

## **Answers to the questions posed at the OKTA AD Skopje Annual General Assembly**

### **1. In this policy of frequent change of members of the Board of Directors, what provides for a proper control of the operations?**

-Such policy does not hinder the continuity and has no influence over the Board of Directors' operations whatsoever, neither over the Company's operations. It is about normal changes dictated by life itself. On the other hand, the rotation of top management is carried out for the purposes of better performance in the operations.

### **2. What is the method and procedure of entering into transactions with the interested parties, as referred to in the 2015 Annual Report?**

OKTA has transactions with related parties, but does not have any transactions with interested parties in terms of the definition for interested parties as established in the Company Law. The part of the sentence found in the report on page 2 item 6 "entering into transactions with interested parties" is specified in the Annual Report for consistency of the Law on Trade Companies, which also requires for an information regarding transactions with an interested party. But, given that there is no such thing, the sentence continues with the text "presented in note 27 – transactions with related parties". Evident from the content of note 27 it is clearly noted that it is only about transactions with related entities.

### **3. Why the cash flow from operating activities presented in the Audit Report is less than last year?**

- In cash flow statements, the figures depicted in 2015 are presented as the difference between the years 2015 and 2014. Similarly the figures depicted in 2014 are presented as the difference between the years 2014 and 2013. Generally known is the fact that in 2013 the Company has changed the business model of its operation, and this resulted in reduction of the stocks and change of commercial policy which, in turn, affected the receivables. These changes greatly affected the working capital and therefore the cash flow in 2014. So, as it is logical the figures in the columns represent changes between years and do not necessarily mean that what happened in one year should be comparable to what happened in another year.

### **4. Why bank fees are considerably higher than in 2014?**

- The bank fees are higher mainly because of two reasons: first, in 2015 we have an additional customs guarantee for which we pay a commission and secondly there is the effect of reclassification. Namely, with the introduction of new software we have conducted a requalification of part of the expenses at the request of our auditors in accordance with the international standards.

### **5. What happens with the receivables found in the escrow account from 2000 to 2004?**

- The escrow account is a burden of the past and is an issue related more with the purchase of OKTA. It is part of a much more complex issue and it is not part of the 2015 annual report which is subject to consideration at this Meeting.

### **6. Who is the biggest debtor of OKTA in 2015 to whom we have sold goods and from whom we have procured one? How claims against him are secured**

The biggest business partner, purchaser and debtor is Makpetrol. The claims are secured in many ways: by bank guarantees, mortgages and promisory notes. The majority is secured by the strongest collaterals.

### **7. What services are sold to AD Jugopetrol Kotor since the sale is significantly higher compared to the past year? What services does Hellenic Petroleum provide? Are consultancy services by**

**EL.P.ET International in the same context? What happens with the services by Asprofos and what is the situation with Eko Srbija?**

- As for Jugopetrol AD, we mostly sell laboratory and regular services to their terminal in Bar, as well as personal, technical, engineering and control services by our personnel. These services are charged accordingly. The services by Hellenic Petroleum are still ongoing and relate to the introduction of the SAP system, which will connect OKTA and Hellenic Petroleum in the same IT system. The cooperation with ELPE Internatiol refers to the expertise provided to many departments – commercial, legal, marketing. Asprofos is an engineering company which provides services for project preparation and technical support, as is the case with implementation of the fuel evaporation system, change of pipelines etc. We regularly exchange services and assistances with Eko Serbia, which is common and expected among companies that are part of a same group.

**8. What are the prepaid expenses referring to? Was there any chance for them not to be paid?**

- The majority of them refer to custom duties, insurances paid at the border on import of products. Many of our products come with paid custom excise duties. If these oil products are left unpaid, there would be no imports and given that it is a period before New Year when the import had to be made. This is normal course of business.

**9. Does OKTA liability which is secured by a bank guarantee refers to a liability in the country or abroad and are suppliers from this country treated the same as those abroad, given that there is a debt to them? Who does OKTA owes the most?**

- The bank guarantees mainly refer to Customs, to which we owe the most. Our liabilities toward foreign suppliers depend on the purchase price of the oil products. If prices fall drastically, it may be possible to buy much more quantity of products with the same amount of money.

**10. Why the stocks of spare parts and small inventory increased and what is the treatment policy of the small inventory? Why sales decreased, both generally and toward foreign countries? Why you have reduced costs of transport for overseas, as well as for operations and logistics?**

- The spare parts are used for maintenance, since we are working on many projects. The volume of spare parts used is irrelevant to their pricing as every year depending on the maintenance plan and unforeseen situations, our purchases may differ. This is normal course of business. Regarding sales, the sales volume is increased, but because of the reduced international prices, mathematically, the income decreased as well. Sales abroad are the same, but there is a price reduction.

**11. Why the results were negative in the first and second quarter, and positive in the third and fourth quarter? How it is possible for OKTA to have negative results, both when the oil price is low and when the price is high? And why the funds available per share are greater than the profit that is generated per share?**

- This contradiction arises from the difference of the sale depending on the season – summer and winter, since the sale of fuel oil decreases in the summer, but nonetheless, this period is the best season for us, because the sale of derivatives increases greatly. Given that we no longer produce oil, the price does not affect the business result that much. Despite the decline in the price, the derivatives consumption increased leading to positive results. The introduction of new work model has also led to positive results.

The Company is continuously working on increasing the profitability and will continue with that pace and in that direction.