

Gia na Company Registration Number: 05610284

HELLENIQ ENERGY FINANCE PLC
(formerly known as HELLENIC PETROLEUM FINANCE PLC)
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

HELLENIQ
ENERGY FINANCE

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HELLENIQ ENERGY FINANCE PLC

Annual report and financial statements for the year ended 31 December 2023

OFFICERS AND PROFESSIONAL ADVISERS

Directors
Andreas Shiamishis
Vasileios Tsaitas
Christina Stampoultzi
Panos Shiatis
Nita Savjani
Kenneth Howard Prince-Wright (resigned 26 March 2024)

Company Registration Number 05610284

Company Secretary TMF Corporate Administration Services Limited

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STRATEGIC REPORT

HELLENIQ ENERGY FINANCE PLC (the “Company” and “HEF”), which changed its name from “Hellenic Petroleum Finance PLC” on 25 July 2023, is a wholly owned subsidiary of HELLENiQ ENERGY Holdings S.A. (the “Parent Company”) ultimate parent company of the HELLENiQ ENERGY Group (the “Group”), which is incorporated in Greece and its shares are 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, HEF 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 dependent on other Group’s 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 €3,475,595 (2022: profit €7,159,841) which is transferred to retained earnings.

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. HEF sources funds from international debt capital markets, through Eurobonds listed in the Luxembourg stock exchange, for the optimal management of its debt liabilities.

The Group raises its borrowing from a number of sources, including the Company and Greek and International banks. At 31 December 2023, the Company accounted for €0.6 billion of a total of €2.5 billion in total Group borrowings (see Note 17 of the Group’s annual financial statements). It should be noted that as at 31 December 2023 the Group had cash reserves of €0.9 billion (see Note 13 of the Group’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 Group’s website (www.helleniqenergy.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 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, which was fully repaid in October 2021 upon maturity.
- 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.

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 2023 the indebtedness balance outstanding amounted to €598 million. The Company’s indebtedness is guaranteed by HELLENiQ ENERGY Holdings S.A. (Parent Company) and Hellenic Petroleum R.S.S.O.P.P. S.A..

STRATEGIC REPORT (continued)**Loans granted**

Details on the Company's loan receivables are set out in Notes 9 and 14. Significant movements for the current year are summarised below:

- Significant repayments: HELPE R.S.S.O.P.P. S.A. repaid €141 million and HELLENiQ Renewables Single Member SA repaid €128 million.
- Significant drawdowns: An amount of €256 million was granted to HELPE R.S.S.O.P.P. S.A. and an amount of €25 million was granted to HELLENiQ Renewables Single Member SA.

Going Concern – The Company

At 31 December 2023, HEF had net current assets of €23,848,703 (2022: current assets of €121,237,838). 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 with an exception of the bond loan agreement signed in March 2023 with the fellow subsidiary Hellenic Petroleum R.S.S.O.P.P. S.A. (Notes 9, 14) which matures in 2028. Relating to this bond loan agreement Hellenic Petroleum R.S.S.O.P.P. S.A. has provided the directors with a letter of request for the prepayment and repurchase of its own bonds on 1 October 2024. 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 HELLENiQ ENERGY 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 joint letter of support from the Parent Company and a fellow subsidiary. This letter states that HELLENiQ ENERGY Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. will provide financial support to HELLENiQ ENERGY FINANCE PLC for a period until 30 June 2025.

The directors of HEF have performed an assessment of the ability of HELLENiQ ENERGY Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. to honour the letter of support that has 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.

In the base case forecasts, the directors' have assumed that all term loans will be renewed while the 2024 Eurobond loan will be repaid on the maturity date. Specifically, in March 2024, Group's management has presented the refinancing plan in the HELPE R.S.S.O.P.P. S.A. board of directors meeting. Among other, the maturity of the two term loans maturing in February 2025 (€200 million drawn as at 31 December 2023, €200 million nominal amount) and in May 2025 (€241 million drawn as at 31 December 2023, €400 million nominal amount) will be extended to April 2028 and April 2029 respectively. In addition, an amount of uncommitted short-term revolving facilities of €200 million nominal amount is planned to be refinanced as a term loan maturing in April 2027. The above procedure for the loan maturing in May 2025 was completed on 20 May 2024 and the remaining procedures are expected to be completed in June 2024. Following this refinancing, the total amount of the Eurobond and the term committed facilities that fall due up to 30 June 2025 is €649 million.

