                           | 275.791        |
| Additions                                 | 5.237                     | 4.383            | -                           | 1.599                  | 10.735                           | 21.954         |
| Disposals/Write-off                       | (54)                      | (41)             | -                           | (53)                   | (1)                              | (149)          |
| Transfers                                 | 3.490                     | 4.545            | 1                           | 1.711                  | (10.288)                         | (541)          |
| <b>Balance 31 December 2018</b>           | <b>154.097</b>            | <b>90.325</b>    | <b>5.005</b>                | <b>35.008</b>          | <b>12.620</b>                    | <b>297.055</b> |
| <b>Balance 1 January 2019</b>             | 154.097                   | 90.325           | 5.005                       | 35.008                 | 12.620                           | 297.055        |
| Additions                                 | 3.421                     | 3.238            | -                           | 1.730                  | 13.687                           | 22.076         |
| Disposals/Write-off                       | (827)                     | (802)            | (334)                       | (1.226)                | (60)                             | (3.249)        |
| Transfers                                 | 3.925                     | 3.891            | -                           | 1.976                  | (10.078)                         | (286)          |
| <b>Balance 31 December 2019</b>           | <b>160.616</b>            | <b>96.652</b>    | <b>4.671</b>                | <b>37.488</b>          | <b>16.169</b>                    | <b>315.596</b> |
| <b>Accumulated depreciation</b>           |                           |                  |                             |                        |                                  |                |
| <b>Balance 1 January 2018</b>             | 82.696                    | 48.490           | 3.637                       | 21.844                 | -                                | 156.666        |
| Depreciation expense                      | 4.499                     | 3.327            | 207                         | 2.161                  | -                                | 10.194         |
| Disposals/Write-off                       | (43)                      | (31)             | -                           | (52)                   | -                                | (125)          |
| <b>Balance 31 December 2018</b>           | <b>87.152</b>             | <b>51.786</b>    | <b>3.844</b>                | <b>23.953</b>          | <b>-</b>                         | <b>166.735</b> |
| <b>Balance 1 January 2019</b>             | 87.152                    | 51.786           | 3.844                       | 23.953                 | -                                | 166.735        |
| Depreciation expense                      | 4.652                     | 3.947            | 197                         | 2.277                  | -                                | 11.073         |
| Disposals/Write-off                       | (822)                     | (784)            | (245)                       | (1.195)                | -                                | (3.046)        |
| <b>Balance 31 December 2019</b>           | <b>90.982</b>             | <b>54.949</b>    | <b>3.796</b>                | <b>25.035</b>          | <b>-</b>                         | <b>174.762</b> |
| <b>Net book value on 31 December 2018</b> | <b>66.945</b>             | <b>38.539</b>    | <b>1.161</b>                | <b>11.055</b>          | <b>12.620</b>                    | <b>130.320</b> |
| <b>Net book value on 31 December 2019</b> | <b>69.634</b>             | <b>41.703</b>    | <b>875</b>                  | <b>12.453</b>          | <b>16.169</b>                    | <b>140.834</b> |

## 15. Intangible assets

The intangible assets of the Group comprise software programs and exploitation rights of gas stations. Their movement during the year 1/1/2018 – 31/12/2018 and the year 1/1/2019 – 31/12/2019 is presented in the following table:

| <b>Group</b>                              |                 |               |               |
|---|-----------------|---------------|---------------|
| <i>Amounts in th.€</i>                    |                 |               |               |
|   | <b>Software</b> | <b>Rights</b> | <b>Total</b>  |
| <b>Cost</b>                               |                 |               |               |
| <b>Balance 1 January 2018</b>             | <b>15.708</b>   | <b>23.380</b> | <b>39.088</b> |
| Additions                                 | 1.043           | 172           | 1.215         |
| Disposals/Write-off                       | (6)             | -             | (6)           |
| Transfers                                 | 467             | 580           | 1.047         |
| <b>Balance 31 December 2018</b>           | <b>17.212</b>   | <b>24.132</b> | <b>41.344</b> |
| <b>Balance 1 January 2019</b>             | <b>17.212</b>   | <b>24.132</b> | <b>41.344</b> |
| Additions                                 | 1.461           | 838           | 2.299         |
| Disposals/Write-off                       | (6.712)         | -             | (6.712)       |
| Transfers                                 | 428             | -             | 428           |
| <b>Balance 31 December 2019</b>           | <b>12.389</b>   | <b>24.970</b> | <b>37.359</b> |
| <b>Accumulated depreciation</b>           |                 |               |               |
| <b>Balance 1 January 2018</b>             | <b>12.000</b>   | <b>16.902</b> | <b>28.901</b> |
| Depreciation expense                      | 1.105           | 1.316         | 2.421         |
| Disposals/Write-off                       | (3)             | -             | (3)           |
| Transfers                                 | -               | 4             | 4             |
| <b>Balance 31 December 2018</b>           | <b>13.102</b>   | <b>18.222</b> | <b>31.324</b> |
| <b>Balance 1 January 2019</b>             | <b>13.102</b>   | <b>18.222</b> | <b>31.324</b> |
| Depreciation expense                      | 1.376           | 1.061         | 2.437         |
| Disposals/Write-off                       | (6.712)         | -             | (6.712)       |
| <b>Balance 31 December 2019</b>           | <b>7.766</b>    | <b>19.283</b> | <b>27.049</b> |
| <b>Net book value on 31 December 2018</b> | <b>4.110</b>    | <b>5.910</b>  | <b>10.020</b> |
| <b>Net book value on 31 December 2019</b> | <b>4.623</b>    | <b>5.687</b>  | <b>10.310</b> |

The intangible assets of the Company comprise software programs and exploitation rights of gas station. Their movement during the year 1/1/2018 – 31/12/2018 and the year 1/1/2019 – 31/12/2019 is presented in the following table:

| <b>Company</b>                            |                 |               |               |
|---|-----------------|---------------|---------------|
| <i>Amounts in th.€</i>                    | <b>Software</b> | <b>Rights</b> | <b>Total</b>  |
| <b>Cost</b>                               |                 |               |               |
| <b>Balance 1 January 2018</b>             | 14.688          | 23.378        | 38.066        |
| Additions                                 | 392             | -             | 392           |
| Transfers                                 | 467             | 74            | 541           |
| <b>Balance 31 December 2018</b>           | <b>15.547</b>   | <b>23.452</b> | <b>38.999</b> |
| <b>Balance 1 January 2019</b>             | 15.547          | 23.452        | 38.999        |
| Additions                                 | 977             | 281           | 1.258         |
| Disposals/Write-off                       | (6.712)         | -             | (6.712)       |
| Transfers                                 | 286             | -             | 286           |
| <b>Balance 31 December 2019</b>           | <b>10.098</b>   | <b>23.733</b> | <b>33.831</b> |
| <b>Accumulated depreciation</b>           |                 |               |               |
| <b>Balance 1 January 2018</b>             | 11.514          | 16.901        | 28.415        |
| Depreciation expense                      | 994             | 1.137         | 2.131         |
| <b>Balance 31 December 2018</b>           | <b>12.508</b>   | <b>18.038</b> | <b>30.546</b> |
| <b>Balance 1 January 2019</b>             | 12.508          | 18.038        | 30.546        |
| Depreciation expense                      | 1.061           | 985           | 2.046         |
| Disposals/Write-off                       | (6.712)         | -             | (6.712)       |
| <b>Balance 31 December 2019</b>           | <b>6.857</b>    | <b>19.023</b> | <b>25.880</b> |
| <b>Net book value on 31 December 2018</b> | <b>3.039</b>    | <b>5.414</b>  | <b>8.453</b>  |
| <b>Net book value on 31 December 2019</b> | <b>3.241</b>    | <b>4.710</b>  | <b>7.951</b>  |

## 16. Right of use Assets

The movement in the Group's right of use assets during the period 1/1/2019 – 31/12/2019 is presented below:

| <b>Group</b>                              | <b>Land and buildings</b> | <b>Machinery</b> | <b>Transportation means</b> | <b>Total</b>   |
|---|---------------------------|------------------|-----------------------------|----------------|
| <i>Amounts in th.€</i>                    |                           |                  |                             |                |
| <b>Cost</b>                               |                           |                  |                             |                |
| <b>Balance 1 January 2019</b>             | <b>94.812</b>             | <b>3.096</b>     | <b>8.600</b>                | <b>106.508</b> |
| Additions                                 | 18.281                    | 108              | 4.245                       | 22.634         |
| Disposals/Write-off                       | (312)                     | -                | -                           | (312)          |
| Transfers                                 | (557)                     | 557              | -                           | -              |
| <b>Balance 31 December 2019</b>           | <b>112.224</b>            | <b>3.761</b>     | <b>12.845</b>               | <b>128.830</b> |
| <b>Accumulated depreciation</b>           |                           |                  |                             |                |
| <b>Balance 1 January 2019</b>             | -                         | -                | -                           | -              |
| Depreciation expense                      | 12.711                    | 361              | 4.397                       | 17.469         |
| <b>Balance 31 December 2019</b>           | <b>12.711</b>             | <b>361</b>       | <b>4.397</b>                | <b>17.469</b>  |
| <b>Net book value on 1 January 2019</b>   | <b>94.812</b>             | <b>3.096</b>     | <b>8.600</b>                | <b>106.508</b> |
| <b>Net book value on 31 December 2019</b> | <b>99.513</b>             | <b>3.400</b>     | <b>8.448</b>                | <b>111.361</b> |

The movement in the Company's right of use assets during period 1/1/2019 – 31/12/2019 is presented below:

| <b>Company</b>                            | <b>Land and buildings</b> | <b>Transportation means</b> | <b>Total</b>  |
|---|---------------------------|-----------------------------|---------------|
| <i>Amounts in th.€</i>                    |                           |                             |               |
| <b>Cost</b>                               |                           |                             |               |
| <b>Balance 1 January 2019</b>             | <b>83.893</b>             | <b>617</b>                  | <b>84.510</b> |
| Additions                                 | 13.801                    | 605                         | 14.406        |
| <b>Balance 31 December 2019</b>           | <b>97.694</b>             | <b>1.222</b>                | <b>98.916</b> |
| <b>Accumulated depreciation</b>           |                           |                             |               |
| <b>Balance 1 January 2019</b>             | -                         | -                           | -             |
| Depreciation expense                      | 11.173                    | 376                         | 11.549        |
| <b>Balance 31 December 2019</b>           | <b>11.173</b>             | <b>376</b>                  | <b>11.549</b> |
| <b>Net book value on 1 January 2019</b>   | <b>83.893</b>             | <b>617</b>                  | <b>84.510</b> |
| <b>Net book value on 31 December 2019</b> | <b>86.521</b>             | <b>846</b>                  | <b>87.367</b> |

The Group leases several assets including land & buildings, transportation means and machinery. The Group leases land & buildings for the purposes of constructing and operating its own network of gas stations as well as for its office space, fuel storage facilities/(oil depots), warehouses and retail stores. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group leases trucks and vessels for distribution of its oil & gas products, as well as cars for management and other operational needs.

