Company Registration Number: 05610284

HELLENIC PETROLEUM FINANCE PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

H E L L E N I C
PETROLEUM FINANCE

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Andreas Shiamishis Vasileios Tsaitas Christian Thomas (until 15 February 2022) Christina Stampoultzi Panos Shiatis Nita Savjani Kenneth Howard Prince-Wright
Company Registration Number	05610284
Company Secretary	TMF Corporate Administration Services Limited
Registered Office	C/O TMF Group 8th Floor, 20 Farringdon Street London, United Kingdom EC4A 4AB
Independent Auditors	Ernst & Young LLP 16 Bedford Street Belfast BT2 7DT

STRATEGIC REPORT

Hellenic Petroleum Finance PLC (the "Company" and "HPF") is a wholly owned subsidiary of Hellenic Petroleum Holdings S.A., former Hellenic Petroleum S.A. (the "Parent Company"), which is incorporated in Greece. In the context of the post balance sheet corporate transformation of the Hellenic Petroleum Group (the "Group"), on January 3, 2022, a demerger was approved by way of hive-down of its refining, supply and trading of oil products and petrochemicals sector and the establishment of a new company which was incorporated under the name "Hellenic Petroleum single member Sociétée Anonyme Refining, Supply and sales of oil products and petrochemicals" with the trade name "Hellenic Petroleum R.S.S.O.P.P. S.A.". Hellenic Petroleum S.A. became the sole Shareholder of the Beneficiary Entity "Hellenic Petroleum R.S.S.O.P.P. S.A.". Finally, the new corporate name of the Demerged Entity is "Hellenic Petroleum Holdings Sociétée Anonyme" and its trade name: "Hellenic Petroleum Holdings S.A.", while the shares of the Demerged Entity will remain listed on the Main Market of the Athens Stock Exchange.

The Group has centralised treasury operations, which coordinate and control the funding and cash management activities of all group companies. Within this framework, HPF was established in November 2005 in the UK to act as the central treasury vehicle of the Group. The principal activity of the Company is to raise finance in the international debt capital markets for the purposes of funding the activities of companies within the Group, in line with the Group's business strategy.

The ability of the Company to service its liabilities – principally interest and capital on the issued Loan Notes – is almost entirely dependent on other Group Companies, to pay capital and interest on the inter-group loans provided by the Company. The appropriateness of the use of the Going Concern in the preparation of the Financial Statements of the Company is therefore highly dependent on the respective analysis performed for the Group and this is detailed later within the strategic report.

The profit for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The profit for the year was €4,171,871 (2020: profit €7,953,416) which is transferred to reserves.

Financing:

The Company's activities are closely monitored and controlled by the directors on a regular basis, in line with the strategic and investment plans of the Group. Hellenic Petroleum Finance PLC sources funds from international debt capital markets, through Eurobonds listed in the Luxembourg stock exchange, for the optimal management of its debt liabilities.

The Parent Company raises its borrowing from a number of sources, including the Company and Greek and International banks. At 31 December 2021, the Company accounted for €0.6 billion of a total of €3 billion in total Group borrowings (see Note 18 of the Group's annual financial statements). It should be noted that as at 31 December 2021 the Parent Company had cash reserves of €0.8 billion (see Note 13 of the Parent Company's annual financial statements). Additional information on the overall Group's business and the financial statements of Parent and Group are also available through the Hellenic Petroleum Holdings S.A. website (www.helpe.gr).

Details of the Company's interest-bearing loans and borrowings are set out in Note 13, and summarised below:

- In October 2016 the Company issued a 5-year Eurobond denominated in Euro with a notional amount of €375 million.

- In July 2017, the Company issued an additional €74.53 million guaranteed notes due 14 October 2021, which were consolidated and form a single series with the €375 million guaranteed notes.

- In October 2019 the Company issued a Eurobond denominated in Euro with a notional amount of €500 million. The notes mature in October 2024. Part of the proceeds of the issue were used for the partial prepayment of the €449.53 million Eurobond maturing in October 2021 through a tender offer process which was completed in October 2019 during which notes of nominal value of €248.4 million were accepted. The premium cost and other expenses for the tender offer was €24.6 million, included in other expenses of the statement of comprehensive income for the year ended on 31 December 2019.

- The consolidated single series notes of €449.53 million consisting of the October 2016 notes of €375

STRATEGIC REPORT (continued)

million and the July 2017 notes of €74.53 million were partially prepaid in October 2019 with the proceeds of the new Eurobond issue of €500 million. The balance of the notes as at 31 December 2019 and 31 December 2020 was €201 million.

- On October 12, 2020 the Company issued an additional amount of €99.9 million which were consolidated and form a single series with the €500 million Eurobond guaranteed notes maturing in October 2024.

- In October 2021 the Company fully repaid the outstanding balance of its €201 million Eurobond upon maturity.

Since incorporation and up to the date of signing the financial statements, the Company has raised a total of €4,147 million. As at 31 December 2021 the indebtedness balance outstanding amounted to €594 million. The Company's indebtedness is guaranteed by Hellenic Petroleum Holdings S.A. (Parent Company) and Hellenic Petroleum R.S.S.O.P.P. S.A., following the demerger by way of hive-down as mentioned above.

Loans granted

Details on the Company's loan receivables are set out in Notes 9 and 15 and summarized below:

- Significant repayments: Hellenic Petroleum Holdings SA repaid €365 million during the current year, of which €201 million were used by the Company to repay the Eurobond that matured on October 2021 (Note 13).

- Significant drawdowns: An amount of €130 million was granted to Hellenic Petroleum Renewable Energy Sources S.A. and an amount of €40 million was granted to Hellenic Petroleum International AG during the current year.

Going Concern – The Company

At 31 December 2021, Hellenic Petroleum Finance PLC had net current assets of €3,873,314 (2020: net current liabilities of €124,280,317). The Company's receivables are predominantly intercompany loans, the recovery of which is used to enable the Company to satisfy its obligations under its borrowings consisting of Eurobonds. Loans provided by the Company reflect the maturity of the loans raised from the capital markets by the Company. Also, the Company may ask the counterparties to repay either part of their loans or the whole loan for restructuring purposes among the Group companies and always after considering the counterparty's ability to repay the respective amount at a given point in time. The borrower must repay the loan on demand by the lender at any time. All loans shall, if not demanded previously, be repaid after a number of years specified in each agreement (see also Note 9). The Company is therefore reliant on the wider Hellenic Petroleum Group to repay its borrowings as they become due. In addition, the Parent Company and Hellenic Petroleum R.S.S.O.P.P. S.A. have provided a guarantee for the repayment of the Eurobonds.

The Directors have obtained letters of support from the Parent Company and a fellow subsidiary. These letters state that Hellenic Petroleum Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. will provide financial support to Hellenic Petroleum Finance PLC for a period of at least until 30 June 2023.

The Directors of Hellenic Petroleum Finance PLC have performed an assessment of the ability of Hellenic Petroleum Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. to honour the letters of support that have been provided. They have obtained detailed projections of Group cash flow forecasts and assessed the underlying key assumptions including industry macros (e.g., prices, benchmark refining margins), operating levels (production and sales volumes), Group liquidity plan and other cash flow elements such as dividend payments which are discretionary. This assessment included sensitising the assumptions to reflect a number of scenarios considering the prevailing uncertain economic conditions in Europe as well as globally, particularly in the Energy sector, including a prolonged period of economic recovery to levels of economic activity before the Covid-19 pandemic.

In the base case forecasts, the Directors' have assumed that all term loans will be renewed while the 2024 Eurobond loans will be repaid on maturity dates and have included conservative pricing and refining margins, which have all been exceeded post year end.

In sensitising assumptions applied in the group cash flow forecast we also assessed the likeliness of a worst-case

STRATEGIC REPORT (continued)

scenario whereby the Group would face challenges in renewing or extending its existing available facilities. In response to this scenario the directors' considered mitigating circumstances that would maintain liquidity in such a scenario. In arriving at a set of mitigations against the worst-case scenario, the directors considered additional committed and uncommitted facilities secured post year end but noted that these do not include consideration of the very strong trading, profitability and cash generation recorded in FY22 year to date. The Directors also believe based on relationships with existing Banks and the historic record of successful extensions to available facilities, coupled with strong FY22 performance year to date, that this worst-case scenario is remote.

At the date of authorizing these Financial Statements the Company directors are satisfied that the financial performance of the Group is satisfactory with actual KPIs outperforming forecast key assumptions and therefore, fully supports the ability to honour the letters of support that have been provided.

Through this analysis, the Company's directors have satisfied themselves that the Company can continue its operational existence for at least until 30 June 2023. The directors consider that the going concern assumption is appropriate and have prepared the financial statements on a going concern basis. This assumes that the company will have adequate resources to continue its operational existence through meeting its liabilities as they come due.

The directors have obtained letters of support from the Parent Company and a fellow subsidiary. These letters state that Hellenic Petroleum Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. will provide financial support to Hellenic Petroleum Finance PLC for a period to 30 June 2023.

In the section below we have documented the directors' assessment of the wider group which enables the parent company to provide financial support to the Company.

