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**Activity Report of the Audit
Committee 2022**

May, 2023

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1. Introduction

Dear Shareholders,

The Audit Committee (the “Committee”) of HelleniQ Energy Holdings S.A (the “Company”) is pleased to present its report for the year 2022 in accordance with the provisions of article 44 par. 1(h) of Law 4449/2017 (as amended based on article 74 of Law 4706/2020) to the General Meeting of the Company’s Shareholders setting out how the Committee has discharged its responsibilities in line with the current legislative and regulatory framework. The report summarizes the key activities and issues addressed in 2022, including the Committee’s activities regarding the financial statements of 2022, which were published in 2023.

This report also describes the Company’s sustainability policy.

Our work plan is determined early in the year to ensure that all areas falling within our responsibility are addressed. In executing our plan for 2022, our key points of focus included:

- Monitoring the business transformation plan and the accounting for the hive-down and demerger.
- Overseeing the effectiveness of the Group Internal Audit General Division (GIAGD) including the steps being taken to develop the General Division’s IS expertise and the introduction of new audit management software.
- Commissioning the external assessment of the Company’s System of Internal Controls under Law 4706/2020, as well as an external audit of cybersecurity.

In 2023 the Committee will continue to follow the impact of macroeconomic developments on the business (inflation, interest rates, ongoing war in Ukraine etc.). Other priorities include:

- Overseeing, in collaboration with the Sustainability Committee, the steps being taken to implement the new IFRS Sustainability Reporting Standards applicable from 2024.
- Follow up and liaison with the Risk and Strategy Committee on the establishment of a new Risk Management function.
- Monitoring GIAGD performance (including staffing and the development of specializations) and obtaining the results of the external Quality Assurance assessment (in accordance with International Standards for the Professional Practice of Internal Auditing) including identifying any⁴ areas for development.

2. Purpose of the Committee and its Key Responsibilities

The purpose of the Committee is to assist and inform the Board of Directors (“Board”) in fulfilling its oversight responsibilities regarding:

A) The financial reporting and external audit

The Committee is responsible for:

- Monitoring the procedure and conduct of the statutory audit of the annual financial statements
- Monitoring the financial reporting process
- Reviewing the annual financial statements, semi-annual and quarterly condensed financial statements prior to their approval by the Board and submitting recommendations or proposals as considered appropriate.

B) The external audit process

Submits proposals to the Board on issues arising from the statutory audit, explaining:

- The contribution and results of the statutory audit of the Company's annual and consolidated financial statements regarding the quality and integrity of the financial reporting, including the relevant disclosures, approved by the Board of Directors, and published,
- The Committee's role in the above process
- The selection and remuneration of the auditing firm/statutory auditor for the purpose of proposing its appointment by the Annual General Meeting of Shareholders ("Annual General Meeting") to ensure the independence, objectivity and efficiency of its operation as well as its periodic rotation in accordance with the current regulatory framework .

C) The effectiveness of internal control systems, risk management , regulatory compliance and the General Internal Audit Group Division

Monitors, examines and evaluates the design adequacy and operational effectiveness of the Company's policies, procedures, and control activities, with the regard to the internal control system on the one hand and risk assessment and management on the other hand, in relation to financial reporting and the quality assurance and compliance of the design adequacy and operational effectiveness of the corporate governance system.

The Committee reports to the Board on how it discharges its responsibilities and makes recommendations to the Board.

A full list of responsibilities is provided in the Committee's terms of reference, which has been approved by the Board, and is available at:

<https://www.helleniqenergy.gr/ependytikes-sheseis/epitropes-ds>

The main responsibilities of the Committee cover the following areas :



3. Composition of the Committee, Skills and Experience

The Annual General Meeting of the Company's shareholders on June 30, 2021 decided, that **the Committee is a committee of the Board of Directors**, consisting of three (3) non-executive and in their majority independent, within the meaning of the provisions of article 9 of Law 4706/2020, members of the Board with a three-year tenure and authorized the Board to appoint them after ascertaining the fulfilment of the criteria and conditions of article 44 of Law 4449/2017.