The Group subleases some of its right-of-use assets that concern premises suitable to operate gas stations and other interrelated activities including office space under operating lease. Additionally, the Group leases out part of its own fuel storage facilities to third parties under operating lease.

## 17. Participations in subsidiaries and associates

Participations in subsidiaries and associate companies is presented below:

| Name  | Place of incorporation and operation | Proportion of ownership interest | Principal activity   | Consolidation Method | Participation |
|---|--------------------------------------|----------------------------------|----------------------|----------------------|---------------|
| MYRTEA SOCIATE ANONYME COMPANY OF TRADING, STORAGE, REPRESENTATION OF OIL PRODUCTS AND SERVICES' PROVISION  | Greece, Marousi of Attica            | 100%                             | Petroleum products   | Full                 | Direct        |
| SOCIETE ANONYME COMPANY OF TRANSPORTATION EXPLOITATION TRADING OF OIL PRODUCTS AND SERVICES' PROVISION "ERMIS"  | Greece, Marousi of Attica            | 100%                             | Petroleum products   | Full                 | Direct        |
| CORAL PRODUCTS AND TRADING SOCIATE ANONYME TRADING COMPANY OF YAGHT FUEL, LUBRICANTS, YAGHT SUPPLIES, OIL PRODUCTS, CHEMICAL PRODUCTS AND SERVICES' PROVISION | Greece, Marousi of Attica            | 100%                             | Petroleum products   | Full                 | Direct        |
| CORAL INNOVATIONS SOCIATE ANONYME TRADING COMPANY, DEVELOPMENT AND SOFTWARE EXPLOITATION, AND SERVICES' PROVISION OF TELECOMMUNICATION AND INTERNET           | Greece, Perissos of Attica           | 100%                             | Trading and Services | Full                 | Direct        |
| PETROLEUM INSTALLATIONS OF RHODES –ALEXANDROUPOLIS SA   | Greece, Marousi of Attica            | 37%                              | Aviation fuels       | Equity               | Direct        |
| SHELL & MOH SA AVIATION FUELS   | Greece, Marousi of Attica            | 49%                              | Aviation fuels       | Equity               | Direct        |
| MEDPROFILE LTD  | Cyprus, Nicosia                      | 75%                              | Holding Company      | Full                 | Direct        |
| CORAL ENERGY PRODUCTS (CYPRUS) LTD  | Cyprus, Nicosia                      | 75%                              | Petroleum products   | Full                 | Indirect      |
| MEDSYMPLAN LTD  | Cyprus, Nicosia                      | 100%                             | Holding Company      | Full                 | Direct        |
| CORAL SRB DOO BEOGRAD   | Serbia, Beograd                      | 100%                             | Petroleum products   | Full                 | Indirect      |
| CORAL-FUELS DOEL SKOPJE   | FYROM, Skopje                        | 100%                             | Petroleum products   | Full                 | Indirect      |
| CORAL MONTENEGRO DOO PODGORICA  | Montenegro, Podgorica                | 100%                             | Petroleum products   | Full                 | Indirect      |
| CORAL ALBANIA SH.A.   | Albania, Tirana                      | 100%                             | Petroleum products   | Full                 | Indirect      |

The following table presents participations in subsidiaries and associates expressed in total amounts:

| <u>Company name</u>   | <u>Group</u> |              | <u>Company</u> |               |
|---|--------------|--------------|----------------|---------------|
| Amounts in th. €  | 31/12/2019   | 31/12/2018   | 31/12/2019     | 31/12/2018    |
| MYRTEA SOCIATE ANONYME COMPANY OF TRADING, STORAGE, REPRESENTATION OF OIL PRODUCTS AND SERVICES' PROVISION  | -            | -            | 1.179          | 1.179         |
| SOCIETE ANONYME COMPANY OF TRANSPORTATION EXPLOITATION TRADING OF OIL PRODUCTS AND SERVICES' PROVISION "ERMIS"  | -            | -            | 4.739          | 4.739         |
| CORAL PRODUCTS AND TRADING SOCIATE ANONYME TRADING COMPANY OF YAGHT FUEL, LUBRICANTS, YAGHT SUPPLIES, OIL PRODUCTS, CHEMICAL PRODUCTS AND SERVICES' PROVISION | -            | -            | 3.500          | 3.500         |
| CORAL INNOVATIONS SOCIATE ANONYME TRADING COMPANY, DEVELOPMENT AND SOFTWARE EXPLOITATION, AND SERVICES' PROVISION OF TELECOMMUNICATION AND INTERNET           | -            | -            | 1.500          | 1.500         |
| MEDPROFILE LTD  | -            | -            | 7.096          | 7.096         |
| CORAL ENERGY PRODUCTS (CYPRUS) LTD  | -            | -            | 0              | -             |
| MEDSYMPLAN LTD  | -            | -            | 2.372          | 2.222         |
| CORAL SRB DOO BEOGRAD   | -            | -            | -              | -             |
| CORAL-FUELS DOEL SKOPJE   | -            | -            | -              | -             |
| CORAL MONTENEGRO DOO PODGORICA  | -            | -            | -              | -             |
| CORAL ALBANIA SH.A.   | -            | -            | -              | -             |
| PETROLEUM INSTALLATIONS OF RHODES –ALEXANDROUPOLIS SA   | 1.038        | 856          | 270            | 213           |
| SHELL & MOH SA AVIATION FUELS   | 8.310        | 7.413        | 2.802          | 2.802         |
| <b>Total</b>  | <b>9.348</b> | <b>8.269</b> | <b>23.457</b>  | <b>23.251</b> |

In 2019, the share capital of the subsidiary company "Medsypan LTD" and the associate company "Petroleum Installations of Rhodes - Alexandroupolis SA" increased by € 150 thousand and € 57 thousand respectively.

The summary financial data of associates that are consolidated with the Equity method is presented below:

**(a) For the company PETROLEUM INSTALLATIONS PF RHODES –ALEXANDROUPOLIS SA**

| <i>Amounts in th. €</i> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|-------------------------|-------------------|-------------------|
| Total assets            | 3.277             | 2.850             |
| Total liabilities       | 509               | 568               |
| <b>Net assets</b>       | <b>2.768</b>      | <b>2.282</b>      |

|                            | <b>31/12/2019</b> | <b>31/12/2018</b> |
|----------------------------|-------------------|-------------------|
| Revenue                    | 1.287             | 1.494             |
| <b>Profit for the year</b> | <b>491</b>        | <b>381</b>        |

**(b) For the company "SHELL & MOH AVIATION FUELS SA"**

| <i>Amounts in th. €</i> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|-------------------------|-------------------|-------------------|
| Total assets            | 38.727            | 33.090            |
| Total liabilities       | 21.767            | 17.961            |
| <b>Net assets</b>       | <b>16.960</b>     | <b>15.129</b>     |

|                            | <b>31/12/2019</b> | <b>31/12/2018</b> |
|----------------------------|-------------------|-------------------|
| Revenue                    | 327.416           | 351.990           |
| <b>Profit for the year</b> | <b>11.146</b>     | <b>9.197</b>      |

## 18. Other financial assets

| <i>Amounts in th. €</i>  | <b>incorporation and<br/>operation</b> | <b>Principal activity</b> | <b>ownership<br/>interest</b> | <b>Value of<br/>participation</b> |
|--------------------------|--|---------------------------|-------------------------------|-----------------------------------|
| HELLAS DIRECT LTD CYPRUS |  | GENERAL INSURANCE COMPANY | 1,16%                         | 500                               |
| <b>Total</b>             |  |                           |                               | <b>500</b>                        |

## 19. Other long-term receivables

| <i>Amounts in th. €</i>                                 | <b><u>Group</u></b> |                   | <b><u>Company</u></b> |                   |
|---|---------------------|-------------------|-----------------------|-------------------|
|   | <b>31/12/2019</b>   | <b>31/12/2018</b> | <b>31/12/2019</b>     | <b>31/12/2018</b> |
| Rents' advances   | -                   | 10.392            | -                     | 10.392            |
| Guarantees  | 969                 | 1.369             | 893                   | 938               |
| Long-term trade credits                                 | 4.312               | 4.016             | 4.116                 | 3.808             |
| Long-term receivables from related parties<br>(note 34) | 380                 | 453               | 380                   | 453               |
| Other long-term receivables                             | 489                 | 961               | 489                   | 962               |
| <b>Total</b>  | <b>6.150</b>        | <b>17.191</b>     | <b>5.878</b>          | <b>16.553</b>     |

\*Group's prepaid expenses for 2018 mainly concern Rental advances and other expenses for securing gas stations. In 2019, these expenses are part of right of use assets according to IFRS 16.