The directors supported the sufficient liquidity through a worst-case scenario in the group cash flows in spite of the likelihood of the Group to face challenges in renewing or extending its existing available facilities being remote based on:

- the liquidity status of the Group,
- the already secured committed and uncommitted facilities at balance sheet date
- the additional post year end secured facility
- the strong profitability and cash generation recorded in 2023
- relationships with existing banks and the historic record of successful facilities' extensions

STRATEGIC REPORT (continued)

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 letter of support that has been provided.

Through this analysis, the Company's directors have satisfied themselves that the Company can continue its operational existence through to 30 June 2025 and beyond. 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.

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 2023 were approved by its board of directors on 29 February 2024. The Group's operating results in 2023 reported a net profit of €481 million (2022: €895 million net profit).

The Group's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products, electricity generation through renewable sources; with secondary activities relating to exploration of hydrocarbons and through its investments in Elpedison B.V., DEPA Commercial and DEPA International Projects, 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, credit, liquidity, cash flow 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.

The Group's business activities, together with factors which the directors consider are likely to affect its development, financial performance and financial position are set out in the director's report of the Group's Annual Report. The most significant financial and operational risks and uncertainties that may have an impact upon the Group's performance and their mitigation are outlined in Note 3 of the Group's Annual Report, including liquidity risk, market risk, credit risk and capital risk to these consolidated financial statements.

The Group continues to execute its strategic transformation plan including the establishment of a material 2nd pillar in New Energy as an enabler of delivering on its climate objectives, diversifying its profitability sources and increasing the share of more stable cash flows.

The future financial performance of the Group is dependent upon the wider economic environment in which it operates. The factors that particularly affect the environment and therefore the performance of the Group include macroeconomic conditions and supply and demand for crude oil and oil products that affect their pricing and consequently benchmark refining margins which is a key determinant of profitability.

Furthermore, profitability can be affected by natural gas and electricity pricing, which together with the cost of acquiring CO2 certificates in compliance with the European Union Emissions Trading System (EU ETS), will affect variable operating expenditure. In the medium to long term, Energy transition is further expected to affect key profitability and operating expenditure factors.

In general, factors that adversely affect the demand for oil products such as negative macroeconomic conditions, supply and demand for crude oil that result in price increases or increase in the cost elements of refining oil products such as cost of natural gas, electricity and costs from EU ETS, have a negative impact on Group profitability. Conversely, ample supply of crude oil and/ or a higher demand for oil products would lead to higher benchmark margins and profitability.

In 2023, demand for oil products continued to grow in line with the post pandemic global economic recovery supporting higher benchmark margins. At the same time, the cost of electricity and Natural Gas declined compared to the irregularly high prices that it reached in 2022, substantially reverting to pre-energy crisis levels.

In general, the key factors that impact the Group's operations are summarised as follows:

STRATEGIC REPORT (continued)

Currency: The Group's business is naturally hedged against a functional currency risk at the gross margin level. All petroleum industry transactions are referenced to international benchmark quotes for crude oil and oil products in USD. All international purchases and sales of crude oil and products are conducted in USD and all sales into local markets are either in USD prices or converted to local currency for accounting and settlement reasons using the USD reference on the date of the transaction. In addition, the Group's majority of operating expenses transactions are conducted in Euro. As a result, the Group's operations are mainly exposed to the risk of foreign exchange caused by fluctuating the dollar exchange rate against the Euro. The strengthening of the US Dollar against the Euro has a positive effect on the Group's financial results while in the opposite event, both the financial results and balance sheet items (net position of inventory, investments, receivables, trade payables and other liabilities in US dollar) would be valued at lower levels.

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 the Finance Department 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.