The Audit Committee members **must have, as a whole, sufficient knowledge** of the sector in which the Company operates and one (1) of the members should have proven sufficient knowledge and experience in auditing or accounting within the meaning of the provisions of article 9 of Law 4706/2020.

In execution of the above decision, the Board (by a decision with no 1387/30.06.2021), defined the composition of the Committee, which consists exclusively of independent non-executive member and is illustrated below:

Member	Title	Tenure
<ul style="list-style-type: none"> Lorraine Scaramanga Iordanis Aivazis Panagiotis Tridimas 	<ul style="list-style-type: none"> Chair Member Member 	<p>From 30.06.21 up to 30.06.2024</p>

The tenure of the Committee is triennial, coincides with the tenure of Board and expires on 30.06.2024.

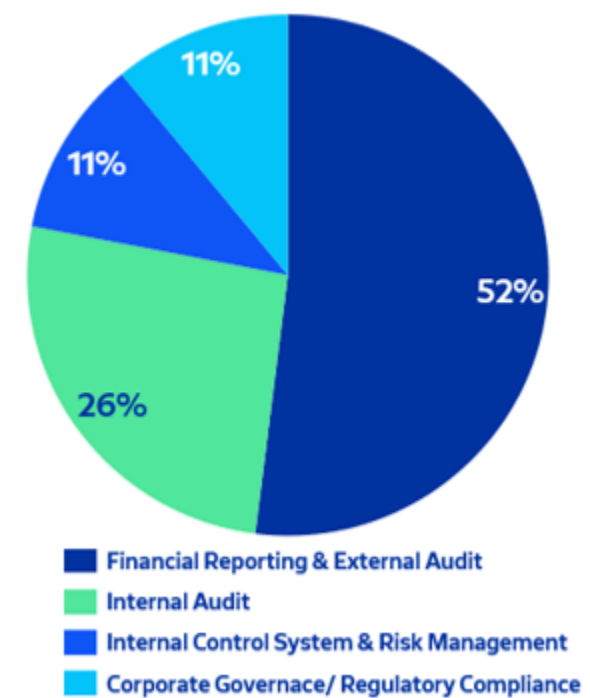
Curriculum Vitae of the members of the Committee are attached in the annex of this Report.

The Committee has at its disposal the necessary resources to engage external consultants where required to carry out its work. The Committee also receives secretarial support from Company personnel.

4. Committee Meetings

According to its Terms of Reference, the Committee meets at regular intervals at least six (6) times per year and holds extraordinary meetings when required.

- During 2022, the Committee held nineteen (19) meetings, including one joint meeting with the Remuneration and Succession Planning Committee, covering all of the areas falling within its responsibilities. Attendance at the meetings was satisfactory, with all of the Committee members attending each meeting. Depending on the subject matter of the meeting, Senior Management and the external auditors of the Company are invited to attend. The General Director of GIAGD is invited to all Committee meetings.
- The Committee also held two (2) further meetings with Management and the external auditors in 2023 to discuss the 2022 annual financial statements and the results of the audit as well as holding a discussion with the external auditors without Management's presence.
- All the Committee's decisions were taken unanimously.
- At the beginning of 2023, the members carried out a self-assessment of their performance for 2022 and discussed their priorities for 2023.
- The Committee submitted quarterly memos to the Board prior to the approval of the annual and interim financial statements and provided periodic reports on its activities throughout the year highlighting issues of importance.
- Minutes were kept of all Committee meetings setting out the issues discussed and approvals of the members.



Meeting Allocation - 2022

5. Financial Reporting & External Audit

The Committee was involved throughout the financial statement preparation process by way of holding meetings with the Company's management and external auditors as well as carrying out its own review of the financial statements, management information and respective regulator announcements.