## 20. Inventories

|                                     | <u>Group</u>      |                   | <u>Company</u>    |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <i>Amounts in th. €</i>             | <b>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Raw materials                       | 1.120             | 1.899             | 1.120             | 1.899             |
| Finished and semi-finished products | 3.686             | 4.521             | 3.687             | 4.521             |
| Merchandise                         | 128.084           | 95.254            | 92.357            | 70.786            |
| <b>Total</b>                        | <b>132.890</b>    | <b>101.674</b>    | <b>97.164</b>     | <b>77.206</b>     |

It is noted, that inventories are measured at the lower price among their acquisition cost and their net realizable value, at the end of the financial year. In 2019, part of the inventories were valued at their net realizable value, thus affecting the Group's Income Statement (Cost of Sales) as follows:

|                         | <u>Group</u>      |                   | <u>Company</u>    |                   |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| <i>Amounts in th. €</i> | <b>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Merchandise             | 15                | 893               | 15                | 799               |
| <b>Total</b>            | <b>15</b>         | <b>893</b>        | <b>15</b>         | <b>799</b>        |

The cost of inventories recognized as an expense in the cost of sales for the Group was in 2019 € 2,124,295 thousand and for 2018 € 1,999,695 thousand (Company: 2019 € 1,964,557 thousand and for 2018 € 1,862,540 thousand).

## 21. Trade and other short-term receivables

The trade and other short-term receivables of the Group for the period ended 31/12/2019 mainly comprise of receivables from sales of goods. Below is presented an analysis of trade and other short-term receivables:

|  | <u>Group</u>      |                   | <u>Company</u>    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| <i>Amounts in th. €</i>                    | <b>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Trade receivables                          | 89.054            | 63.799            | 74.478            | 54.224            |
| Short-term trade credit                    | 11.432            | 11.967            | 11.410            | 11.933            |
| Minus: Provision for bad debt              | (29.310)          | (30.515)          | (26.726)          | (27.786)          |
| Receivables from related parties (note 33) | 11.970            | 5.859             | 28.981            | 28.314            |
|  | <b>83.146</b>     | <b>51.110</b>     | <b>88.143</b>     | <b>66.685</b>     |
| Current Tax Assets                         | 1.254             | -                 | 2.155             | -                 |
| Debtors                                    | 28.223            | 29.928            | 25.311            | 27.809            |
| Minus: Provision for bad debtors           | (2.668)           | (2.851)           | (2.000)           | (2.254)           |
| Receivables from related parties (note 33) | 1.816             | 2.456             | 6.010             | 10.340            |
| Prepaid expenses                           | 964               | 3.008             | 763               | 2.210             |
| Contractual asset                          | 416               | 1.395             | 416               | 1.340             |
| Other receivables                          | 23.956            | 21.159            | 6.017             | 6.017             |
| <b>Total</b>                               | <b>137.107</b>    | <b>106.205</b>    | <b>126.815</b>    | <b>112.147</b>    |

Trade and other receivable are analysed into the following currencies:

|                         | <u>Group</u>      |                   | <u>Company</u>    |                   |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| <i>Amounts in th. €</i> | <b>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Euro (EUR)              | 112.095           | 97.026            | 103.196           | 107.175           |
| Dollar (USD)            | 24.175            | 8.153             | 23.582            | 4.935             |
| Other                   | 837               | 1.026             | 37                | 37                |
| <b>Total</b>            | <b>137.107</b>    | <b>106.205</b>    | <b>126.815</b>    | <b>112.147</b>    |

The average credit period resulting from sales of goods for the parent Company is 17 days and for the Group is 14 days while for 2018 it was 17 days and 13 days respectively. After the specified credit period interest is charged on a case-by-case basis.

The Group and the Company apply the IFRS 9 simplified model, based on which recognition and classification of the financial asset "Trade and Other Receivables" is performed either at Stage 2 or at Stage 3, according to the days past due, and measures loss allowance at an amount equal to lifetime ECL.



To measure the ECL, the trade and other receivables have been grouped based on their credit risk characteristics and their ageing (days past due) at the reporting date. This measurement is based on specific credit risk metrics (i.e. Probability of Default-PD, Loss Given Default), which are calculated based on historical data, existing market conditions as well as forward looking estimates at the end of each reporting period.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributes to customers are reviewed on a permanent basis.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following tables depict the risk profile of trade receivables and other receivables based on the Group's and Company's provision matrix.

#### **Group**

| Maturity analysis                        |              |           |            |            |          |                |
|--|--------------|-----------|------------|------------|----------|----------------|
| Amounts in th. €                         | Not past due | 0-30 days | 30-60 days | 60-90 days | 90+ days | Total          |
| <b>31 December 2019</b>                  |              |           |            |            |          |                |
| Expected credit loss rate                | 1,06%        | 1,28%     | 7,42%      | 12,51%     | 83,29%   | 18,91%         |
| Estimated total gross carrying amount at | 123.428      | 7.229     | 1.236      | 700        | 36.492   | 169.085        |
| Lifetime ECL                             | 1.312        | 92        | 92         | 88         | 30.394   | 31.978         |
|  |              |           |            |            |          | <b>137.107</b> |

| Maturity analysis                        |              |           |            |            |          |                |
|--|--------------|-----------|------------|------------|----------|----------------|
| Amounts in th. €                         | Not past due | 0-30 days | 30-60 days | 60-90 days | 90+ days | Total          |
| <b>31 December 2018</b>                  |              |           |            |            |          |                |
| Expected credit loss rate                | 1,34%        | 0,93%     | 8,61%      | 9,64%      | 81,05%   | 23,91%         |
| Estimated total gross carrying amount at | 89.579       | 9.452     | 734        | 351        | 39.455   | 139.571        |
| Lifetime ECL                             | 1.201        | 88        | 63         | 34         | 31.980   | 33.366         |
|  |              |           |            |            |          | <b>106.205</b> |

#### **Company**

| Maturity analysis                        |              |           |            |            |          |                |
|--|--------------|-----------|------------|------------|----------|----------------|
| Amounts in th. €                         | Not past due | 0-30 days | 30-60 days | 60-90 days | 90+ days | Total          |
| <b>31 December 2019</b>                  |              |           |            |            |          |                |
| Expected credit loss rate                | 0,57%        | 0,59%     | 1,85%      | 11,83%     | 82,66%   | 18,47%         |
| Estimated total gross carrying amount at | 108.753      | 8.516     | 3.870      | 642        | 33.760   | 155.541        |
| Lifetime ECL                             | 622          | 50        | 72         | 76         | 27.906   | 28.726         |
|  |              |           |            |            |          | <b>126.815</b> |

| Maturity analysis                        |              |           |            |            |          |                |
|--|--------------|-----------|------------|------------|----------|----------------|
| Amounts in th. €                         | Not past due | 0-30 days | 30-60 days | 60-90 days | 90+ days | Total          |
| <b>31 December 2018</b>                  |              |           |            |            |          |                |
| Expected credit loss rate                | 0,55%        | 0,34%     | 3,57%      | 5,73%      | 80,87%   | 21,13%         |
| Estimated total gross carrying amount at | 88.210       | 16.083    | 1.205      | 290        | 36.399   | 142.187        |
| Lifetime ECL                             | 489          | 54        | 43         | 17         | 29.437   | 30.040         |
|  |              |           |            |            |          | <b>112.147</b> |

As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

The change in the provision for bad debt is analyzed as follows:

| Amounts in th. €   | <u>Group</u>  | <u>Company</u> |
|--|---------------|----------------|
| <b>Balance 1 January 2018</b>                            | <b>31.985</b> | <b>28.772</b>  |
| Effect of changes in accounting policy (IFRS 9 adoption) | 1.905         | 1.402          |
| <b>Adjusted Balance 1 January 2018</b>                   | <b>33.890</b> | <b>30.174</b>  |
| Provision for bad debt                                   | 301           | 160            |
| Non-utilised provision that have been reversed           | (825)         | (294)          |
| <b>Balance 31 December 2018</b>                          | <b>33.366</b> | <b>30.040</b>  |
| <b>Balance 1 January 2019</b>                            | <b>33.366</b> | <b>30.040</b>  |
| Provision for bad debt                                   | 184           | 139            |
| Amounts used to write-off of receivables                 | (1.478)       | (1.453)        |
| Non-utilised provision that have been reversed           | (94)          | -              |
| <b>Balance 31 December 2019</b>                          | <b>31.978</b> | <b>28.726</b>  |

At the Group Level the concentration of credit risk is limited due to the customers' wide base.

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model (As per IAS 39). Following the transition to IFRS 9 on 1/1/2018 Group and the Company apply the IFRS 9 simplified model to estimate the ECL of trade and other receivables, classifying them either at Stage 2 or at Stage 3 and measuring lifetime ECL.

| Amounts in th. €                         | <u>Group</u>      |         |                   |         |
|--|-------------------|---------|-------------------|---------|
|  | <u>31/12/2019</u> |         | <u>31/12/2018</u> |         |
|  | Stage 2           | Stage 3 | Stage 2           | Stage 3 |
| Expected credit loss rate                | 1,19%             | 83,29%  | 1,38%             | 81,05%  |
| Estimated total gross carrying amount at | 132.593           | 36.492  | 100.116           | 39.455  |
| Lifetime ECL                             | 1.584             | 30.394  | 1.386             | 31.980  |

| Amounts in th. €                         | <u>Company</u>    |         |                   |         |
|--|-------------------|---------|-------------------|---------|
|  | <u>31/12/2019</u> |         | <u>31/12/2018</u> |         |
|  | Stage 2           | Stage 3 | Stage 2           | Stage 3 |
| Expected credit loss rate                | 0,67%             | 82,66%  | 0,57%             | 80,87%  |
| Estimated total gross carrying amount at | 121.781           | 33.760  | 105.788           | 36.399  |
| Lifetime ECL                             | 820               | 27.906  | 603               | 29.437  |

## 22. Cash and cash equivalents

Cash and cash equivalents consist of short-term deposits. The book value of cash and cash equivalents approximates their fair value.

| Amounts in th. € | <u>Group</u>      |                   | <u>Company</u>    |                   |
|------------------|-------------------|-------------------|-------------------|-------------------|
|                  | <u>31/12/2019</u> | <u>31/12/2018</u> | <u>31/12/2019</u> | <u>31/12/2018</u> |
| Cash             | 4.502             | 3.053             | 665               | 246               |
| Deposits at bank | 15.118            | 14.623            | 4.506             | 5.017             |
| <b>Total</b>     | <b>19.620</b>     | <b>17.676</b>     | <b>5.171</b>      | <b>5.263</b>      |

The cash and cash equivalents of the Group are analysed in the following currencies:

| Amounts in th. € | <u>Group</u>      |                   | <u>Company</u>    |                   |
|------------------|-------------------|-------------------|-------------------|-------------------|
|                  | <u>31/12/2019</u> | <u>31/12/2018</u> | <u>31/12/2019</u> | <u>31/12/2018</u> |
| Euro (EUR)       | 17.510            | 13.769            | 4.767             | 3.617             |
| Dollar (USD)     | 1.395             | 3.206             | 404               | 1.646             |
| Other            | 715               | 701               | -                 | -                 |
| <b>Total</b>     | <b>19.620</b>     | <b>17.676</b>     | <b>5.171</b>      | <b>5.263</b>      |

The line "Other" includes cash of Group companies that operate in countries whose functional currency is other than euro.