Going Concern – The Group

The Group's consolidated financial statements for the year ended 31 December 2021 were approved by the Board of Directors on 24 February 2022. The Group's operating results in 2021 reported a net profit of €341 million (2020: €397 million loss). The Group's activities include refining and marketing of oil products, production and marketing of petrochemical products and electricity generation through renewable energy sources. The Group is also active in exploration for hydrocarbons and provides engineering services. Through its investments in DEPA Commercial, DEPA International Projects and Elpedison B.V., the Group also operates in the natural gas sector and in electricity generation (through gas-fired units) and trading. As such, the Group is exposed to a variety of financial and commodity markets' risks including foreign exchange and commodity price risk, credit risk, liquidity risk, cash flow risk and interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Group's overall risk management policies aim at reducing possible exposure to market volatility and / or mitigating its adverse effects on the financial position of the Group to the extent possible. In general, the key factors that impact the Group's operations are summarised as follows:

Covid-19 pandemic: In 2021 although the Greek economy continued to be affected by Covid-19, it rebounded considerably from the outbreak of the pandemic in 2020, primarily driven by the increased domestic demand and the better-than-expected tourist season. The recovery has been also supported by the gradual relaxation of the strict measures imposed during the previous year and the vaccination programs which are in progress and have already prevented the more severe impact from the new virus variants. The gradual improvement of benchmark refining margins and the recovery of the Greek market demand and crude oil prices resulted in improved reported profitability for the Group.

Although economic growth is projected to continue in 2022, albeit at a lower pace, the latest Omicron variant-related challenges and possible new Covid-19 outbreaks may have a negative impact on the growth of the economy and overall business activities, particularly at the beginning of the year, which cannot be estimated reliably. While a further rise in Covid-19 infections or a slow rate of vaccinations could lead to additional restrictive measures, which could negatively affect current growth projections and hinder the progress, the recently approved medicines for treating Covid-19 are expected to lessen the impact of Covid-19. At the time of authorization of the financial statements, the impact of Covid-19 in the economy is very limited and the vast majority of Governments have lifted all restrictive measures.

2022 geopolitical developments: The commencement of military action by Russia against Ukraine on February 24 and the response from European countries and the United States in the form of economic sanctions have affected

STRATEGIC REPORT (continued)

the global energy markets and economic developments in general and specifically the Group. The Group has successfully substituted its crude oil and intermediary feedstock supply originating from the Russian Federation with equivalent quantities and grades from other sources. Furthermore, over the last few months and following increase in natural gas prices, the Group's refineries have minimized natural gas use as a feed, substituting with oil products to a significant extent. Up to the date of authorization of the Company Financial Statements there is no adverse impact on demand for fuels and oil products in the markets the Group operates in as demand continues to recover to pre-pandemic levels and a corresponding positive impact on refining margins and profitability.

The Group is following developments around the crisis in Ukraine and is planning accordingly.

Greek Macros**:** During 2021, the Greek economy recovered considerably from the recession recorded in 2020, due to the pandemic and measures to mitigate its consequences on public health, however it continued facing significant challenges as a result of the coronavirus pandemic. In the short term, the main challenge relates to controlling the pandemic and returning to a steady growth path.

However, despite the aforementioned uncertainties, the real GDP growth rate in 2021 was stronger and higher than previous expectations. The normalization of mobility indicators affected significantly the economic recovery and boosted economic sentiment expectations and international trade, the significant vaccination rates in Europe weakened the pandemic dynamics and encouraged international travel and the prolonged tourist period until November, resulting in a sizeable output expansion as shown by 8.3% increase in GDP (2020: -9%).

Total domestic fuels consumption for the year increased by 1.5% compared to 2020 (total demand for motor fuels increased by 7%, partially offset by weaker heating gasoil consumption) since the gradual normalization of the economic activity and the relaxation of the mobility restrictions imposed during the previous year, led to an increase in transport fuels demand.

Prices: The Group is exposed to the risk of fluctuations in prevailing market prices. Commodity price risk management is supervised by the Supply and Trading Department. Non-commodity price risk management is carried out by Group Finance under policies approved by the Board of Directors. Group Finance identifies and evaluates financial risks in close co-operation with the Group's operating units. During the year ended on 31 December 2021, the Group entered into certain derivatives to hedge cash flows related to purchases and sales of crude oil and petroleum products. The Group has also entered into derivative transactions to hedge the cash flow risk arising from the fluctuation in EUA (CO2 certificates) pricing, in order to fulfil its obligation as part of the EUA scheme.

Continuous crude oil supplies**:** The Group procures crude oil from a number of suppliers, including national oil companies and international traders primarily in, but not limited to, the Middle East, North Africa and Black Sea region. The process of sourcing of crude oil is coordinated by the Supply and Trading department in line with production plans. The Group's three coastal refineries' location provide access to a wide range of feedstock sourcing opportunities which enables the Group to economically optimise raw material mix, as well as respond to supply shortages of certain crude grades without materially affecting its operations and financial performance.

Financing of operations**:** The key priorities of the Group are the management of the 'Assets and Liabilities' maturity profile, funding in accordance with its strategic investment plan and the liquidity risk management for its operational needs. The vast majority of the Group's borrowings are committed credit facilities with financial institutions and debt capital markets. As of 31 December 2021, approximately 80% of total debt (about 86% as at 31 December 2020), is financed by committed credit lines while the remaining debt is being financed by short term revolving credit facilities (bilateral lines).

At 31 December 2021, the Group held cash of €1,053 million and has a positive operating working capital position. Its total loans and borrowings amount to €2,991 million, €2,413 million relate to committed term facilities and €578 million to uncommitted short-term revolving facilities on demand. Of its total borrowings, an amount of €1.3 billion of term loans and €578 million of uncommitted short-term revolving facilities fall due up to 30 June 2023.

Management expects that all committed borrowings maturing within the next 12 months will be refinanced with similar terms and will commence discussions in the near term with the respective lenders to extend or refinance the maturing facilities and is confident that such discussions will conclude successfully. The expectation is supported by ongoing discussions with the key relationship banks on extending additional funding for new

STRATEGIC REPORT (continued)

investments in line with the business strategy of the Group presented to the banks and the long history of cooperation with the key relationship banks. The above expectation is further supported by the fact that in the period from 31 December 2021 to the date of authorization of the Company financial statements the Group obtained an additional uncommitted facility from one of the key relationship banks of €135m.

Moreover, as part of its long-term funding strategy, Management is able to raise funds from debt capital markets through the issuance of listed bonds. Should further funding be required, the Group can draw from committed term facilities limits €180 million without further approvals as well as from uncommitted facilities €372 million, subject to approvals from the respective financial institutions.

Furthermore, the directors considered the plan for financing of operations and the alternatives available to the Group. The considerations included scenarios where financing from existing relationship banks was restricted to current levels and further, uncommitted facilities where withdrawn. The directors concluded that based on the available cash in hand, even in the highly unlikely scenario that such scenarios materialize, the Group would be able to raise funds from alternative sources such as the debt capital markets, optimization of working capital, the planned sale of investments "assets held for sale" and deferral of non-essential capital expenditure.

In making their assessment, the directors considered the reasonability of the key assumptions applied in the forecast process including inter-alia, the expected refining benchmark margins, key cost contributors such as Co2, Nat Gas and cost of electricity. Additionally, a downturn sensitivity analysis on the forecasted financial performance on the key assumptions was considered under which the Group would still generate sufficient liquidity to meet its liabilities. Specifically, the forecasts were stressed simultaneously both in terms margin generation and applied costs reflecting very conservative pricing which at the time of authorization of the Group Financial Statements were deemed unlikely.

Based on their assessment, taking into account the above and also their financial forecasts over the 18 months post balance sheet date, Management is satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements and there is a reasonable expectation that the Group has adequate resources to continue in operational existence for period of at least until 30 June 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the implementation of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are credit, liquidity and interest rate risk. The management of those risks has been detailed in Note 3 of the financial statements. Additional information on the overall Group business is also available through the Hellenic Petroleum Holdings S.A.'s website (www.helpe.gr).

KEY PERFORMANCE INDICATORS

The key performance indicators of the business are the net interest income, calculated as interest income less interest expense (including amortisation of debt issue expenses and issue discount) and the net interest margin, calculated as the percentage of net interest to the interest income. During 2021, the Company recorded net interest income of €5,440,355 (2020: €5,161,126) and net interest margin of 19.69% (2020: 18.64%). The increase in net interest income and net interest margin is due to decreased effective interest rate of borrowings.

SECTION 172 STATEMENT

Section 172 of the Companies Regulations 2018 requires directors to explain how they have taken into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the Company's shareholders and other stakeholders, including the impact of its activities on the community, the environment, and the Company's reputation, when making decisions.

In the management of its subsidiaries, the Group defines the measurement of success as long-term value creation for the benefit of both the immediate entity and the wider Group. The Company engages in raising finance in the international capital markets for the purposes of funding the activities of the Parent Company and other companies within the Group in line with the Group's business strategy.

The Company's strategy, objectives and ongoing operations provide limited scope for further activities beyond the original purpose the Company has been set up to achieve. Consequently, the directors' role in the Company's strategies and operations becomes more centred on periodic and ongoing monitoring to ensure that the Company's objectives have not deviated from the original purpose. A key principle applied by the directors is to always

STRATEGIC REPORT (continued)

consider whether the decisions they contemplate lead to positive long-term increase in the value of the Company for the benefit of the shareholder, being the Parent Company.