The main issues that were discussed and the activities undertaken by the Committee were the following:

- 1. Annual Consolidated and Company Financial Statements of 2021
(published in February 2022)**
- 2. Interim Consolidated and Company Financial Statements of 2022**
- 3. Process of Annual Audit 2022 and Annual Consolidated and Company
Financial Statements of 2022**
- 4. Internal Control System Evaluation**

Meetings with Company's management

The Committee held regular meetings with the Company's Management prior to the publication of the financial statements to review and discuss the financial statements and explanatory memos prepared by Group Finance, covering matters such as:

- **Business developments (e.g., impact of the war in the Ukraine on supply);**
- **Corporate transformation (accounting for hive down & demerger);**
- **Changes in accounting treatment (incl. change in accounting for CO₂ emissions in 2021);**
- **Going concern assessments and assumptions ;**
- **Impact of climate change on going concern/impairment of non-current assets.**

In addition, the Committee reviewed the Consolidated and Company financial reports and other management information provided in connection with the review of the financial reports. With respect to the non-financial ESG information, the Committee ensured that the disclosures were shared with the Sustainability Committee and also appreciated the involvement of EY's sustainability team in the review of these disclosures.

The Committee also discussed the status of litigation with the Head of the Legal Department prior to the approval of the 2022 financial statements.

Meetings with external auditors

With respect to the annual and semi-annual financial statements, the Committee also met with the Company's external auditors to review and discuss:

- **The scope and work plan of the audit including materiality levels to satisfy itself that it addressed the key audit areas;**
- **The status/ progress of the audit;**
- **The conclusions of the audit work;**
- **The key audit matters identified by the auditors;**
- **The special annual report by the external auditors to the Committee (A. 10 of EU Reg 537/2014);**
- **The internal control recommendations included in the Management Letter and the status of actions taken by Management.**

6. External Auditors

The Committee is responsible for the external auditor selection process and overseeing the periodic rotation of the statutory auditor.

Considering its own experience with the handling of the 2021 audit, as well as the views of Management, the Committee satisfied itself that it was appropriate to propose to the Board of Directors the reappointment, of EY as auditors for 2022 for a sixth term. In accordance with statutory requirements, the responsible partner was rotated for the 2022 audit.

In its relationship with the external auditor:

- The Committee shall ensure that the external auditor maintains its independence and objectivity and is effective in conducting its statutory audit.
- The Committee receives the statutory auditor's annual declaration of independence and discusses with them any threats that might jeopardize the statutory auditor's independence and the means of ensuring that those threats are mitigated.
- The Committee, considering the views of the external auditor, Management and internal audit as appropriate, examines whether the relationships may affect the auditors' independence and objectivity.



- **Selection and appointment of statutory auditors**
- **Ensuring independence and objectivity**
- **Maintaining effectiveness**

The Committee is responsible for the approval of non-audit services by the external auditors to the Group companies, which are permissible by law.

The Committee recognizes that there may be cases (e.g. due to knowledge of the Group's activities /reasons of confidentiality) where the statutory auditor is the preferred provider for certain non- audit services. However, safeguarding the objectivity and independence of statutory auditors is the overriding priority. The Committee therefore ensures that the provision of such services will not impede the independence or objectivity of the statutory auditor.

In 2022, the Committee examined all requests for non-audit services to be undertaken by the statutory auditor and concluded that the scope and remuneration of the proposed non-audit services did not jeopardize the independence or objectivity of the Company's statutory auditors.

In the context of non-audit services that are permissible by law, the Committee assesses and evaluates:

- the nature of the non-audit services,
- if the skills and experience of the audit firm make it the most appropriate non-audit services' provider,
- remuneration incurred or to be incurred for non-audit services both individually and as a whole, in relation to remuneration for audit services, including specific terms and conditions (e.g., non-audit services fee cap).



• Non-audit services

7. Internal Audit/System of Internal Controls/ Regulatory Compliance

The Committee met seven (7) times during the year 2022 to review and discuss the activities of the GIAGD.

The main issues covered included the following areas:

1. Risk Management

2. Annual and Triennial Internal Audit Plan –Budget for the year 2022

3. Organizational Structure and Training

4. Internal Audit Activity Results

5. Follow up of high and medium risk findings

6. Annual Evaluation of the Head of Internal Audit and Declaration of Independence

7. Internal Control System Evaluation Governance/Regulatory Compliance

8. Other Issues

The matters discussed/ addressed by the Committee included:

Internal Audit

- The results of the annual risk assessment process performed by GIAGD.
- The review and approval of the proposed annual audit plan and the three-year plan, as well as the budget and training plan of the GIAGD for the year 2022.
- The organizational structure as well as the staffing needs of the department, including the steps being taken to enhance /develop the IS skills of the department.
- The redesign of the audit report and the quarterly activity report to the Committee and the approval of the updated Internal Audit Manual.
- The findings of internal audit reports (regular and special investigations) as well as management's responses/actions .
- The progress in addressing high risk findings (discussed on a quarterly basis) as well as other findings (reviewed every six months).
- The progress of internal audit assignments and the audit plan status communicated through quarterly activity reports.
- The acquisition of new internal audit management software to improve the functionality of GIAGD.
- GIAGD's participation in conferences /committees.