## 23. Share capital

The Group's share capital on 31 December 2019 and 31 December 2018 amounts to € 80,151 thousand and is divided into 2,730,868 shares of € 29.35 each.

All shares are common, registered non-listed in a stock exchange.

## 24. Reserves

| Group                           | Legal reserve | Special reserves | Non-taxed reserves | Extraordinary reserves | Reserves from foreign exchange differences of translation | Total         |
|---------------------------------|---------------|------------------|--------------------|------------------------|---|---------------|
| <i>Amounts in th. €</i>         |               |                  |                    |                        |   |               |
| <b>Balance 1 January 2018</b>   | 12.950        | 13.505           | 8                  | 29                     | (4)   | 26.488        |
| Transfer                        | 913           | 3.587            | -                  | -                      | (1)   | 4.499         |
| <b>Balance 31 December 2018</b> | <b>13.863</b> | <b>17.092</b>    | <b>8</b>           | <b>29</b>              | <b>(5)</b>  | <b>30.987</b> |
| <b>Balance 1 January 2019</b>   | 13.863        | 17.092           | 8                  | 29                     | (5)   | 30.987        |
| Transfer                        | 1.046         | 11.599           | -                  | -                      | (3)   | 12.642        |
| Dividends                       | -             | (3.593)          | -                  | -                      | -   | (3.593)       |
| <b>Balance 31 December 2019</b> | <b>14.909</b> | <b>25.098</b>    | <b>8</b>           | <b>29</b>              | <b>(8)</b>  | <b>40.036</b> |

| Company                         | Legal reserve | Special reserves | Total         |
|---------------------------------|---------------|------------------|---------------|
| <i>Amounts in th. €</i>         |               |                  |               |
| <b>Balance 1 January 2018</b>   | 11.882        | 13.507           | 25.389        |
| Transfer                        | 661           | 3.587            | 4.248         |
| <b>Balance 31 December 2018</b> | <b>12.543</b> | <b>17.094</b>    | <b>29.637</b> |
| <b>Balance 1 January 2019</b>   | 12.543        | 17.094           | 29.637        |
| Transfer                        | 637           | 11.599           | 12.236        |
| Dividends                       | -             | (3.593)          | (3.593)       |
| <b>Balance 31 December 2019</b> | <b>13.180</b> | <b>25.100</b>    | <b>38.280</b> |

The Annual General Assembly Meeting of shareholders held on 28 June 2019, approved the distribution of € 3.593 thousand as dividends, out of the Group's special reserves.

### (a) Legal reserve

The Legal Reserve is formed in accordance with the provisions of the Greek Legislation (Law 4548/2018, articles 158 and 159), in which an amount equal to at least 5% of the annual net profits (after tax) is mandatory to be transferred to the Legal Reserve until the amount of it to reach one third of the paid-up share capital. The legal reserve can be used to cover losses after a decision of the Ordinary General Meeting of Shareholders, and therefore cannot be used for any other reason.

### (b) Special reserves

Special are the reserves that are formed with a specific purpose, such as the reserve for distribution of dividends to shareholders, the reserve to cover future losses from bad customers, etc. The specific determination of the reserve is determined by the institution that imposed its formation, namely by law, the general meeting of shareholders. Of course, tax legislation may also impose or permit the formation of a special reserve such as the reserve from "gain from the sale of securities".

### (c) Non-taxed reserves

#### Non-taxed reserve under special laws

Reserves that are formed from net profits are monitored, which, according to the specific provisions of development laws, which are in force each time, are not taxed as they were used to acquire new fixed production equipment. Namely, they are formed by net profits for which no tax is calculated or paid.

#### Reserves from tax-exempt income and income taxed in a special way

It includes the part of the net un-distributable net profit for each fiscal year arising from tax-exempt income and from income taxed in a special way with the tax liability being exhausted.

The above reserves can be capitalized and distributed (subject to the limitations that may apply each time) by decision of the Ordinary General Meeting of Shareholders. In case of capitalization or distribution, they are subject to income tax at the current tax rate.

## 25. Loans

| <i>Amounts in th. €</i>                 | <b>Group</b>      |                   | <b>Company</b>    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <b>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Bank loans                              | 82.507            | 74.000            | 60.000            | 67.000            |
| Overdrafts                              | 2.615             | 10.528            | 1.690             | 8.572             |
| Corporate bond loan                     | 90.000            | 90.000            | 90.000            | 90.000            |
| Minus: Bond loan expenses               | (1.192)           | (1.369)           | (1.155)           | (1.345)           |
| <b>Total loans</b>                      | <b>173.930</b>    | <b>173.159</b>    | <b>150.535</b>    | <b>164.227</b>    |
| <b>The loans are repaid as follows:</b> |                   |                   |                   |                   |
| On demand or within one year            | 4.613             | 50.528            | 1.690             | 48.572            |
| Within the second year                  | 78.000            | -                 | 60.000            | -                 |
| From 3 to 5 years                       | 92.509            | 124.000           | 90.000            | 117.000           |
| Minus: Bond loan expenses               | (1.192)           | (1.369)           | (1.155)           | (1.345)           |
| <b>Total loans</b>                      | <b>173.930</b>    | <b>173.159</b>    | <b>150.535</b>    | <b>164.227</b>    |

The Management considers that the fair value of the loans does not deviate substantially from their carrying amount.

The Group has the following bank loans:

i. **"CORAL SA."** has been granted the following loans:

On 9/5/2018 the Company completed the issuance of a bond loan of amount € 90,000 thousand with a 3% interest rate, that was listed and is traded in the Athens Stock Exchange. The purpose of this loan is to refinance existing loans. The loan will be repaid on 11/5/2022.

On 5/12/2018 the Company concluded a bond loan of a total amount € 25,000 thousand with a maturity of three years and repayment date on 5/12/2021. The purpose of this loan is to refinance existing loans. The amount that was disbursed amounts to € 25,000 thousand, which is also the balance of the loan on 31/12/2019.

On 21/12/2018 the Company concluded a bond loan of a total amount € 20,000 thousand with a maturity of three years and repayment date on 5/12/2021. The purpose of this loan is to refinance existing loans. The amount that was disbursed amounts to €20,000 thousand, which is also the balance of the loan on 31/12/2019.

On 27/8/2019 the Company concluded of a bond loan of a total amount € 44.000 thousand, with a maturity of two years and repayment date on 27/08/2021. The purpose of this loan is to refinance existing loans and the financing of other corporate needs. The amount that was disbursed amounts to €15,000 thousand, which is also the balance of the loan on 31/12/2019.

Finally, the Company has received short-term borrowings of € 1.690 thousand regarding overdrafts.

The total of short-term loans (including the short-term portion of long-term loans) of up to one year is € 45,528 thousand.

- ii. On 8/10/2018 “CORAL PRODUCTS SA” concluded a bond loan of a total amount € 12,000 thousand with maturity of three years and expiration date on 8/10/2021. The purpose of this loan is to refinance existing loans. The amount that was disbursed amounts to € 12,000 thousand which is also the balance of the loan on 31/12/2019. In addition, the company was granted a bond loan of 6,000 thousand on 26/06/2019, with a maturity of two years and repayment date on 26/06/2021. The amount that was disbursed amounts to €6,000 thousand, which is also the balance of the loan on 31/12/2019.
- iii. “CORAL ENERGY PRODUCTS CYPRUS” has received short term loan of € 952 thousand regarding overdrafts.
- iv. “CORAL SRB DOO BEOGRAD” has been granted bank loans of € 4.507 thousand.

For the above, no encumbrances have been recorded on the Group's fixed assets.

### Changes in liabilities arising from financing activities

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

The table below details changes in the Company's and Group's liabilities arising from financing activities, including both cash and non-cash changes:

| Group             |                | recognised on<br>adoption of IFRS | Financing cash<br>flows | Foreign<br>exchange<br>differences | New leases    | Other      |                |
|-------------------|----------------|-----------------------------------|-------------------------|------------------------------------|---------------|------------|----------------|
| Amounts in th. €  | 31/12/2018     | 16                                |                         |                                    |               |            | 31/12/2019     |
| Bank loans        | 173.159        | -                                 | 277                     | -                                  | -             | 494        | 173.930        |
| Lease liabilities | -              | 94.282                            | (14.195)                | 175                                | 19.695        | -          | 99.957         |
| <b>Total</b>      | <b>173.159</b> | <b>94.282</b>                     | <b>(13.918)</b>         | <b>175</b>                         | <b>19.695</b> | <b>494</b> | <b>273.887</b> |

| Company           |                | recognised on<br>adoption of IFRS | Financing cash<br>flows | Foreign<br>exchange<br>differences | New leases    | Other      |                |
|-------------------|----------------|-----------------------------------|-------------------------|------------------------------------|---------------|------------|----------------|
| Amounts in th. €  | 31/12/2018     | 16                                |                         |                                    |               |            | 31/12/2019     |
| Bank loans        | 164.227        | -                                 | (14.170)                | -                                  | -             | 478        | 150.535        |
| Lease liabilities | -              | 72.607                            | (8.722)                 | -                                  | 12.109        | -          | 75.994         |
| <b>Total</b>      | <b>164.227</b> | <b>72.607</b>                     | <b>(22.892)</b>         | <b>-</b>                           | <b>12.109</b> | <b>478</b> | <b>226.529</b> |

The 'Other' column includes the effect of accrued but not yet paid interest on interest-bearing loans and borrowings.