The Company being a financing entity with no employees and limited operations of the business, has no direct impact on the community and the environment, consequently are not applicable in the directors' ongoing

monitoring processes. The indirect impact on the community and the environment only relates to the fact that it operates within the Group, which belongs to the Oil & Gas industry.

- **Directors' Training**

The Group's Legal Directorate and the Compliance Unit support the Group in operating sustainably and consistently with its values, which include leading with integrity and building enduring relationships. The Group's Legal and Compliance teams provide advice, guidance and support to management and work closely with them in assuring legal and regulatory compliance.

The Group's Code of Conduct, sets out the expectations for the Company's directors, similar to all other directors of the companies within the Group, the Parent company's leadership and employees in terms of responsibility and ethical behaviour.

New directors of the Company that are also employed by and/or participate in the board of directors of other companies within the Group, are provided soon after joining with a short induction in order to help them grasp the fundamentals of the Company and advise them on their rights and duties as directors. The Group makes available the necessary resources to develop and update the knowledge and qualifications of the directors of the Company (with role in the Group), including training programs covering the 2006 Companies Act as well as Anti-Bribery, Anti-trust, Anti-Fraud and Anti-Theft matters.

- **Board Composition**

The Company's Board, which currently comprises of 6 directors, collectively has a broad range of skills, knowledge and industry experience including general management, finance and legal to enable the Company to meet the needs of its business and for the directors to each carry out their role and statutory duties to a high standard. The Board's collective experience enables the directors to consider a broad range of stakeholders in their deliberations and decision-making and align the decisions to the corporate purpose of the Company in providing financing to other companies within the Group.

- **Stakeholder Engagement**

The principal activity of the Company is to act as a financing company for other entities in the Group, which includes the provision of financing to subsidiaries and fellow Group companies. The Company's key stakeholders are its shareholder, creditors and other Group companies to which it provides support. As part of the Group, the Board must consider how the decisions made on behalf of the Company affect both the shareholder and the other Group companies to ensure the success of the Company and value creation for the shareholder. The Group's treasury activities are coordinated through a central function that manages the financial risks and secures funding for the Group. On behalf of the Company, the Group frequently engages with its creditors, including financial institutions and capital markets as part of the Group's financial risk management processes, to ensure that the Company's levels of borrowings are appropriate for its needs.

STRATEGIC REPORT (continued)

- **Principal Decisions**

The Company's Board collectively has the necessary skills and experience required to identify the impacts of its decisions on the Company's stakeholders, and where relevant, the likely consequences of the decisions in the long-term.
In line with the Regulations and the sole purpose of the Company during the financial year under review, the following principal decision was made:

- Review and authorisation of the annual financial statements of Hellenic Petroleum Finance PLC for the year ended 31 December 2021.

On behalf of the Board

Vasileios Tsaitas
Director
28 June 2022

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021. The comparative period is the year ended 31 December 2020.

GENERAL INFORMATION
The Company is a public limited company limited by shares, incorporated in England and Wales on 2 November 2005. It is domiciled in the UK and is a wholly owned subsidiary of Hellenic Petroleum Holdings S.A. (the "Parent Company"), a company incorporated in Greece. The Company's secretary and registered office are shown on page 2.

ENVIRONMENTAL EFFICIENCY
The Company is a low energy user.

FUTURE DEVELOPMENTS
The €599.9 million Eurobond matures on 4 October 2024.

GOING CONCERN
Regarding the going concern assessment and the use of going concern basis in the preparation of the Company's financial statements, there is an extensive reference in the Strategic Report.

STAKEHOLDERS ENGAGEMENT
Regarding the stakeholder engagement in order to foster the Company's business relationships, there is an extensive reference in the Strategic Report.

DIVIDENDS
The directors have not recommended a dividend for the current year (2020: €nil).

POST BALANCE SHEET EVENTS
Please refer to Note 16.

DIRECTORS
The directors who served the Company during the year and up to the date of signing the financial statements were as follows:
- Andreas Shiamishis
- Vasileios Tsaitas
- Christina Stampoultzi
- Nita Savjani
- Kenneth Howard Prince-Wright
- Panos Shiatis
- Christian Thomas (until 15 February 2022)

Where certain directors were employed by and/or participated in the board of directors ("the Board") of other member companies of the Group, they received no emoluments from any other member of the Group, in their capacity as directors of the Company. For directors' emoluments from the Company refer to Notes 7 and 15.

CORPORATE GOVERNANCE
The directors have been charged with governance in accordance with the Articles of Association of the Company. The Company has in place policies and procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling the directors to comply with their regulatory obligations.

Due to the nature of the securities that have been issued, the Company is largely exempt from the disclosure requirements of the Financial Conduct Authority pertaining to the Disclosure and Transparency Rules (DTR) as detailed in DTR 7.1, audit committees and 7.2, corporate governance statements (save for DTR 7.2.5 a requiring description of the features of the internal control and risk management systems), which would otherwise require the Company respectively, to have an audit committee in place and include a corporate governance statement in the report of the directors. Specifically, in relation to internal controls the Company has set up an appropriate system of internal controls based on the limited risks associated with the operation of the company and focused on

DIRECTORS' REPORT (continued)

areas such as cash management/ payments, maintaining accurate accounting records and the preparation of financial statements. The system of internal controls provides for adequate segregation of duties and levels of authorities and review and forms part of the overall Group's centralised controls framework. In terms of risk management systems, the company's operations are largely performed by the centralised treasury function and all transactions are captured and monitored through the systems in place by the respective Group function.

The directors are therefore satisfied that there is no requirement for an audit committee or a supervisory body entrusted to carry out the functions of an audit committee or to publish a corporate governance statement.

FINANCIAL RISK MANAGEMENT
The management of the business and the execution of the Company's strategy are subject to a number of risks which are formally reviewed by the Board and appropriate practices are put in place to monitor and mitigate them.

Please also refer to Note 3.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. Under the Financial Conduct Authority's Disclosure and Transparency Rules, financial statements are required to be prepared in accordance with UK-adopted international accounting standards ("IFRSs"). In preparing the financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and a directors' report that comply with that law and those regulations. The directors of the ultimate Parent Company are responsible for the maintenance and integrity of the ultimate Parent Company's website.

The directors confirm, to the best of their knowledge:

- that the financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- that the Annual Report, including the strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

DIRECTORS' REPORT (continued)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 418 of the Companies Act 2006, each director in office at the date of approval of the Directors' Report confirms:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) he has taken all the steps that one ought to have taken as a director in order to make oneself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

On behalf of the Board

Vasileios Tsaitas
Director
28 June 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC

Opinion

We have audited the financial statements of Hellenic Petroleum Finance Plc (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included the following:

- We obtained management's going concern assessment for the Company that noted that financial support was required from the company's fellow subsidiary (Hellenic Petroleum Single Member Societe Anonyme Refining, Supply and Sales of Oil Products and Petrochemicals ("Hellenic Petroleum R.S.S.O.P.P. S.A.")) and its ultimate parent (Hellenic Petroleum S.A. (the 'Group')) and that letters of support had been received to this effect;
- Our consideration over the ability of the company's fellow subsidiary and ultimate parent, to honour the commitment provided in letters of support to the company for the period to 30 June 2023. This involved obtaining Group management's assessment of the Group's going concern position assessed to 30 June 2023. Each of the below procedures are with regard to the group going concern assessment that has been updated in support of the timing of the issuance of the company's financial statements;
- We challenged the appropriateness of the going concern assessment period, taking into consideration events after the going concern period which may have an impact;
- We tested the mathematical accuracy of the cash flow forecast model;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (CONTINUED)

Conclusions relating to going concern (continued)

- We performed an assessment of management's historical forecasting accuracy through comparison of actual results against the budgeted results for the financial year ending 31 December 2021;
- We challenged management in respect of the key assumptions used in the going concern assessment, in particular refining margins and forecast volumes through comparison to analyst reports and prior volumes achieved;
- We included an experienced energy sector audit team member with knowledge of refinery margin modelling, likely future pricing and market trends, to support the audit team in our evaluation of the trading cash flow assumptions applied by management;
- We agreed available facilities to underlying signed and fully executed agreements and the extent of drawings thereunder to external confirmations at 31 December 2021;
- In addition, for those new facilities secured by the Group post the balance sheet date, we obtained the signed and fully executed agreements and/or evidence of the Bank's Credit Committee approval process to verify the facilities considered as mitigations in the downside and reverse stress test scenarios noted below;
- We performed a critical challenge of the appropriateness and completeness of the sensitivities and stress test applied by management;

- o We developed our own downside sensitivities in relation to trading performance in the forecast period;
- o In respect to the downside sensitivities and stress test performed by management and the further sensitivity tests modelled by EY, we performed and/or noted the following:
    - o Whilst management's cashflow forecasts anticipate a level of refinancing to occur during the going concern review period, based on the financing history of the Group and its relations with financial institutions, we further tested the forecasts by developing additional downside liquidity sensitivities. These sensitivities stress tested the liquidity of the Group by assuming that facilities which expire during the going concern review period, including €1.3bn which renew from quarter three of 2022 through to quarter two of 2023, would not be renewed or replaced.
    - o We requested management to provide an updated going concern assessment to include consideration of the impact of Russian sanctions (supply restrictions and sanctioned individuals), and increased refining margins arising in late February 2022. The key updates to our stress test included an overlay of additional headroom due to improved refining margins and the introduction of a minimal liquidity buffer given the increase in working capital requirements caused by increased input costs.
    - o We considered plausible and controllable mitigating actions which could be incorporated into a downside forecast scenario such as reinstatement of uncommitted dividend outflows and additional group working capital facilities secured since the year end date that were not included in the base assessment.
    - o After applying the aforementioned downside sensitivities and controllable mitigating actions we revisited the forecasts to understand the headroom position.