- The Committee received confirmation of the Independence of the General Director and carried out an evaluation of the performance of the General Director for the year 2021. The Committee also held a joint meeting with the Remuneration and Succession Planning Committee, regarding the annual adjustment of the General Director's remuneration.

Assessment of the System of Internal Controls

- The Committee recommended to the Board the appointment of an assessor to carry out the first triennial evaluation, in accordance with the requirements of Article 14 of Law 4706/2020, of the adequacy and effectiveness of the Internal Control System of the company and its material subsidiaries, with a reference date of December 31, 2022.
- The assessment was completed in March 2023, and the relevant report was delivered to the Committee and the Board. The assurance work was carried out in accordance with the audit program which is included in the decision of the Hellenic Accounting and Auditing Standards Board (ELTE) number 040/2022 and the International Standard on Assurance Engagements 3000.
- The assessment report concludes that 'no material weaknesses were identified' regarding the adequacy and effectiveness of the Internal Control System of the Company and its significant subsidiaries. The summary of the Assessor's Report was submitted to the Capital Market Commission on March 31, 2023.
- The assessor has also issued a report setting out 'non-significant' findings arising from the review which will be monitored in a similar manner as the external auditors' Management Letter recommendations.

Regulatory Compliance

- The Committee held 2 meetings with the head of regulatory compliance to discuss the annual activities and approved the proposed activities for 2023.
- The Committee also discussed with the General Director of GIAGD the results of 4 regulatory compliance audits conducted by GIAGD in collaboration with an external audit firm.

Cyber Security

In view of the importance of cybersecurity for all organizations, an audit in this area was conducted by an external firm with relevant expertise. The Committee was also briefed by the Cyber Security Officer and the Group's IT & Digital Transformation General Manager on initiatives to protect the Group's information and systems. The Committee has introduced quarterly meetings with the Cyber Security Officer.

8. Sustainable Development Policy

The Company has incorporated sustainable development in its strategic planning and has committed itself via the health, safety, environment and sustainability policy, which aims at a safe and accident-free, economically sustainable operation that respects the environment and society, in accordance with the United Nations' 17 Sustainable Development Goals (SDGs).

At the heart of the Company's planning lies the major issue of transitioning to a low-carbon emissions economy and the Company's vision for health, safety and the environment is "Zero Negative Impact – Zero Damage", as a precondition for sustainable development. The Company's and the Group Companies' commitments are stated in the health, safety, environment and sustainability policy, which forms part of the Company's Bylaws.

The Company publishes a **Sustainable Development and Corporate Responsibility Report** on an annual basis, following recognized sustainability reference standards, such as the GRI Standards, the ESG Reporting Guide of the Athens Stock Exchange (Athex), as well as the adoption of principles of the United Nations' Global Compact, with the relevant progress report (Global Compact Communication on Progress - CoP).

The substantial non-financial issues concerning the Company's long-term sustainability, as well as the manner of addressing them, are summarized in the Non-Financial Reporting (H.) and described in greater detail in the annual Sustainable Development and Corporate Responsibility Report. These issues are related to the broader pillars of health, safety, environment and climate change and society, in general.



Sustainable Development Policy

As regards the health and safety and environmental issues affecting local communities, too, the Group, due to the nature of its activities, faces a number of risks in its day-to-day operations, regarding the use of hazardous and flammable substances and technical challenges at production and distribution facilities including oil and other products) of special complexity and major size.

Inability to manage the above risks could have grave impact on the Group's operation and financial position, including administrative sanctions, or/and inability to conduct the activities.

As regards the investigation of risks concerning health, safety and environment issues, the Group uses a series of handling procedures, at the equipment's designing and operation, for managing and containing them and monitors them through Key Performance Indicators (KPIs).