The Group classifies interest paid as cash flows from operating activities.

## 26. Lease Liabilities

### Group as a Lessee

The movement of right of use Assets are analyzed in note 16.

Lease liabilities and their movement for the period ended 31 December 2019 are presented in the following table.

| Amounts in th. €                | Group         | Company       |
|---------------------------------|---------------|---------------|
| <b>Balance 1 January 2019</b>   | <b>94.282</b> | <b>72.607</b> |
| Additions                       | 19.695        | 12.109        |
| Accretion of Interest           | 3.269         | 2.571         |
| Payments                        | (17.464)      | (11.293)      |
| Foreign Exchange Differences    | 175           | -             |
| <b>Balance 31 December 2019</b> | <b>99.957</b> | <b>75.994</b> |

|  | <u>Group</u>      | <u>Company</u>    |
|--|-------------------|-------------------|
| <i>Amounts in th. €</i>                          | <b>31/12/2019</b> | <b>31/12/2019</b> |
| Current Lease Liabilities                        | 14.955            | 8.560             |
| Non-Current Lease Liabilities                    | 85.002            | 67.434            |
| <b>Total lease liabilities</b>                   | <b>99.957</b>     | <b>75.994</b>     |
| <b>Leases liabilities are repaid as follows:</b> |                   |                   |
| On demand or within one year                     | 14.955            | 8.560             |
| Within the second year                           | 15.937            | 10.446            |
| From 3 to 5 years                                | 31.695            | 26.108            |
| After 5 years                                    | 57.349            | 46.060            |
| Minus: Discount                                  | (19.979)          | (15.180)          |
| <b>Total leases liabilities</b>                  | <b>99.957</b>     | <b>75.994</b>     |

The amounts recognised in the statement of Total Comprehensive Income for the Company and the Group are presented below.

|  | <u>Group</u>  | <u>Company</u> |
|--|---------------|----------------|
| <i>Amounts in th. €</i>                        |               |                |
| Depreciation expense of right-of-use assets    | 17.469        | 11.549         |
| Interest expense on lease liabilities          | 3.269         | 2.571          |
| Expense relating to short-term leases          | 661           | 612            |
| Expense relating to leases of low-value assets | 101           | 21             |
| Variable lease payments                        | 2.597         | 2.232          |
| <b>Total</b>                                   | <b>24.097</b> | <b>16.985</b>  |

## Group as Lessor

Minimum lease payments under operating leases recognized as income for the year:

|                                      | <u>Group</u> |            | <u>Company</u> |            |
|--------------------------------------|--------------|------------|----------------|------------|
| <i>Amounts in th. €</i>              | 31/12/2019   | 31/12/2018 | 31/12/2019     | 31/12/2018 |
| Rental income earned during the year | 1.010        | 979        | 8.422          | 8.129      |

At the date of preparation of the financial statements, the Group has contracts with lessees who will pay at least the following amounts as rent:

|   | <u>Group</u> |            | <u>Company</u> |            |
|---|--------------|------------|----------------|------------|
| <i>Amounts in th. €</i>                 | 31/12/2019   | 31/12/2018 | 31/12/2019     | 31/12/2018 |
| Within one year                         | 374          | 558        | 6.549          | 5.949      |
| From the second to fifth year inclusive | 1.020        | 1.823      | 21.541         | 19.817     |
| After five years                        | 430          | 446        | 33.277         | 24.186     |

## 27. Tax liabilities

Both the Group and the Company have no tax liabilities for the period 2019 as the amount of income tax advance was greater than the final tax resulted at the end of the period. The excess amount of tax advance is included in short term receivables and is analysed in note 21.

The tax liabilities of the Group for the year 2018 amounted to € 1.260 thousand, which related to business tax of €220 thousand and income tax of €9,227 thousand reduced by the amount of the income tax advance of €8,187 thousand.

The tax liabilities of the Company for the year 2018 amounted to € 863 thousand, which related to business tax of € 14 thousand and income tax of €5,893 thousand deducted by the amount of the income tax advance of €5,044 thousand.

## 28. Deferred taxation

The main receivables and liabilities from deferred taxation that were accounted, as well as their movements during the years 2019 and 2018 are as follows:

### Group

| Amounts in th. €  | Balance 1 January 2018 | Debit/ (credit) in the total comprehensive income statement | Balance 31 December 2018 | Balance 1 January 2019 | Debit/ (credit) in the total comprehensive income statement | Balance 31 December 2019 |
|---|------------------------|---|--------------------------|------------------------|---|--------------------------|
| Deferred taxation from:   |                        |   |                          |                        |   |                          |
| Difference among tax and accounting base of the Property, Plant and Equipment | (10.127)               | 1.085   | (9.042)                  | (9.042)                | 272   | (8.770)                  |
| Foreign exchange differences  | 68                     | (46)  | 22                       | 22                     | (57)  | (35)                     |
| Retirement benefit obligations  | 1.906                  | (207)   | 1.699                    | 1.699                  | 101   | 1.800                    |
| Tax loss carried (brought) forward for settlement                             | 905                    | 83  | 988                      | 988                    | 83  | 1.071                    |
| Other temporary differences between the tax base and the accounting base      | 6.126                  | (709)   | 5.417                    | 5.417                  | (245)   | 5.172                    |
| <b>Total</b>  | <b>(1.122)</b>         | <b>206</b>  | <b>(916)</b>             | <b>(916)</b>           | <b>154</b>  | <b>(762)</b>             |

Based on the business-tax plan of the Group, it is expected that future profits will be sufficient in order to exploit the defer tax asset that has been recognised in the transferred tax losses.

### Company

| Amounts in th. €  | Balance 1 January 2018 | Debit/ (credit) in the total comprehensive income statement | Balance 31 December 2018 | Balance 1 January 2019 | Debit/ (credit) in the total comprehensive income statement | Balance 31 December 2019 |
|---|------------------------|---|--------------------------|------------------------|---|--------------------------|
| Deferred taxation from:   |                        |   |                          |                        |   |                          |
| Difference among tax and accounting base of the Property, Plant and Equipment | (8.722)                | 893   | (7.829)                  | (7.829)                | 85  | (7.744)                  |
| Foreign exchange differences  | 53                     | (14)  | 39                       | 39                     | (77)  | (38)                     |
| Retirement benefit obligations  | 1.905                  | (209)   | 1.696                    | 1.696                  | 100   | 1.796                    |
| Other temporary differences between the tax base and the accounting base      | 5.439                  | (748)   | 4.691                    | 4.691                  | (461)   | 4.230                    |
| <b>Total</b>  | <b>(1.324)</b>         | <b>(78)</b>   | <b>(1.403)</b>           | <b>(1.403)</b>         | <b>(353)</b>  | <b>(1.756)</b>           |

Other temporary differences between tax and accounting base mainly include deferred taxation from provisions for bad debt, from capitalized cost of debt, from discounting of trade credit and other short-term provisions.

Below it is presented the analysis of the deferred taxation balance before the offsetting for presentation purposes:

|                           | <b>Group</b>      |                   | <b>Company</b>    |                   |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| Amounts in th. €          | <b>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Deferred tax liabilities: | (8.839)           | (10.149)          | (7.783)           | (8.266)           |
| Deferred tax assets:      | 8.077             | 9.233             | 6.027             | 6.863             |
| <b>Total</b>              | <b>(762)</b>      | <b>(916)</b>      | <b>(1.756)</b>    | <b>(1.403)</b>    |

## 29. Retirement benefit plans

In order to calculate the Group's liabilities to its employees, regarding the future payment of benefits according to the time of their service, an actuarial study was carried out. The liability is measured and is presented at the date of the financial statements on the basis of the expected accrued right of each employee. The amount of accrued right is discounted to its present value in relation to the expected time of payment.

The Group has the obligation, according to Law 2112/20, to reimburse personnel due to retirement, in accordance with the provisions of the existing labour legislation.

The present value of the liability for retirement compensation (L. 2112/1920) and the related costs of current and provided services were calculated using the projected unit credit method by an independent actuary.

As of 1 July 2012, the Group applies a defined contribution plan according to which it pays a fixed contribution each year.