- We obtained supporting documentation to evaluate the plausibility of management's mitigation plans considering actions delivered to date;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (CONTINUED)

Conclusions relating to going concern (continued)

- We considered the results of other audit procedures and other knowledge obtained in the audit and whether it was consistent with or contradicted management's assumptions;

- We have evaluated the adequacy of disclosures in respect of going concern in the Company's financial statements. This involved comparison of the specific knowledge obtained through our detailed work and knowledge of the wider energy sector.

Key observations

We observed that the improvement in refining margins in 2022 to present date, and as forecast, have improved the headroom of the Group. In management's reverse stress test, even with the inclusion of a working capital minimum liquidity, sufficient headroom remains available during the going concern period once the plausible mitigating items are considered.

Going concern has also been determined a key audit matter.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period up to 30 June 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Recoverability of loans receivable from group companies and accrued interest income
Materiality	• Overall materiality of €3.0m which represents 0.5% of total assets.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Changes from the prior year

There have been no changes in scope from the prior year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (CONTINUED)

Climate change
The company has determined there is no material impact from climate change known about now or that could arise in the future. The company itself is a low energy user, by virtue of the nature of its operations and hence climate risks are assessed to be more applicable at the group level, and therefore considered by the ultimate parent company.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Recoverability of loans receivable from group companies (31 December 2021 - €600.6m, 31 December 2020 - €795.7m) and accrued interest income (31 December 2021 - €5.9m, 31 December 2020 - €6.5m) *Refer to Accounting policies in Note 3 of the Financial Statements (pages 29 to 31); and Note 9,10 and 13 of the Financial Statements (page 38 to 39).* The company's ability to service and redeem Eurobonds depends upon the parent and sister companies' ability to service and repay the intercompany loan receivables and accrued interest income balances. The valuation of these balances was the most significant assessed risk of material misstatement. Management has concluded that the intercompany balance is recoverable based on the underlying financial performance and position of Hellenic Petroleum Group. The risk has increased in the current year due to the quantum of group debt repayments due for repayment within the going concern period.	We obtained management's assessment of the recoverability of loans receivable from group companies together with the associated accrued interest income and agreed it to underlying documentation. This included validation of assumptions and consideration of any contradictory evidence. We have obtained evidence to support the financial position and performance of the entities from whom the intercompany receivable is recoverable. We have considered this evidence independently of management, applying appropriate challenge, in order to conclude whether or not management's assessment that this balance is recoverable, is reasonable. This process has included examination of evidence to support the fact pattern of past repayments, assessment of the latest financial position of each counterparty, payments received after the balance sheet date and calculation of any expected credit losses. The latest financial position relates to the actual results as of 31 December 2021 and the forecasts to 30 June 2023. We confirmed through assessment of the Group's financial position (as discussed in respect of going concern earlier in our report) that the Group as a whole has the ability to support repayment of the company's external debt should this be required.	We concur with the Directors' assessment that all loans remain recoverable. We have concluded that the disclosures in respect of the recoverability of intercompany loan receivables in the financial statements are appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (CONTINUED)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be €3 million (2020: €4 million), which is 0.5% (2020: 0.5%) of total assets. We believe that total assets provide us with a consistent year on year basis for determining materiality and is the most relevant performance measure to the users of the financial statements.

During the course of our audit, and at completion, we reconfirmed that the initial calculation of materiality was appropriate.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2020: 75%) of our planning materiality, namely €2.25m (2020: €3m). We have set performance materiality at this percentage due to the design of company controls and low incidence of misstatements in prior periods.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with those charged with governance that we would report to them all uncorrected audit differences in excess of €0.15m (2020: €0.2m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the Companies Act 2006, UK Adopted International Accounting Standards, Anti-Money Laundering legislation and the relevant tax compliance regulations applicable for companies registered in the United Kingdom.

- We understood how Hellenic Petroleum Finance PLC is complying with those frameworks by making inquiries of management, group internal audit, those responsible for legal and compliance procedures and the group general counsel. We corroborated our inquiries through our review of minutes of Board of Directors meetings, the review of reports issued by the group internal audit function and the review of various correspondence, such as those with tax authorities, examined in the context of our audit and noted that there was no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We performed specific procedures to respond to the fraud risk of inappropriate recognition of interest income. Our procedures also included a risk–based sample of journal entries that may have been posted with the intention of overriding internal controls to manipulate revenue. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entries testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business; inquiries of group legal counsel, group internal audit and senior management of the company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (CONTINUED)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lindsay Russell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December	
		2021	**2020**
	Note	**€**	**€**
Interest income	**15**	27,635,050	27,685,773
Interest expense	**6**	(22,194,695)	(22,524,647)
Net interest income		**5,440,355**	**5,161,126**
Administrative expenses	**7**	(568,352)	(422,321)
Net foreign exchange gains / (losses)		(247)	(43,367)
Profit before income tax		**4,871,756**	**4,695,438**
Income tax (expense) / credit	**8**	(699,885)	3,257,978
Profit for the year from continuing operations		**4,171,871**	**7,953,416**
Total comprehensive income for the year		**4,171,871**	**7,953,416**

All amounts relate to continuing operations of the company.

The notes on pages 25 to 42 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2021	**2020**
	Note	**€**	**€**
ASSETS			
Non-current assets			
Loans and receivables	**3, 9, 15**	600,588,110	721,720,000
Deferred Tax Asset	**8**	2,476,213	3,176,099
		603,064,323	**724,896,099**
Current assets			
Loans and receivables	**3, 9, 15**	-	74,000,000
Prepayments and accrued income	**10**	5,904,420	6,505,369
Cash and cash equivalents	**11**	106,184	341,706
Income Tax Receivable		972,462	972,462
		6,983,066	**81,819,537**
TOTAL ASSETS		**610,047,389**	**806,715,636**
EQUITY AND LIABILITIES			
EQUITY			
Ordinary shares	**12**	10,000,000	10,000,000
Retained earnings		3,213,267	(958,604)
Total equity		**13,213,267**	**9,041,396**
LIABILITIES			
Non current liabilities			
Interest bearing loans and borrowings	**13**	593,724,370	591,574,386
Current liabilities			
Interest bearing loans and borrowings	**13**	**-**	200,717,785
Interest payable and other liabilities	**14**	3,109,752	5,382,069
		3,109,752	**206,099,854**
Total liabilities		**596,834,122**	**797,674,240**
Total equity and liabilities		**610,047,389**	**806,715,636**

These financial statements on pages 25 to 42 were approved by the Board of directors on 28 June 2022 and signed on its behalf by:

Vasileios Tsaitas
Director

The notes on pages 25 to 42 form an integral part of these financial statements.
Company Registration Number: 05610284

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Ordinary Shares €	Retained Earnings €	Total Equity €
Balance at 1 January 2020	**10,000,000**	**(8,912,020)**	**1,087,980**
Total comprehensive income / (expense) for the year		7,953,416	7,953,416
Balance at 31 December 2020 and 1 January 2021	**10,000,000**	**(958,604)**	**9,041,396**
Total comprehensive income / (expense) for the year		4,171,871	4,171,871
Balance at 31 December 2021	**10,000,000**	**3,213,267**	**13,213,267**

The notes on pages 25 to 42 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Note	For the year ended 31 December 2021 €	2020 €
Profit loss before income tax		**4,871,756**	**4,695,438**
adjustments for:			
Amortisation	**6**	1,400,289	1,351,941
Finance income - net		(6,840,644)	(6,513,067)
Net changes in asset / liabilities relating to operating activities			
Decrease / (increase) in prepayments	**10**	(13,675)	6,367
Increase / (decrease) in other payables	**14**	(144,723)	(4,457)
Cash flows (used in) operating activities		**(726,997)**	**(463,779)**
Income tax received / (paid)		-	(942,770)
Net cash used in operating activities		**(726,997)**	**(1,406,549)**
Cash flow from investing activities			
Loans granted to related parties	**15**	(170,270,110)	(308,851,000)
Loans repayments received from related parties	**15**	365,402,000	202,751,000
Interest received	**10,15**	28,249,674	29,624,583
Net cash generated from / (used in) investing activities		**223,381,564**	**(76,475,417)**
Cash flow from financing activities			
Proceeds from borrowings	**13**	-	98,326,575
Repayments of borrowings	**13**	(201,089,000)	-
Interest paid		(21,801,089)	(19,803,090)
Loan fees paid	**13**	-	(399,500)
Net cash (used in) / generated from financing activities		**(222,890,089)**	**78,123,985**
Net (decrease) / increase in cash and cash equivalents		**(235,522)**	**242,019**
Cash and cash equivalents at the beginning of the year	**11**	341,706	99,687
Cash and cash equivalents at the end of the year	**11**	**106,184**	**341,706**

The notes on pages 25 to 42 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Hellenic Petroleum Finance PLC was incorporated as a public limited company in England and Wales on 2 November 2005 and is a wholly owned subsidiary of Hellenic Petroleum Holdings S.A., a company incorporated in Greece. The Company engages in raising finance in the international capital markets for the purposes of funding the activities of other companies within the Group in line with the Group's business strategy.