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. Following the developments in Ukraine, and the imposition of economic sanctions against the Russian Federation, 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 since March 2022. Further, provided that the Group has only limited sourcing of crude oil through Red Sea, the recent events in the Middle East have not had to date any significant impact on the ability of the Group to source crude oil or supply refined products to its customers in the region. Nevertheless, Group's Management continuously monitors the situation and assesses the potential impact on its operation. The Group's three coastal refineries' location, the flexibility provided by the configuration and technology of each refinery provide access to a wide range of feedstock sourcing opportunities, which enables the Group to 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

In the 12-month period ending 31 December 2023, the Group successfully signed a financing framework agreement for an amount of up to €766 million for the financing of existing and new projects for electricity generation from Renewable Energy Sources and refinanced approximately €1 billion of outstanding committed facilities at lower margins whilst improving the maturity profile of its debt liabilities.

At 31 December 2023, the Group held cash of €919 million and has a positive operating working capital position. Its total loans and borrowings amount to €2,547 million, €2,218 million relate to committed term facilities and €329 million to uncommitted short-term revolving facilities on demand. Of its total borrowings, an amount of €1,090 million of term loans and €329 million of uncommitted short-term revolving facilities fall due up to 30 June 2025.

In February 2024, the Group proceeded with the extension of a facility of €200 million initially maturing in February 2024, for one year. Other than the Eurobond amounting to €599 million maturing in October 2024, there are no other committed borrowings that mature in 2024. With regards to the Eurobond, Management is considering its alternatives, including the issuance of a new bond. Should further funding be required, the Group can draw from committed term facilities limits €953 million without further approvals as well as from uncommitted facilities €729 million, subject to approvals from the respective financial institutions.

Based on their assessment, considering the above and also their financial forecasts up to 30 June 2025, 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. Based on the period up to 30 June 2025 assessment and considering successful refinancing of maturing debt obligations, the Group expects to generate sufficient cash from operations to meet all its operating liabilities as they fall due and planned investments.

STRATEGIC REPORT (continued)**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 HELLENiQ ENERGY Holdings S.A. website (www.helleniqenergy.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 2023, the Company recorded net interest income of €4,508,259 (2022: 9,207,612) and net interest margin of 24% (2022: 39%).

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 as amended by 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 refining and renewables segments' companies and other entities 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 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 as at 31 December 2023 comprised 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.

STRATEGIC REPORT (continued)

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.

- **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 Companies Regulations 2018 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 HELLENIQ ENERGY FINANCE PLC for the year ended 31 December 2022.

On behalf of the Board

Vasileios Tsaitas
Director
22 May 2024

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2023. The comparative period is the year ended 31 December 2022.

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 HELLENiQ ENERGY Holdings S.A., (the "Parent Company"), a company incorporated in Greece. The Company's secretary and registered office are shown on page 1.

ENVIRONMENTAL EFFICIENCY

The Company is a low energy user, meaning it consumes less than 40MWh per annum.

FUTURE DEVELOPMENTS

The €599.9 million Eurobond matures on 4 October 2024. The directors are currently considering future group funding requirements.

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 (2022: €nil).

POST BALANCE SHEET EVENTS

Please refer to Note 15.

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 (resigned 26 March 2024)
- Panos Shiatis

Where certain directors were employed by and/or participated in the board of directors 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 14.

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
22 May 2024

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

We have audited the financial statements of HelleniQ Energy Finance Plc (the 'company') for the year ended 31 December 2023 which comprise the Statement of comprehensive income, the Statement of Financial Position, the Statement of changes in equity, Statement of cash flows, and the related notes 1 to 15 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 2023 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:

- We obtained management's going concern assessment for the Company which noted that financial support was required from the company's immediate and ultimate parent (HELLENiQ ENERGY Holdings S.A. (the 'Group')) and that a letter of support had been received to this effect;
- Our consideration over the ability of the company's immediate and ultimate parent, to honour the commitment provided in the letter of support to the company for the period to 30 June 2025. This involved obtaining Group management's assessment of the Group's going concern position assessed to 30 June 2025. 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;
- 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 2023;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (continued)**Conclusions relating to going concern (continued)**