**31/12/2019 31/12/2018**

Main assumptions utilized:

|                                 |       |       |
|---------------------------------|-------|-------|
| Discount rate                   | 0,80% | 1,60% |
| Inflation                       | 1,70% | 1,75% |
| Rise of employees' compensation | 1,70% | 1,75% |

The provision for employee benefits under the defined benefit plan as well as the obligation to compensate staff for retirement is analyzed as follows:

|   | <b><u>Group</u></b> |                   | <b><u>Company</u></b> |                   |
|---|---------------------|-------------------|-----------------------|-------------------|
|   | <b>1/1-</b>         | <b>1/1-</b>       | <b>1/1-</b>           | <b>1/1-</b>       |
| <i>Amounts in th. €</i>   | <b>31/12/2019</b>   | <b>31/12/2018</b> | <b>31/12/2019</b>     | <b>31/12/2018</b> |
| Present value of obligation for termination of service              | 7.049               | 6.337             | 7.035                 | 6.327             |
| <b>Net liability recognised in the Financial Position Statement</b> | <b>7.049</b>        | <b>6.337</b>      | <b>7.035</b>          | <b>6.327</b>      |
| Short-term liabilities for staff indemnities due to retirement      | 151                 | 120               | 151                   | 120               |
| Long-term liabilities for staff indemnities due to retirement       | 6.898               | 6.217             | 6.884                 | 6.207             |
| <b>Total</b>  | <b>7.049</b>        | <b>6.337</b>      | <b>7.035</b>          | <b>6.327</b>      |

The amounts recorded in the Total Comprehensive Income Statement in respect of the defined benefit plan and the liability for staff indemnities due to retirement are as follows:

|  | <b><u>Group</u></b> |                   | <b><u>Company</u></b> |                   |
|--|---------------------|-------------------|-----------------------|-------------------|
|  | <b>1/1-</b>         | <b>1/1-</b>       | <b>1/1-</b>           | <b>1/1-</b>       |
| <i>Amounts in th. €</i>  | <b>31/12/2019</b>   | <b>31/12/2018</b> | <b>31/12/2019</b>     | <b>31/12/2018</b> |
| Cost of current benefits   | 302                 | 206               | 299                   | 197               |
| Net interest on the liability of defined benefits                          | 101                 | 87                | 101                   | 87                |
| <b>Net expense recognised in Income statement</b>                          | <b>403</b>          | <b>293</b>        | <b>400</b>            | <b>284</b>        |
| Actuarial (Gains) / Losses recognised in other comprehensive income        | 577                 | (56)              | 576                   | (56)              |
| <b>Net expense / (income) recognised in the total comprehensive income</b> | <b>980</b>          | <b>237</b>        | <b>976</b>            | <b>228</b>        |

The above recognised expense is included in the operating expenses of the Group as follows:

|                         | <b><u>Group</u></b> |                   | <b><u>Company</u></b> |                   |
|-------------------------|---------------------|-------------------|-----------------------|-------------------|
|                         | <b>1/1-</b>         | <b>1/1-</b>       | <b>1/1-</b>           | <b>1/1-</b>       |
| <i>Amounts in th. €</i> | <b>31/12/2019</b>   | <b>31/12/2018</b> | <b>31/12/2019</b>     | <b>31/12/2018</b> |
| Administration expenses | 108                 | 102               | 106                   | 93                |
| Distribution expenses   | 295                 | 191               | 294                   | 191               |
| <b>Total</b>            | <b>403</b>          | <b>293</b>        | <b>400</b>            | <b>284</b>        |

The movement in present values of the liability arising from the defined benefit plan for the retirement benefit of employees is analyzed as follows:



| <i>Amounts in th. €</i>   | <u>Group</u>       |                    | <u>Company</u>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| Present Value of Defined Benefit Obligation at the beginning of the reporting period  | 6.337              | 6.197              | 6.327              | 6.196              |
| Current Service Cost  | 280                | 185                | 278                | 175                |
| Net interest expense  | 101                | 87                 | 101                | 87                 |
| Actuarial (Gains)/Losses  | 577                | (56)               | 576                | (56)               |
| Transfer of liability to the company  | (65)               | (42)               | (65)               | (41)               |
| Curtailements   | 21                 | 18                 | 21                 | 18                 |
| Benefits paid   | (202)              | (52)               | (203)              | (52)               |
| <b>Present Value of Defined Benefit Obligation at the end of the reporting period</b> | <b>7.049</b>       | <b>6.337</b>       | <b>7.035</b>       | <b>6.327</b>       |

The table below shows the sensitivity of the present value of the retirement obligation to a reasonable change in the discount rate of + 0.5% or -0.5%.

| <b>Sensitivity analysis for Defined Benefit Obligation</b> | <u>Group</u> |            | <u>Company</u> |            |
|--|--------------|------------|----------------|------------|
|  | 31/12/2019   | 31/12/2018 | 31/12/2019     | 31/12/2018 |
| Present value of the Defined Benefit Obligation            | 7.049        | 6.337      | 7.035          | 6.327      |
| Calculation with discount rate + 0,5%                      | 6.575        | 5.598      | 6.562          | 5.590      |
| Calculation with discount rate - 0,5%                      | 7.434        | 7.223      | 7.419          | 7.210      |

### 30. Provisions

| <i>Amounts in th. €</i>                       | <b>Note</b> | <u>Group</u> |              | <u>Company</u> |              |
|---|-------------|--------------|--------------|----------------|--------------|
|   |             | 31/12/2019   | 31/12/2018   | 31/12/2019     | 31/12/2018   |
| Short term litigation claims of third parties | 33          | 539          | 565          | 539            | 565          |
| Long term litigation claims of third parties  | 33          | 1.712        | 1.933        | 576            | 902          |
| <b>Total</b>                                  |             | <b>2.251</b> | <b>2.498</b> | <b>1.115</b>   | <b>1.467</b> |

The above items include provisions created by the Group for legal cases.

### 31. Trade and other payables

Trade and other payables refer mainly to purchases and operating expenses.

| <i>Amounts in th. €</i>                     | <u>Group</u>   |               | <u>Company</u> |               |
|---|----------------|---------------|----------------|---------------|
|   | 31/12/2019     | 31/12/2018    | 31/12/2019     | 31/12/2018    |
| Suppliers                                   | 84.147         | 49.696        | 71.239         | 42.627        |
| Clients and debtors' advances               | 1.157          | 1.524         | 964            | 1.312         |
| Amounts due to related parties (note 34)    | 33.779         | 11.290        | 31.682         | 11.195        |
| Accrued expenses                            | 11.108         | 8.513         | 8.163          | 5.742         |
| Insurance organization and other taxes/fees | 1.843          | 1.767         | 1.604          | 1.658         |
| Contractual liability                       | 1.607          | 1.744         | 1.607          | 1.744         |
| Other liabilities                           | 10.223         | 8.857         | 7.744          | 8.080         |
| <b>Total</b>                                | <b>143.864</b> | <b>83.391</b> | <b>123.003</b> | <b>72.359</b> |

The average credit period for the purchases is 19 days, while for 2018 it was 17 days. The Group's management estimates that the balance of operating liabilities depicted in the financial statements approximates their fair value.

Trade and other payables are analyzed in the following currencies:

| <i>Amounts in th. €</i> | <b>Group</b>      |                   | <b>Company</b>    |                   |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
|                         | <b>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Euro (EUR)              | 92.434            | 66.797            | 80.992            | 58.626            |
| Dollar (USD)            | 50.890            | 16.378            | 41.998            | 13.714            |
| Other                   | 541               | 216               | 13                | 19                |
| <b>Total</b>            | <b>143.865</b>    | <b>83.391</b>     | <b>123.003</b>    | <b>72.359</b>     |

## 32. Other long-term liabilities

Other long-term liabilities mainly relate to guarantees received from customers in the context of the Group's business activity. Other long-term liabilities also include an amount of € 832 thousand for the year 2019 (2018: € 670 thousand) relating to liability of Group companies for retirement compensation.

## 33. Contingent liabilities / legal cases

a) Legal cases: On 31/12/2019, there are litigation claims of third parties against the Group for a total amount of approximately € 7.32 million, which concern customs cases, contingent liabilities of indirect taxes, labour issues and other liabilities related to its commercial activity. Out of the total claims from third parties, approximately an amount of € 3.9 million burden the old shareholder Shell under the sale agreement of the Greek Company Shell Hellas SA (now Coral SA) to the new shareholder, "Motor Oil Hellas SA" Corinth Refineries".

Legal advisors and management estimate that the Group's final liability will amount to approximately € 2.25 million (31/12/2018: € 2.5 million). For this amount an equivalent provision has been formed.

b) A fine of € 19,664,888 was imposed with the no. 421 / V / 25.11.2008 decision of the Competition Committee against SHELL HELLAS SA (now CORAL SA) for alleged violation of articles 1, par. 1 & 2 of law 703/77 as in force, and in particular for supposed concerted practice in the trading of unleaded petrol with BP HELLAS SA during 2003.

Against this decision, the Company has filed its appeal on 22/01/2009 to the competent Athens Administrative Court of Appeal, as well as additional reasons, which were discussed on 28/09/2010. In the meantime, the Company has requested the fine to be suspended until a decision has been reached on its appeal. With no. 25/2009 decision of the President of the Administrative Court of Appeal of Athens, the application for suspension was partially accepted for an amount of € 18.000.000.

As a result, the Company paid the amount of € 1,664,888 plus € 56,606 surcharges (namely € 1,721,494 in total) on 18 March 2009, while the Shell Group lodged a letter of guarantee of € 7,000,000.

With the decision no. 1495/2011 of the Athens Administrative Court of Appeal, the above appeal of the Company was accepted in full and the 421 / V / 2008 decision of the Competition Committees and the imposed fine of € 19.664.888 was cancelled in its entirety. Both the Letter of Guarantee of € 7,000,000 and the fine of € 1,721,494 have already been repaid to the Company.

The Competition Committee has appealed against the 1495/2011 decision of the Athens Administrative Court of Appeal. The case was discussed before the Council of State on 25.04.2018 (after postponements) and the decision 1769/2019 was issued, according to which the appeal of the Competition Committee was accepted. After the decision of the Council of State, the Athens Administrative Court of Appeal set a new trial date for the adjudication of our appeal, at which the other reasons of our appeal will be examined.

Additionally, based on POL: 1055 published on May 12, 2010, the un-offset balance € 2,879,199 of the Company's income tax paid for the tax year 2007 that was paid in 2008 was offset by the above fine. In addition, according to POL 1161 of November 17, 2010, the debts to the Company from the heating system "Hephaestus" for the period 10-15 December 2010, amounting to € 112.080, were also offset by the fine of the Competition Committee. And these amounts have already been repaid in full to the Company with offsetting payments during 2013.

In case of a negative development of this case for the company, it should be noted that full coverage by the old shareholder Shell has been agreed.

The opinion of the Company's Management and legal advisors is that the final outcome of the case will be favourable to the Company.

c) The Cyprus Commission for the Protection of Competition imposed a fine of € 1,391,409 to Coral Energy Products Cyprus Ltd for violating the Cyprus competition rules due to agreements with the company's gas service providers containing conditions for direct or indirect fixing of a retail selling price of petroleum products. The fine has not been paid by the company.