2. ACCOUNTING POLICIES

Basis of preparation
Having consulted with the Parent Company's directors and taking into account all the relevant information available to them including the investment plans, business strategy and financial position of the Group, and as described in detail below **("Going Concern")**, as well as the written support obtained from the Parent Company in order to further support the Company in meeting its liabilities as and when they fall due, the directors consider the financial position of the Company to be satisfactory, and expect the business to continue at least for until 30 June 2023 and for the foreseeable future.

Going Concern – The Company

At 31 December 2021, Hellenic Petroleum Finance PLC had net current assets of €3,873,314 (2020: net current liabilities of €124,280,317). The Company's receivables are predominantly intercompany loans, the recovery of which is used to enable the Company to satisfy its obligations under its borrowings consisting of Eurobonds. Loans provided by the Company reflect the maturity of the loans raised from the capital markets by the Company. Also, the Company may ask the counterparties to repay either part of their loans or the whole loan for restructuring purposes among the Group companies and always after considering the counterparty's ability to repay the respective amount at a given point in time. The borrower must repay the loan on demand by the lender at any time. All loans shall, if not demanded previously, be repaid after a number of years specified in each agreement (see also Note 9). The Company is therefore reliant on the wider Hellenic Petroleum Group to repay its borrowings as they become due. In addition, the Parent Company and Hellenic Petroleum R.S.S.O.P.P. S.A. have provided a guarantee for the repayment of the Eurobonds.

The Directors have obtained a letters of support from the Parent Company and a fellow subsidiary. These letters state that Hellenic Petroleum Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. will provide financial support to Hellenic Petroleum Finance PLC for a period of at least until 30 June 2023.

The Directors of Hellenic Petroleum Finance PLC have performed an assessment of the ability of Hellenic Petroleum Holdings S.A. to honour the letters of support that have been provided. They have obtained detailed projections of Group cash flow forecasts and assessed the underlying key assumptions including industry macros (e.g., prices, benchmark refining margins), operating levels (production and sales volumes), Group liquidity plan and other cash flow elements such as dividend payments which are discretionary. This assessment included sensitising the assumptions to reflect a number of scenarios considering the prevailing uncertain economic conditions in Europe as well as globally, particularly in the Energy sector, including a prolonged period of economic recovery to levels of economic activity before the Covid-19 pandemic.

In the base case forecasts, the Directors' have assumed that all term loans will be renewed while the 2024 Eurobond loans will be repaid on maturity dates and have included conservative pricing and refining margins, which have all been exceeded post year end.

In sensitising assumptions applied in the group cash flow forecast we also assessed the likeliness of a worst-case scenario whereby the Group would face challenges in renewing or extending its existing available facilities. In response to this scenario the directors' considered mitigating circumstances that would maintain liquidity in such a scenario. In arriving at a set of mitigations against the worst-case scenario, the directors considered additional committed and uncommitted facilities secured post year end but noted that these do not include consideration of the very strong trading, profitability and cash generation recorded in FY22 year to date. The Directors also believe based on relationships with existing Banks and the historic record of successful extensions to available facilities, coupled with strong FY22 performance year to date, that this worst-case scenario is remote.

At the date of authorizing these Financial Statements the Company directors are satisfied that the financial performance of the Group is satisfactory with actual KPIs outperforming forecast key assumptions and therefore, fully supports the ability to honour the letters of support that have been provided.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

Through this analysis, the Company's directors have satisfied themselves that the Company can continue its operational existence for at least until 30 June 2023. The directors consider that the going concern assumption is appropriate and have prepared the financial statements on a going concern basis. This assumes that the company will have adequate resources to continue its operational existence through meeting its liabilities as they come due.

The Directors have obtained letters of support from the Parent Company and a fellow subsidiary. These letters state that Hellenic Petroleum Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. will provide financial support to Hellenic Petroleum Finance PLC for a period to 30 June 2023.

In the section below we have documented the directors' assessment of the wider group which enables the parent company to provide financial support to the Company.

Going Concern – The Group

The Group's consolidated financial statements for the year ended 31 December 2021 were approved by the Board of Directors on 24 February 2022. The Group's operating results in 2021 reported a net profit of €341 million (2020: €397 million loss). The Group's activities include refining and marketing of oil products, production and marketing of petrochemical products and electricity generation through renewable energy sources. The Group is also active in exploration for hydrocarbons and provides engineering services. Through its investments in DEPA Commercial, DEPA International Projects and Elpedison B.V., the Group also operates in the natural gas sector and in electricity generation (through gas-fired units) and trading. As such, the Group is exposed to a variety of financial and commodity markets' risks including foreign exchange and commodity price risk, credit risk, liquidity risk, cash flow risk and interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Group's overall risk management policies aim at reducing possible exposure to market volatility and / or mitigating its adverse effects on the financial position of the Group to the extent possible. In general, the key factors that impact the Group's operations are summarised as follows:

Covid-19 pandemic: In 2021 although the Greek economy continued to be affected by Covid-19, it rebounded considerably from the outbreak of the pandemic in 2020, primarily driven by the increased domestic demand and the better-than-expected tourist season. The recovery has been also supported by the gradual relaxation of the strict measures imposed during the previous year and the vaccination programs which are in progress and have already prevented the more severe impact from the new virus variants. The gradual improvement of benchmark refining margins and the recovery of the Greek market demand and crude oil prices resulted in improved reported profitability for the Group.

Although economic growth is projected to continue in 2022, albeit at a lower pace, the latest Omicron variant-related challenges and possible new Covid-19 outbreaks may have a negative impact on the growth of the economy and overall business activities, particularly at the beginning of the year, which cannot be estimated reliably. While a further rise in Covid-19 infections or a slow rate of vaccinations could lead to additional restrictive measures, which could negatively affect current growth projections and hinder the progress, the recently approved medicines for treating Covid-19 are expected to lessen the impact of Covid-19. At the time of authorization of the financial statements, the impact of Covid-19 in the economy is very limited and the vast majority of Governments have lifted all restrictive measures.

2022 geopolitical developments: The commencement of military action by Russia against Ukraine on February 24 and the response from European countries and the United States in the form of economic sanctions have affected the global energy markets and economic developments in general and specifically the Group. The Group has successfully substituted its crude oil and intermediary feedstock supply originating from the Russian Federation with equivalent quantities and grades from other sources. Furthermore, over the last few months and following increase in natural gas prices, the Group's refineries have minimized natural gas use as a feed, substituting with oil products to a significant extent. Up to the date of authorization of the Company Financial Statements there is no adverse impact on demand for fuels and oil products in the markets the Group operates in as demand continues to recover to pre-pandemic levels and a corresponding positive impact on refining margins and profitability.

The Group is following developments around the crisis in Ukraine and is planning accordingly.

Greek Macros**:** During 2021, the Greek economy recovered considerably from the recession recorded in 2020, due to the pandemic and measures to mitigate its consequences on public health, however it continued facing significant

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

challenges as a result of the coronavirus pandemic. In the short term, the main challenge relates to controlling the pandemic and returning to a steady growth path.

However, despite the aforementioned uncertainties, the real GDP growth rate in 2021 was stronger and higher than previous expectations. The normalization of mobility indicators affected significantly the economic recovery and boosted economic sentiment expectations and international trade, the significant vaccination rates in Europe weakened the pandemic dynamics and encouraged international travel and the prolonged tourist period until November, resulting in a sizeable output expansion as shown by 8.3% increase in GDP (2020: -9%).

Total domestic fuels consumption for the year increased by 1.5% compared to 2020 (total demand for motor fuels increased by 7%, partially offset by weaker heating gasoil consumption) since the gradual normalization of the economic activity and the relaxation of the mobility restrictions imposed during the previous year, led to an increase in transport fuels demand.

Prices: The Group is exposed to the risk of fluctuations in prevailing market prices. Commodity price risk management is supervised by the Supply and Trading Department. Non-commodity price risk management is carried out by Group Finance under policies approved by the Board of Directors. Group Finance identifies and evaluates financial risks in close co-operation with the Group's operating units. During the year ended on 31 December 2021, the Group entered into certain derivatives to hedge cash flows related to purchases and sales of crude oil and petroleum products. The Group has also entered into derivative transactions to hedge the cash flow risk arising from the fluctuation in EUA (CO2 certificates) pricing, in order to fulfil its obligation as part of the EUA scheme.

***Continuous crude oil supplies*:** The Group procures crude oil from a number of suppliers, including national oil companies and international traders primarily in, but not limited to, the Middle East, North Africa and Black Sea region. The process of sourcing of crude oil is coordinated by the Supply and Trading department in line with production plans. The Group's three coastal refineries' location provide access to a wide range of feedstock sourcing opportunities which enables the Group to economically optimise raw material mix, as well as respond to supply shortages of certain crude grades without materially affecting its operations and financial performance.