At the same time, it actively participates in international organizations for measuring and comparing key indexes with the European oil and chemical industry, as well for transposing and incorporating best practices, in order to improve its performance on issues of health, safety and the environment.

More information regarding the Policy and its content is available at the Company's website, under the Bylaws (Internal Regulation)

(<https://www.helleniqenergy.gr/ependytikes-sheseis/kanonismoi-politikes>).



Sustainable Development Policy

9. Annex – Members' CVs

Lorraine Scaramanga

Independent Non Executive Member of the Board of Directors

Ms. Scaramanga was born in Scotland in 1956. She is a graduate of the University of Glasgow, with an MA (Language and Literature) and LLB (Law). She is a fellow (F.C.A.) of the Institute of Chartered Accountants in England and Wales (ICAEW), as well as a member (non-practicing) of the Institute of Certified Public Accountants of Greece (SOEL).

She has extensive experience in accounting, finance, and auditing. She worked at Arthur Andersen in London between 1979 and 1985, and at Coopers & Lybrand/PwC in Greece from 1985-2005, where she became a partner in 1991. Subsequently, between 2005 and 2011, she was a Consultant/Finance Director of Alpha Tankers & Freighters International Ltd, and, from 2007-2020, Chairman of the Audit Committees of the banks, Eurobank Bulgaria (Postbank) and Eurobank Serbia (Beograd).

She is currently a member of the Board of Directors and of the Audit Committee of Eurobank Private Bank Luxembourg. She also acts as a consultant on quality assurance and improvement matters for the Internal Audit Department of a large Greek Bank and provides consultancy services in the shipping sector.

Iordanis Aivazis

Senior Independent Member of the Board of Directors

He graduated from the University of Athens with a Degree in Economics (Department of Politics and Economics). He completed his postgraduate studies at the University of Lancaster (England) and he obtained a Postgraduate Diploma in Economics and a Masters of Arts (M.A.) in Marketing and Finance.

He worked at senior positions with Greek and international banks in Athens, Greece, and he was Chief Financial Officer (CFO) and Chief Operating Officer (COO) with Hellenic Telecoms (OTE S.A.). Following the acquisition of OTE by Deutsche Telekom (DT), he joined OTE's Board of Directors as an Executive member and DT's European Management Board.

Additionally, he was sitting, as a NED, on the Boards of Greek listed companies.

Currently, he is Chair of the Special Liquidations Committee of the Bank of Greece.

Panagiotis Tridimas

Independent Non Executive Member of the Board of Directors

Mr. Tridimas was born in Athens in 1963. He is a graduate of the University of Athens, with a degree in Legal Sciences, and holds a Master of Science (LL.M.) and a Ph.D. from the University of Cambridge with a specialization in Harmonisation of Securities Regulation in the European Community.

He is a lawyer in Athens since 1987 and a Barrister in England and Wales since 2000 and has appeared before the European Court of Justice, the General Court of the European Union, the Supreme Court of the United Kingdom, the European Court of Human Rights, as well as investment arbitration courts.

He previously held academic positions at the Universities of Birmingham, Southampton, Cambridge, and London (Queen Mary), while he has also worked at the European Court of Justice as a *Référéndaire*. He has taught in a number of universities in Europe, the U.S.A, and Canada.

He is currently Professor of European Law and Director of the Center for European Law at Dickson Poon School of Law, at King's College London, while he is also Professor and Distinguished Researcher (Nancy A. Patterson Distinguished Faculty Scholar) at Pennsylvania State University School of Law (Penn State Law) and Visiting Professor at the College of Europe in Bruges. He works as a Barrister at Matrix Chambers in London.

He has experience in international and European affairs, having been an advisor to European institutions on a number of legal issues as well as the Republic of Cyprus during the negotiations on Brexit, as well as the Greek Presidency of the European Union between 2002-2003 with emphasis on issues of enlargement of the European Union.

From 2005-2013 he was an independent non-executive member of the Board of Directors of EFG Eurobank, and since February 2020, he is a non-executive member of the General Council of the Financial Stability Fund. He has published numerous legal studies and has written important textbooks on European Law.