The company has filed an appeal and a request for suspension. The result is uncertain due to the cancellation of the process.

In case of a negative development of this case for the company, it should be noted that, under conditions, partial coverage by the old shareholders has been agreed. Currently, the Company proceeds with the appropriate legal actions which intends to exhaust, while there has been no event that removes the agreed terms of coverage from the old shareholders, which results to the estimate that there will be no disbursement on the part of the company.

d) For the subsidiary company Coral Products SA, the years 2015 and 2016 in which the company was inactive are considered unaudited. For the subsidiary company Coral Innovations SA, the year 2015 in which the company was inactive is considered unaudited.

For the years 2014, 2015, 2016, 2017 and 2018 the Group companies that were subject to Audit of tax compliance by statutory auditors have been audited by the elected by CL. 2190/1920, statutory auditor in accordance with article 82 of L. 2238/1994 and article 65A of Law 4717/13 and have been issued the relevant Taxation Compliance Reports. In any case and according to POL.1006 / 05.01.2016, the companies for which a Tax Compliance Report is issued, are not exempted from the regular tax audit by the competent tax authorities. Therefore, the tax authorities may return and carry out their own tax audit. However, it is estimated by the Group's management that the results of such future audits by the tax authorities, if ultimately realized, will not have a significant impact on the Group's financial position.

Until the date of approval of the financial statements, the audit of tax compliance of all Group companies by the statutory auditor in year 2019 is not completed. However, no significant additional charges are expected.

d) There are also pending claims of the Group against third parties amounting to approximately € 19.1 million.

e) At 31 December 2019, the Group has issued bank letters of guarantee of approximately € 18.3 million (31/12/2018: € 15.6m) , as collateral to local customs offices, where the Group has customs-controlled fuel storage facilities. Additionally, the Group has given "Letters of Good Execution Guarantee" of approximately € 15.8 million (31/12/2018: € 4.9m).

The table below shows the change in the guarantees against the comparative period:

| <i>Amounts in th. €</i>             | <u>Group</u>  |               | <u>Company</u> |               |
|-------------------------------------|---------------|---------------|----------------|---------------|
|                                     | 31/12/2019    | 31/12/2018    | 31/12/2019     | 31/12/2018    |
| Good execution guarantees / Tenders | 15.837        | 4.918         | 15.837         | 4.917         |
| Customs duty Guarantees             | 18.250        | 15.601        | 12.500         | 11.201        |
| <b>Total</b>                        | <b>34.087</b> | <b>20.519</b> | <b>28.337</b>  | <b>16.118</b> |

## 34. Transactions with related parties

The transactions presented below refer to transactions with related parties

### i) Transactions

|   | <u>Group</u>       |                    | <u>Company</u>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <i>Amounts in th. €</i>                 |                    |                    |                    |                    |
| <b>Sale of services and goods:</b>      |                    |                    |                    |                    |
| To the parent company                   | 20.746             | 22.047             | 20.723             | 22.036             |
| To subsidiaries                         | -                  | -                  | 1.051.099          | 981.820            |
| To associates                           | 1.486              | 1.573              | 1.486              | 1.572              |
| To other related parties                | 91.395             | 51.125             | 91.110             | 50.907             |
| <b>Total</b>                            | <b>113.627</b>     | <b>74.745</b>      | <b>1.164.418</b>   | <b>1.056.335</b>   |
| <b>Purchases of services and goods:</b> |                    |                    |                    |                    |
| From the parent company                 | 699.103            | 604.158            | 617.993            | 546.384            |
| From subsidiaries                       | -                  | -                  | 13.435             | 3.693              |
| From associates                         | 382                | 387                | 382                | 387                |
| From other related parties              | 96.361             | 71.636             | 73.715             | 52.874             |
| <b>Total</b>                            | <b>795.846</b>     | <b>676.181</b>     | <b>705.525</b>     | <b>603.338</b>     |

Services from and to related parties as well as sales and purchases of goods are performed under normal commercial terms. Other related parties mainly refer to associates and companies in which the group's main shareholder and has significant influence.

### ii) End year balances stemming from sales-purchases of goods/services

|  | <u>Group</u>       |                    | <u>Company</u>     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 | 1/1-<br>31/12/2019 | 1/1-<br>31/12/2018 |
| <i>Amounts in th. €</i>                  |                    |                    |                    |                    |
| <b>Receivables from related parties:</b> |                    |                    |                    |                    |
| From parent company                      | 2.344              | 6.105              | 2.321              | 6.097              |
| From subsidiaries                        | -                  | -                  | 23.195             | 30.372             |
| From associates                          | 130                | 140                | 130                | 140                |
| From other related parties               | 16.071             | 2.522              | 13.725             | 2.497              |
| <b>Total</b>                             | <b>18.545</b>      | <b>8.767</b>       | <b>39.371</b>      | <b>39.106</b>      |
| <b>Liabilities to related parties:</b>   |                    |                    |                    |                    |
| To parent company                        | 30.043             | 6.542              | 27.764             | 4.232              |
| To subsidiaries                          | -                  | -                  | 1.709              | 3.119              |
| To associates                            | 176                | 150                | 176                | 150                |
| To other related parties                 | 4.862              | 5.268              | 2.865              | 4.364              |
| <b>Total</b>                             | <b>35.081</b>      | <b>11.960</b>      | <b>32.514</b>      | <b>11.865</b>      |

### iii) Compensation of key management personnel

For 2019, Group management fee amounted to € 3,977 thousand. The corresponding amount for the year ended December 31, 2018 was € 3.129 thousand. There is no amount owned to board members, neither at 31/12/2019 nor at 31/12/2018. (Company: 1/1 – 31/12/2019 € 3,810 thousand, 1/1–31/12/2018: € 2.963 thousand)

## 35. Financial risk management

Group's Management team has assessed the consequences regarding the management of economic risks that may arise due to the general conditions in Greek business environment. In general, as mentioned in management of overall risks below, management does not believe that any negative outcome in Greek economy will have a significant effect on the smooth operation of the Group.

## Financial risk factors

The Group is exposed to financial risks such as market risk (fluctuations in foreign exchange rates, cash flow risk and fair value from changes in interest rates and price risk), credit risk and liquidity risk. The general risk management plan of the Group pursues to minimize any potential negative effect stemming from the volatility of the financial markets.

In summary, the types of financial risks that arise are analysed below.

### 35.1. Market risk

#### 35.1.1. Foreign exchange risk

The Group is mainly active in the Greek market and invoices in Euro. For foreign currency transactions, the Company is exposed to currency risk from the US Dollar. Because of this, there is a risk from fluctuations in exchange rates. Also, due to the use of international platts prices in US dollars for petroleum markets, the relative US Dollar / Euro exchange rate is an important factor in the Group's profit margins. Currency risk management is conducted by maximizing natural hedging through debt obligations - receivables and inflows - outflows in US dollars.

#### 35.1.2. Cash flow risk and fair value changes due to changes in interest rates

The Group has access to the domestic money market and is able to achieve competitive interest rates and borrowing terms. The risk stems mainly from the fact that the total borrowing of the Company uses floating interest rates.

At 31 December 2019, if the existing interest rates on loans were 1% higher or lower, keeping the other variables constant, the results for the Group and the Company for the year would be reduced / increased by approximately € 1.74 million and € 1.5 million, respectively.

#### 35.1.3. Price risk

The Group is exposed to price risk caused by fluctuations in oil prices due to stockpiling. It faces this risk by regulating stocks at the lowest possible levels and setting sales prices from the daily international prices.

### 35.2. Credit risk

Credit risk is primarily attributable to trade and other receivables, as the Group's cash and cash equivalents are deposited to well-known banking institutions.

Group receivables are allocated to a large number of customers and therefore there is no concentration and consequently significant credit risk. The Group has contracts for trading with its customers, which define that selling prices will be in line with the corresponding current prices prevailing during the trading period. In addition, the credit risk management department deals exclusively with the implementation of the Group's credit policy. Furthermore, in order to secure its receivables, the Group receives real estate's encumbrances from its clients, as well as bank guarantee letters where is deemed necessary.

Regarding credit risk associated with the cash deposit, it is noted that the Group cooperates only with the largest financial institutions in the country with a high credit rating.

### 35.3. Liquidity risk

The Group prepares and monitors on a monthly basis a cash flow program that includes both operating and investing cash flows.

Prudent liquidity management is achieved by the availability of an appropriate mix of cash and bank credit. The Group manages the risks that may arise from lack of sufficient liquidity by ensuring that there are always secured bank credits for use by domestic banks or from foreign banks through the Group. The existing available unutilized approved bank credits to the Company are sufficient to address any potential cash deficit.