***Financing of operations*:** The key priorities of the Group are the management of the 'Assets and Liabilities' maturity profile, funding in accordance with its strategic investment plan and the liquidity risk management for its operational needs. The vast majority of the Group's borrowings are committed credit facilities with financial institutions and debt capital markets. As of 31 December 2021, approximately 80% of total debt (about 86% as at 31 December 2020), is financed by committed credit lines while the remaining debt is being financed by short term revolving credit facilities (bilateral lines).

At 31 December 2021, the Group held cash of €1,053 million and has a positive operating working capital position. Its total loans and borrowings amount to €2,991 million, €2,413 million relate to committed term facilities and €578 million to uncommitted short-term revolving facilities on demand. Of its total borrowings, an amount of €1.3 billion of term loans and €578 million of uncommitted short-term revolving facilities fall due up to 30 June 2023.

Management expects that all committed borrowings maturing within the next 12 months will be refinanced with similar terms and will commence discussions in the near term with the respective lenders to extend or refinance the maturing facilities and is confident that such discussions will conclude successfully. The expectation is supported by ongoing discussions with the key relationship banks on extending additional funding for new investments in line with the business strategy of the Group presented to the banks and the long history of cooperation with the key relationship banks. The above expectation is further supported by the fact that in the period from 31 December 2021 to the date of authorization of the Company financial statements the Group obtained an additional uncommitted facility from one of the key relationship banks of €135m.

Moreover, as part of its long-term funding strategy, Management is able to raise funds from debt capital markets through the issuance of listed bonds. Should further funding be required, the Group can draw from committed term facilities limits €180 million without further approvals as well as from uncommitted facilities €372 million, subject to approvals from the respective financial institutions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

Furthermore, the directors considered the plan for financing of operations and the alternatives available to the Group. The considerations included scenarios where financing from existing relationship banks was restricted to current levels and further, uncommitted facilities where withdrawn. The directors concluded that based on the available cash in hand, even in the highly unlikely scenario that such scenarios materialize, the Group would be able to raise funds from alternative sources such as the debt capital markets, optimization of working capital, the planned sale of investments "assets held for sale" and deferral of non-essential capital expenditure.

In making their assessment, the directors considered the reasonability of the key assumptions applied in the forecast process including inter-alia, the expected refining benchmark margins, key cost contributors such as Co2, Nat Gas and cost of electricity. Additionally, a downturn sensitivity analysis on the forecasted financial performance on the key assumptions was considered under which the Group would still generate sufficient liquidity to meet its liabilities. Specifically, the forecasts were stressed simultaneously both in terms margin generation and applied costs reflecting very conservative pricing which at the time of authorization of the Group Financial Statements were deemed unlikely.

Based on their assessment, taking into account the above and also their financial forecasts over the 18 months post balance sheet date, Management is satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements and there is a reasonable expectation that the Group has adequate resources to continue in operational existence for period of at least until 30 June 2023.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the UK-adopted international accounting standards and International Financial Reporting Standards ("IFRSs"), adopted pursuant to Regulation (EC) No. 1606/2002 as it applies to the European Union.

A summary of the most important accounting policies which have been used for the preparation of these financial statements is set out below. These policies have been applied consistently for the years presented, unless otherwise stated. The preparation of financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 "Critical accounting estimates and judgements". These estimates are based on management's best knowledge of current events and actions; actual results ultimately may differ from those estimates.

Changes in accounting policies and disclosures

New standards, amendments to standards and interpretations of existing standards are detailed in the Group's consolidated financial statements available at Hellenic Petroleum Holdings S.A. website (www.helpe.gr). The Company as of 1 January 2021 has adopted the new standards; however, they did not have an impact on the financial statements for the year ended 31 December 2021.

Standards issued but not yet effective and not early adopted

The Company has not early adopted any other of the standards, interpretations or amendments that have been issued but are not yet effective. In addition, the Company assessed all standards, interpretations and amendments issued but not yet effective, and concluded that, they will not have any significant impact on the financial statements when applied.

Foreign currency translation

(a) Functional and presentational currency

The Company transacts in Euros ("€"), US Dollars ("$") and also GB Pounds ("£"). Items included in the financial statements are measured in Euros; which is the Company's functional and presentational currency and all values are rounded to the nearest Euro (€), except when otherwise indicated.

(b) Transactions and balances

Foreign currency balances are translated into the functional currency using the exchange rates prevailing at the dates

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end, are recognised in the statement of comprehensive income.

Interest income and interest expense
Interest income and interest expense is recognised on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Income tax
The income tax expense or credit for the period, is the tax estimated on the current period's taxable income based on the applicable income tax rate, as well as additional taxes for prior years. Tax is recognised in the statement of comprehensive income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operates and generates taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction does not affect either accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those deductible temporary differences and losses. Deferred income tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

Financial Assets
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them.

The business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

At 31 December 2021 and 2020, the Company had no financial assets at fair value through profit or loss or at fair value through other OCI.

Financial assets at amortised cost
The Company measures financial assets at amortised cost if both of the following conditions are met: a) the financial

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as instruments at amortised cost in accordance with IFRS 9.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For financial assets that are credit impaired, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL) and interest income is calculated based on the gross carrying amount of the financial asset less ECL.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan. To the extent that it is probable that some or all of the facility will be drawn down, the fee is deferred until the draw-down occurs and recognized over the life of the loan using the effective interest method. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. At the end of the reporting period payable amounts of bank overdrafts are included within borrowings in current liabilities on the statement of financial position. In the statement of cash flows, bank overdrafts are shown within financing activities.

In cases where an existing borrowing of the Company is renegotiated, this might result in modification or an exchange of borrowings with the lenders that could be carried out in a number of ways. Whether a modification or exchange of borrowings represents a settlement of the original debt, or merely a renegotiation of that debt, determines the accounting treatment that should be applied by the borrower. When the terms of the existing borrowings are substantially different from the terms of the modified or exchanged borrowings, such a modification or exchange is treated as an extinguishment of the original borrowing and any difference arising is recognised in profit and loss.

The Company considers the terms to be substantially different if either the discounted present value of the future cash flows under the new terms, including any costs or fees incurred, using the original effective interest rate, is at least 10%

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

different from the discounted present value of the remaining cash flows of the original borrowing or there is a substantial change in the terms from a qualitative perspective. Qualitative factors may include:

- the currency in which the borrowing is denominated
- the interest rate (that is fixed versus floating rate)
- changes in covenants

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less.

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

Other liabilities
Liabilities for other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for services received.

3. FINANCIAL RISK MANAGEMENT

The management of the business and the execution of the Company's strategy are subject to a number of risks primarily the key financial risks set out below. Risks are formally reviewed by the Board and appropriate processes are put in place to monitor and mitigate them.

Financial risk management
The main purpose of the Company is to raise finance in the international capital markets for the purpose of funding the activities of the Parent Company and other Group companies in line with Group's business strategy. The Company's activities expose it to a variety of financial risks, which the Directors consider to be principally credit risk, liquidity risk, interest rate risk and foreign exchange risk. The financial instruments of the Company include loans receivables, cash and other liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations.

(a) Credit risk
The principal credit risk to the Company is that the borrowers will not be able to meet their obligations as they fall due. The risk is minimised by the fact that the loans are provided to the Parent Company and other subsidiaries of the Group, the credit quality of which is continuously monitored and assessed by the Company. None of the loans granted are either past due or impaired. Refer also to Note 9.

(b) Liquidity risk
Prudent liquidity risk management entails maintaining sufficient cash reserves and financial headroom through committed credit facilities. The Company maintains flexibility in its funding through the use of committed credit facilities and, moreover, by granting loans to the Group companies which are payable on demand or have a maturity period less than those of the related borrowings. The €599.9 million Eurobond matures on 4 October 2024.

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows expected to be paid or received. Accrued interest at year end for loans receivable and borrowings is separately presented.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. FINANCIAL RISK MANAGEMENT (continued)

Loans receivable are repayable on demand and have no standard interest rate margin (Note 9). Therefore, the receivable amounts below do not include the expected interest receivable amount.

	Less than 1 year	**Between 1 to 5 years**	**Total**
As at 31 December 2021	**€**	**€**	**€**
Loan receivable from Group companies	-	600,588,110	600,588,110
Accrued interest income	5,881,944	-	5,881,944
Total	**5,881,944**	**600,588,110**	**606,470,054**
Debt issued and other borrowings	9,064,423	623,896,000	632,960,423
Interest payable and other liabilities	3,109,752		3,109,752
Total	**12,174,175**	**623,896,000**	**636,070,175**

Further details regarding the Company's loans receivable are provided in Note 9 and for borrowings in Note 13.

	Less than 1 year	**Between 1 to 5 years**	**Total**
	€	**€**	**€**
As at 31 December 2020			
Loan receivable from Group companies	74,000,000	721,720,000	795,720,000
Accrued interest income	6,496,568	-	6,496,568
Total	**80,496,568**	**721,720,000**	**802,216,568**
Debt issued and other borrowings	217,828,918	635,894,000	853,722,918
Interest payable and other liabilities	5,382,069	-	5,382,069
Total	**223,210,987**	**635,894,000**	**859,104,987**

The amounts included as borrowings in the table above do not correspond to the balance sheet amounts, as they are contractual (undiscounted) cash flows, which include capital and interest.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Interest rate risk
Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which settle at different dates. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of floating rate assets and, where applicable, floating rate liabilities are similar and by adjusting, if necessary, the interest rate on its financial assets in order to match that of any fixed rate liabilities. At 31 December 2021, the Company had total borrowings amounting to €597 million (2020: €797 million) of fixed coupons Eurobonds.