The table below analyzes the Group's liabilities according to the time horizon from the date of the statement of financial position to the contractual maturity date. The amounts shown are for contractual obligations.

| <b>Group</b>            |                                      |                         |                          |                          |                          |
|-------------------------|--------------------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| <i>Amounts in th. €</i> |                                      |                         |                          |                          |                          |
| <b>31/12/2019</b>       | <b>Overall average interest rate</b> | <b>Less than 1 year</b> | <b>From 1 to 2 years</b> | <b>From 2 to 5 years</b> | <b>More than 5 years</b> |
| liabilities             | 0,00%                                | 143.865                 | -                        | -                        | -                        |
| Leases                  | 3,40%                                | 14.955                  | 13.065                   | 24.864                   | 47.073                   |
| Loans                   | 3,13%                                | 4.613                   | 78.000                   | 91.317                   | -                        |
| Interest                | -                                    | 7.692                   | 7.075                    | 10.497                   | 10.632                   |

| <b>Overall average</b> |                      |                         |                          |                          |                          |
|------------------------|----------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| <b>31/12/2018</b>      | <b>interest rate</b> | <b>Less than 1 year</b> | <b>From 1 to 2 years</b> | <b>From 2 to 5 years</b> | <b>More than 5 years</b> |
| liabilities            | 0,00%                | 83.391                  | -                        | -                        | -                        |
| Leases                 |                      |                         |                          |                          |                          |
| Loans                  | 3,95%                | 50.528                  | -                        | 122.631                  | -                        |
| Interest               | 0,00%                | 4.403                   | 3.794                    | 7.568                    | -                        |

| <b>Company</b>          |                                      |                         |                          |                          |                          |
|-------------------------|--------------------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| <i>Amounts in th. €</i> |                                      |                         |                          |                          |                          |
| <b>31/12/2019</b>       | <b>Overall average interest rate</b> | <b>Less than 1 year</b> | <b>From 1 to 2 years</b> | <b>From 2 to 5 years</b> | <b>More than 5 years</b> |
| liabilities             | 0,00%                                | 123.003                 | -                        | -                        | -                        |
| Leases                  | 3,40%                                | 8.560                   | 8.220                    | 20.515                   | 38.699                   |
| Loans                   | 3,17%                                | 1.690                   | 60.000                   | 88.845                   | -                        |
| Interest                | -                                    | 6.517                   | 6.155                    | 9.191                    | 7.589                    |

| <b>Overall average</b>      |                      |                         |                          |                          |                          |
|-----------------------------|----------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| <b>31/12/2018</b>           | <b>interest rate</b> | <b>Less than 1 year</b> | <b>From 1 to 2 years</b> | <b>From 2 to 5 years</b> | <b>More than 5 years</b> |
| Trade and other liabilities | 0,00%                | 72.359                  | -                        | -                        | -                        |
| Leases                      |                      |                         |                          |                          |                          |
| Loans                       | 3,93%                | 48.572                  | -                        | 115.655                  | -                        |
| Interest                    | -                    | 4.179                   | 3.570                    | 7.363                    | -                        |

## 35.4. Capital risk management

The Group's objectives in relation to capital management are to ensure its ability to operate smoothly in the future and to maintain an ideal capital allocation thereby reducing capital costs. The Group's funds are judged to be satisfactory on the basis of the leverage ratio. This ratio is calculated by dividing net borrowing with total shareholders' equity.

| <i>Amounts in th. €</i>                    | <b>Group</b>      |                   | <b>Company</b>    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | <b>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| Current Debt                               | 4.613             | 50.466            | 1.690             | 48.511            |
| Non-current Debt                           | 169.317           | 122.693           | 148.845           | 115.716           |
| Total Debt (note 25)                       | 173.930           | 173.159           | 150.535           | 164.227           |
| Minus: cash and cash equivalents (note 22) | (19.620)          | (17.676)          | (5.171)           | (5.263)           |
| <b>Net debt</b>                            | <b>154.310</b>    | <b>155.483</b>    | <b>145.364</b>    | <b>158.964</b>    |
| Total Shareholders' Equity                 | 154.089           | 137.458           | 130.094           | 121.913           |
| <b>Total Capital employed</b>              | <b>308.399</b>    | <b>292.941</b>    | <b>275.458</b>    | <b>280.877</b>    |
| <b>Leverage ratio</b>                      | <b>50%</b>        | <b>53%</b>        | <b>53%</b>        | <b>57%</b>        |

| <i>Amounts in th. €</i>                 | <b>Group</b>      |                   | <b>Company</b>    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <b>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
| <b>Net debt</b>                         | <b>154.310</b>    | <b>155.483</b>    | <b>145.364</b>    | <b>158.964</b>    |
| Current Lease liabilities (note 26)     | 14.955            | -                 | 8.560             | -                 |
| Non-current lease liabilities (note 26) | 85.002            | -                 | 67.434            | -                 |
| <b>Net indebtedness</b>                 | <b>254.267</b>    | <b>155.483</b>    | <b>221.358</b>    | <b>158.964</b>    |
| Total Shareholders' Equity              | 154.089           | 137.458           | 130.094           | 121.913           |
| <b>Total Capital employed</b>           | <b>408.356</b>    | <b>292.941</b>    | <b>351.452</b>    | <b>280.877</b>    |
| <b>Leverage ratio</b>                   | <b>38%</b>        | <b>53%</b>        | <b>41%</b>        | <b>57%</b>        |

### 36. Events after the reporting period

After the relative decisions of the Greek Government on March 2020 to impose a temporary ban on the operation of companies, in the whole range of economic activity, but also the traffic restrictions that were imposed aiming to contain the spread of the Coronavirus, the Company, this exceptional period, has set clear priorities:

- a. Protecting the health and safety of its employees, partners, customers and local communities in which it operates. In addition, where necessary, a special remote working plan was implemented for a significant number of employees, ensuring the smooth operation of all individual departments that were part of it.
- b. Taking measures to mitigate the impact of COVID-19 after the future resumption of business under normal circumstances and to protect the financial position of the Group and the Company.

Similar measures such as the ban of operating activities of Companies and traffic restrictions, have been taken from all Governments in countries that the Group operates.

The Coronavirus pandemic is anticipated to affect the entire Global and Greek economy and therefore the financial performance of both the Company and the Group in financial year 2020. The magnitude of the impact will depend on factors such as the duration of the pandemic, its possible recurrence in the year, the duration of the current restrictions and the implement of any further restrictions, as well as the financial consequences in other economic sectors after it is over. Therefore, the financial impact of COVID-19 on operations and the financial position of both the Group and the Company, is uncertain at this point of time and cannot be reliably estimated.

In addition, the drop in international fuel prices is expected to have a negative impact on the measurement of the Group's safety stock during 2020.

The annual consolidated financial statements of the Group were approved at the Board of Directors' meeting on April 22, 2020.

PRESIDENT OF THE  
BOARD

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## TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

### Independent Auditor's Report

To the Shareholders of the company CORAL A.E. OIL AND CHEMICALS COMPANY

### Report on the Audit of the Separate and Consolidated Financial Statements

#### Opinion

We have audited the accompanying separate and consolidated financial statements of the company CORAL A.E. OIL AND CHEMICALS COMPANY (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2019, and the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the company CORAL A.E. OIL AND CHEMICALS COMPANY and its subsidiaries (the Group) as of December 31, 2019, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

#### Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

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

| Key audit matter of the Company & the Group   | How our audit addressed the Key audit matter  |
|---|---|
| <b>Proper implementation of IFRS 16</b>   |   |
| <p>Right of Use Assets of the Group as at December 31, 2019, as analyzed in detail in Note 16 of consolidated financial statements, amounted to € 111.361 thousand (Company: € 87.367 thousand). Lease Liabilities of the Group as at December 31, 2019, as analyzed in detail in Note 26 of consolidated financial statements, amounted to € 99.957 thousand (Company: € 75.994 thousand).</p> <p>From 1 January 2019, the management in implementing IFRS 16, assesses whether a contract is or contains a lease and in respect to all lease agreements in which it is the lessee, recognizes a Right of Use Asset and a corresponding Lease Liability. The Lease Liability is initially measured at the present value of the lease payments outstanding at the date of first time adoption or the commencement date, discounted by using the rate implicit in the leases. If this rate cannot readily be determined the Group uses its incremental borrowing rate.</p> <p>Due to the significance of the value of the above Right of Use Assets and the corresponding Lease Liabilities, the significant management judgments and estimates in relation to their recognition as well as those involved in the determination of the discount rate, we consider that the proper implementation of IFRS 16 is a key audit matter.</p> <p>The Management discloses the accounting policy and further information related to the Right of Use Assets and the Lease Liabilities in Notes 2, 16 and 26 of the separate and consolidated financial statements.</p> | <p>We performed a risk based approach and our audit includes, among others, the following elements:</p> <p>We assessed design and implementation of the internal controls that the Management has established around the recognition of Right of Use Assets, Lease Liabilities and the appropriate discount rate.</p> <p>We assessed whether the methodology used for the recognition and measurement of the Right of Use Assets and the Lease Liabilities, has been properly applied and in accordance with the new IFRS 16 framework.</p> <p>With the support of our internal specialists, we assessed the appropriateness and reasonableness of significant judgments and methodology used, for the determination of the discount rate.</p> <p>On a sample basis, we tested the accuracy &amp; completeness of model data inputs used by Management, as well as the correctness of the calculations.</p> |

## Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives and in any other information which is either required by Law or the Company optionally incorporated, in the required by Law 3556/2007, Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a

material misstatement therein; we are required to communicate that matter. We have nothing to report in this respect.

### **Responsibilities of management and those charged with governance for the separate and consolidated financial statements**

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

### **Auditor's responsibilities for the audit of the separate and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as they have been transposed in Greek Legislation, 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 separate and consolidated financial statements.

As part of an audit in accordance with ISAs as they have been transposed in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the audited year end and are therefore the key audit matters.

## **Report on Other Legal and Regulatory Requirements**

### **1) Board of Directors' Report**

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note the following:

- a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 152 of Law 4548/2018.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150-151 and 153-154 and of paragraph 1 (cases c' and d') of article 152 of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31.12.2019.
- c) Based on the knowledge we obtained during our audit about the Company CORAL A.E. OIL AND CHEMICALS COMPANY and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

### **2) Additional Report to the Audit Committee**

Our audit opinion on the accompanying separate and the consolidated financial statements is consistent with the additional report to the Audit Committee referred to in article 11 of EU Regulation 537/2014.

### 3) Non Audit Services

We have not provided to the Company and the Group any prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014.

The allowed services provided to the Company and the Group, in addition to the statutory audit, during the year ended 31 December 2019 have been disclosed in Note 6 to the accompanying separate and consolidated financial statements.

### 4) Appointment

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on 30/06/2011. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 9 consecutive years.

Athens, 27 April 2020

The Certified Public Accountant

**Tilemachos Georgopoulos**

Reg. No. SOEL: 19271

Deloitte Certified Public Accountants S.A.

3a Fragkokklisias & Granikou str., 151 25 Marousi

Reg. No. SOEL: E. 120



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