Re-pricing analysis
The following table indicates the interest rate re-pricing profile of the Company's assets and liabilities.

Assets and liabilities are allocated into time bands according to their re-pricing date for variable interest rate instruments, or according to their maturity date for fixed rate instruments. The re-pricing of the variable interest rate of loan receivables from Group Companies is reviewed on an ad-hoc basis and at least annually to match the liabilities so that the Company meets its obligations as they fall due. For further details regarding the terms and conditions of the loan receivables' agreements refer to Note 9.

As at December 2021	**Total** €	**Less than 1 year** €	**Between 1 to 2 years** €	**Between 2 to 5 years** €
Assets				
Loans receivable from Group companies	600,588,110	-	-	600,588,110
Accrued interest income	5,881,944	5,881,944	-	-
Total assets	**606,470,054**	**5,881,944**	-	**600,588,110**
Liabilities				
Borrowings	597,136,463	-	-	597,136,463
Accrued interest expense	2,933,577	2,933,577	-	-
Total liabilities	**600,070,040**	**2,933,577**	**-**	**597,136,463**
Total interest sensitivity gap	**6,400,014**	**2,948,367**	-	**3,451,647**

As at December 2020	**Total** €	**Less than 1 year** €	**Between 1 to 2 years** €	**Between 2 to 5 years** €
Assets				
Loans receivable from Group companies	795,720,000	74,000,000	-	721,720,000
Accrued interest income	6,496,568	6,496,568	-	-
Total assets	**802,216,568**	**80,496,568**	-	**721,720,000**
Liabilities				
Borrowings	797,104,552	200,930,036	-	596,174,516
Accrued interest expense	5,061,170	5,061,170	-	-
Total liabilities	**802,165,722**	**205,991,206**	-	**596,174,516**
Total interest sensitivity gap	**50,846**	**(125,494,638)**	-	**125,545,484**

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. FINANCIAL RISK MANAGEMENT (continued)

Effective interest rates
The weighted average effective interest rates were as follows:

	2021	2020
Loans receivable		
- Euro floating	3.65%	3.80%
Loans payable		
- Euro fixed	2.93%	3.10%

Interest rate sensitivity
The Company's sensitivity to interest rates is limited as any changes in interest rates on the loans received are passed directly to the loans granted to other members of the Group. The directors therefore consider that there would be minimal change in the net profit / (loss) for the year and net assets attributable to shareholders' equity for the year ended 31 December 2021 should interest rates have moved upwards or downwards by 100bps.

(d) Foreign exchange risk
The Company's foreign currency risk exposure is managed by having back-to-back currency loans and assets. The Company does not face any significant foreign exchange risk.

(e) Capital risk management
The Company's principal objective when managing capital is to raise financing in the international capital markets for the purpose of funding the activities of the Parent Company and other Group companies in line with the Group's business strategy. In order to maintain or adjust its capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with the industry convention, the Group monitors capital structure and indebtedness levels on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less "Cash & cash equivalents" and, "Investment in equity instruments". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

The gearing ratios as at 31 December 2021 and 2020 were as follows:

	2021 €	2020 €
Total Borrowings (Note 13)	593,724,370	792,292,171
Less: Cash and cash equivalents (Note 11)	(106,184)	(341,706)
Net Debt	**593,618,186**	**791,950,465**
Total Equity	13,213,267	9,041,396
Total Capital Employed	**606,831,453**	**800,991,861**
Gearing Ratio	**97.82 %**	**98.87 %**

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies and in the selection of assumptions used in the calculation of accounting estimates. These judgements are reviewed on an on-going basis and are continually evaluated based on historical experience and other factors. The most significantly affected components of the financial statements and associated critical judgements are as follows:

i) Critical accounting estimates

(a) Recoverability of intercompany loans
In assessing the recoverability of intercompany loans, the Company utilizes internal and/or external information where available, to determine the expected credit loss. Probability of Default ratios ("PDs"), are obtained directly by an external provider, in the cases where such information are available, whilst the Loss Given Default ("LGD") is estimated through internal information. The Company estimated if either of the aforementioned key assumptions used increased by 25%, with the other variable held constant, the impact on the expected credit loss on the loans receivable would be €21 thousands for the change in PD and €17 thousands for the change in LGD.

(b) Recoverability of deferred tax assets
Deferred tax assets include certain amounts which relate to carried forward tax losses. The Company makes assumptions on whether these deferred tax assets will be recoverable based on the forecasted taxable income, determined through the differential of cost of borrowings, which is known, and the interest margin applied in its on-lending, that inter-alia includes the cost of borrowings.

ii) Critical accounting judgements

Determination of debt restructuring
The Company, in line with borrowings' policy in Note 2, reviews the terms and conditions of bonds in the event of a debt restructuring in order to conclude on the appropriate accounting treatment to follow, between debt modification and debt extinguishment. Relating to the bond issued in October 2019 and relevant tender offer, management has considered both quantitative and qualitative factors in determining whether the transaction leads to a substantially different borrowing or a modification of the existing borrowing terms. In the view of management, the changes in the qualitative terms of the new borrowings are substantial and would, without further quantitative analysis lead to the immediate derecognition of the previous debt.

5. SEGMENTAL REPORTING

The directors consider that there is only one business segment, which is the provision of finance for fellow Group companies. The directors consider that the analysis of the results of the Company as disclosed in these financial statements is sufficient for the purposes of reporting the activities.

The Company's revenue is comprised of interest income on the loans provided to the Group companies and is generated entirely in the European Union.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INTEREST EXPENSE

	2021	2020
	€	€
Interest expense on borrowings	20,794,406	21,172,706
Amortisation of deferred borrowing cost	1,400,289	1,351,941
	22,194,695	**22,524,647**

7. ADMINISTRATIVE EXPENSES

	2021	2020
	€	€
Professional fees	21,923	21,923
Fees payable to the Company’s auditors for the audit of the Company’s financial statements	60,000	45,200
Fees for tax services	13,452	13,452
Bank charges	6,374	5,846
Company secretarial and director fees	39,728	57,783
Consulting fees	381,490	260,399
Legal fees	45,385	17,718
	568,352	**422,321**

The auditors’ remuneration for the year ended 31 December 2021 was €50,000 net of VAT (2020: €40,000).

The Company has no employees. Director’s remuneration for the year, included in the table above in “Company secretarial fees” was €26,879 (2020: €28,343) (Note 15).

Where certain directors were employed by and/or participated in the board of directors (“the Board”) of other member companies of the Group, they received no emoluments from any other member of the Group, in their capacity as directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INCOME TAX

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

	2021	2020
Current tax	-	-
Prior year tax	-	74,873
Deferred Tax Asset recognised	-	3,176,099
Deferred Tax origination and reversal of temporary differences	(925,634)	-
UK corporate tax rate change impact on Deferred Tax Asset	225,749	-
Other	-	7,006
Income tax (expense) / credit	**(699,885)**	**3,257,978**

The standard rate of Corporation Tax in the UK throughout 2021 was 19% (2020: 19%).

Reconciliation of effective tax rate

	2021 €	2020 €
Profit before tax for the year	4,871,756	4,695,438
Tax charge on profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	925,634	892,133
Adjustment to prior year's income tax	-	(74,873)
Utilisation of tax losses carried forward	-	(892,133)
UK corporate tax rate change impact on Deferred Tax Asset	(225,749)	-
Deferred tax asset recognised on tax losses	-	(3,176,099)
Other movements	-	(7,006)
Total income tax charge / (credit) in the statement of comprehensive income	**699,885**	**(3,257,978)**

In March 2021, the UK government announced a proposed increase in the tax rate from 19% to 25% with effect from 1 April 2023. The impact on deferred tax asset was a recognition of €225k as at 31 December 2021.

The movement on the deferred income tax asset / (liability) is as follows:

	2021	2020
Beginning of the year	**3,176,099**	**-**
Income statement (charge) / credit	(699,885)	3,176,099
End of year	**2,476,213**	**3,176,099**

The deferred tax asset's closing balance is analysed as follows:

	2021	2020
Tax losses carried forward	940,620	589,504
Disallowed (timing difference) corporate interest carried forward	1,535,594	2,586,595
Deferred tax asset	**2,476,213**	**3,176,099**

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. LOANS AND RECEIVABLES

The loans receivable relates to periodic loans granted to companies within the Group. The loans bear interest at various margins over EURIBOR (2020: margin over EURIBOR). More specifically:

The loan agreements with the counterparties, have similar terms which are summarized below:
- The lender makes available to the borrower an uncommitted loan facility up to an agreed amount.
- The borrower may borrow an amount up to the facility agreement, subject always to the consent of the lender.
- The borrower must repay the loan on demand by the lender at any time. All loans shall if not demanded previously be repaid after a number of years specified in each agreement.
- The borrower pays interest at a rate notified by the lender.

In substance and taking into consideration that all parties involved in the above agreements are always Group subsidiaries, the maturity of the loans provided by the Company reflect the maturity of the loans raised from the capital markets by the Company. Also, the Company may ask the counterparties to repay either part of their loans or the whole loan for restructuring purposes among the Group companies and always after considering the counterparty's ability to repay the respective amount at a given point in time.

As at 31 December 2021, the carrying amounts of the loan receivables between the Group and the Company are denominated in Euro (Note 15). Loans granted by the Company to the Parent Company and other Group subsidiaries mirror HPF's credit risk and carry zero interest rate risk, accordingly the fair values of loans and receivables approximate their carrying amount.

At each reporting date, in accordance with the requirements of IFRS 9, the Company performs an assessment regarding the recoverability of the loans receivable (Note 4), taking into account the current probability of default, as well as the estimated loss given default rate for each counterparty and the total amount of the respective loan. Based on the assessment performed at 31 December 2021, the Company concluded that the expected credit losses of these loans were immaterial and no impairment loss was recorded.

10. PREPAYMENTS AND ACCRUED INCOME

	2021	2020
	€	€
Accrued interest income	5,881,944	6,496,568
Prepaid expenses	22,476	8,801
	5,904,420	**6,505,369**

11. CASH AND CASH EQUIVALENTS

	2021	2020
	€	€
Cash at bank	106,184	341,706
	106,184	**341,706**

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. ORDINARY SHARE CAPITAL

The authorised share capital of the Company is split into 6,970,000 ordinary shares of £1 each. The issued share capital consists of 6,970,000 £1 paid ordinary shares.

	Numbers of Shares (authorised and issued)	Share Capital	Total
	€	€	€
As at 1 January and 31 December 2020	6,970,000	10,000,000	10,000,000
As at 31 December 2021	**6,970,000**	**10,000,000**	**10,000,000**

The issued share capital is reflected in the financial statements based on the prevailing €/£ exchange rate at the time it was issued, which was 1.435.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13. INTEREST BEARING LOANS AND BORROWINGS

	As at 31 December	
	2021	**2020**
	€	€
Non-current borrowings		
Eurobond	597,136,463	596,174,516
Unamortised Eurobond fees	(3,412,093)	(4,600,130)
Non-current borrowings	**593,724,370**	**591,574,386**
Current borrowings		
Eurobond	-	200,930,036
Unamortised Eurobond fees	-	(212,252)
Total current borrowings	-	**200,717,785**
Total borrowings	**593,724,370**	**792,292,171**

At 31 December 2021, outstanding borrowings consisted of Notes issued under Eurobond transactions and significant movements during this period are described below. The Notes are guaranteed by the Parent Company and Hellenic Petroleum R.S.S.O.P.P. S.A. following the demerger by way of hive-down.

Eurobond €201m maturing in October 2021
The balance of the notes as at 31 December 2020 of €201 million was repaid upon maturity in October 2021.

Eurobond €599m maturing in October 2024
In October 2019, HPF issued a €500 million five-year 2% Eurobond guaranteed by Hellenic Petroleum Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. following the demerger by way of hive-down, with the issue price being 99.41 per cent. of the principal amount. The notes mature in October 2024. Part of the proceeds of the issue were used for the partial prepayment of the €449.53 million Eurobond maturing in October 2021 through a tender offer process which was completed in October 2019 during which notes of nominal value of €248.4 million were accepted. On October 5th, 2020, HPF, successfully priced €99.9 million of new notes principal amount, with a yield of 2.42%. These form a single series with HPF's existing notes due October 2024 and were offered through a private placement. The issue of the new notes was subscribed by selected institutional investors, with the European Bank for Reconstruction and Development participating at 75% of the issue.

The Company has not experienced any defaults in relation to payment of principal, interest or other breaches with regards to its borrowings in 2021 or as at the date of approval of these financial statements. The proceeds of the aforementioned facilities have been used to provide loans to the Parent Company and other members of the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. INTEREST BEARING LOANS AND BORROWINGS (continued)

The table below presents the changes in liabilities arising from financing activities for the year ended 31 December 2021.

	1 January 2021	Cash flows – borrowings	Cash flows – bond fees	Non-cash movements	31 December 2021
	€	€	€	€	€
Non-current Eurobonds	591,574,386	-	-	2,149,984	593,724,370
Current Eurobonds	200,717,785	(201,089,000)	-	371,215	-
Total liabilities from financing activities	**792,292,171**	**(201,089,000)**	**-**	**2,521,199**	**593,724,370**

The table below presents the changes in liabilities arising from financing activities for the year ended 31 December 2020.

	1 January 2020	Cash flows – borrowings	Cash flows – bond fees	Non-cash movements	31 December 2020
	€	€	€	€	€
Non-current Eurobonds	491,894,376	98,326,575	(399,500)	1,752,935	591,574,386
Current Eurobonds	200,262,671	-	-	455,114	200,717,785
Total liabilities from financing activities	**692,157,047**	**98,326,575**	**(399,500)**	**2,208,049**	**792,292,171**

"Cash flows – bond fees" column includes the bond issue expenses paid and capitalised.

"Non-cash movements" column includes the amortization of deferred borrowing costs and issuance below par.

The carrying amounts and fair value of Euro denominated Eurobonds are as follows:

	Book value	Fair value
As at December 2021	**€**	**€**
Eurobond €599m – October 2024	593,724,370	610,992,151
Eurobond €201m – October 2021	-	-
Total	**593,724,370**	**610,992,151**
As at December 2020	**€**	**€**
Eurobond €599m – October 2024	591,574,386	594,339,000
Eurobond €201m – October 2021	200,717,785	207,926,000
Total	**792,292,171**	**802,265,000**

The fair values of the Eurobonds are within level 1 of the fair value hierarchy as their fair value is estimated through quoted prices (unadjusted) in an active market.

No other borrowings existed as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. INTEREST PAYABLE AND OTHER LIABILITIES

	As at 31 December	
	2021	**2020**
	€	**€**
Accrued interest payable	2,933,577	5,061,170
Other payables	176,175	320,898
	3,109,752	**5,382,068**

15. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has identified the following transactions which are required to be disclosed under the terms of IAS 24 Related Party Disclosures.

During the year the Company provided loans to other members of the Group. At 31 December 2021 and 2020 the following loans were outstanding:

	As at 31 December	
	2021	**2020**
	€	**€**
Hellenic Petroleum Holdings S.A. (Parent Company)	222,098,000	587,500,000
Hellenic Petroleum International A.G. (Fellow subsidiary)	213,200,000	173,200,000
Hellenic Fuels and Lubricants S.A. (Fellow subsidiary)	8,000,000	8,000,000
Hellenic Petroleum Renewable Energy (Fellow subsidiary)	157,290,110	27,020,000
Total	**600,588,110**	**795,720,000**

Interest charged on these loans during the year amounted to €27,635,050 (2020: €27,685,773) of which €5,881,944 was outstanding at 31 December 2021 (31 December 2020: €6,496,568) (Note 10).

The following table presents the breakdown of interest income from related entities:

	As at 31 December	
	2021	**2020**
	€	**€**
Hellenic Petroleum Holdings S.A. (Parent Company)	17,923,334	20,747,038
Hellenic Petroleum International A.G. (Fellow subsidiary)	6,814,771	6,319,415
Hellenic Fuels and Lubricants S.A. (Fellow subsidiary)	294,194	311,364
Hellenic Petroleum Renewable Energy (Fellow subsidiary)	2,602,751	307,956
Total	**27,635,050**	**27,685,773**

Purchases of administrative services in relation to the Company from related parties are portrayed in the table below:

	For the year ended 31 December	
	2021	**2020**
	€	**€**
HELPE International Consulting S.A. (Fellow subsidiary)	322,400	260,400
	322,400	**260,400**

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The personal director nominated by TMF Global Services (UK) Limited ('TMF') that provides director services to the Company, has not received director emoluments in their personal capacity. The personal directorship fee to TMF amounted to €7,680 (2020: €6,184). Additionally, directors acting as physical directors were entitled to a total remuneration of €19,199 (2020: €22,159).

Where certain directors were employed by and/or participated in the board of directors ("the Board") of other member companies of the Group, they received no emoluments from any other member of the Group, in their capacity as directors of the Company.

The smallest and largest group into which the Company is consolidated is Hellenic Petroleum Holdings S.A. and is incorporated in Greece. Copies of the financial statements of Hellenic Petroleum Holdings S.A. may be obtained from Hellenic Petroleum Holdings S.A., Chimarras 8A, Marousi, 15125, Greece or online at the Group's website www.helpe.gr.

The immediate and ultimate parent undertaking and controlling party is Hellenic Petroleum Holdings S.A.

16. EVENTS AFTER THE REPORTING PERIOD

As part of the demerger by way of hive-down on 3 January 2022 of Hellenic Petroleum Holdings S.A.'s refining, supply and trading of oil products and petrochemicals sector (refer to the Strategic Report), all assets and liabilities of the sector of the aforementioned entity, including the borrowings received by the Company (Note 15), were transferred to the new established company (Hellenic Petroleum R.S.S.O.P.P. S.A.).

There are no other events, after the end of the reporting period and up to the date of approval of the financial statements by the board of directors that have a direct impact on the Company.