- 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 agreed available facilities to underlying signed and fully executed agreements and the extent of drawings thereunder to external confirmations at 31 December 2023;
- In addition, for those new facilities secured by the Group post the balance sheet date, we obtained the signed and fully executed agreements;
- We performed a critical challenge of the appropriateness and completeness of the sensitivities and stress test applied by management;
- We developed our own downside sensitivities in relation to trading performance in the forecast period;
- 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:
 - 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 no issuance of new Eurobond, new issuance of facilities and facilities which expire during the going concern review period, would not be renewed or replaced.
 - We considered plausible and controllable mitigating actions which could be incorporated into a downside forecast scenario such as utilization of undrawn amount of committed loans without considering the project finance headroom which is relates to projects/capex.
 - 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;
- 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 considered events immediately after the end of the going concern period to determine if any debt repayments would fall after the going concern assessment period; and
- 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.

Going concern has also been determined to be a key audit matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (continued)**Conclusions relating to going concern (continued)**

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 a period to 30 June 2025.

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	<ul style="list-style-type: none">Recoverability of loans receivable from group companies and related accrued interest income
Materiality	<ul style="list-style-type: none">Overall materiality of €3.1m 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, the potential impact of climate change 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.

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. We have also considered any climate impact on the parent company considering the reliance on the parent company to support the going concern basis of preparation adopted in the financial statements and concluded that no material impact is expected during the going concern period considered by the directors.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (continued)

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.

<p>Recoverability of loans receivable from group companies (31 December 2023 - €624.0m, 31 December 2022 - €617.5m) including accrued interest income (31 December 2023 - €0.2m, 31 December 2022 - €7.5m).</p> <p><i>Refer to Accounting policies in Note 3 of the Financial Statements (pages 29 to 31); and Note 9,10 and 14 of the Financial Statements (page 37 to 38).</i></p> <p>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.</p> <p>Management has concluded that the intercompany balance is recoverable based on the underlying financial performance and position of HELLENiQ ENERGY Holdings S.A.</p> <p>The risk is similar in the current year due to the quantum of group debt repayments due within the going concern period.</p>	<p>In response to the identified risk, we performed the following procedures:</p> <ul style="list-style-type: none"> ▪ We obtained an understanding and evaluated the design of controls over the company’s process for recording, reporting and assessing the recoverability of intercompany loans receivable and related accrued interest receivable. ▪ 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 performed a circularisation procedure to confirm the outstanding balances with counterparties. ▪ 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 	<p>We concur with the Directors’ assessment that all loans remain recoverable.</p> <p>We have identified a difference from our procedures on expected credit losses regarding the non-recognition of a provision of €0.4m (2022: €0.4m). As this is considered immaterial by management and those charged with governance the difference has remained on our schedule of unadjusted differences.</p> <p>We have concluded that the disclosures in respect of the recoverability of intercompany loan receivables in the financial statements are appropriate.</p>
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Risk	Our response to the risk	Key observations communicated to the Audit Committee
	<p>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 2023 and the forecasts to 30 June 2025.</p> <ul style="list-style-type: none"> ▪ We confirmed through assessment of the Group's financial position (as discussed in respect of going concern earlier in our report) that the Group has the ability to support repayment of the company's external debt in line with the scheduled maturity dates. □ We have read the financial statement disclosures with respect to the description of applicable accounting policies, identification of critical accounting estimates and also the notes to the financial statements and confirmed that they are in line with required disclosures and adequately documented. 	

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 €3.1 million (2022: €3million), which is 0.5% (2022: 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

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

Our application of materiality (continued)

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% (2022: 75%) of our planning materiality, namely €2.3m (2022: €2.3m). We have set performance materiality at this percentage due to the design of company controls, low incidence of misstatements in prior periods and expectation of low incidence of misstatements in the current period.

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €0.15m (2022: €0.15m), 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 set out on pages 2 to 10, 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC PETROLEUM FINANCE PLC (continued)**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 9, 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.

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.

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 (continued)

- We understood how HelleniQ Energy 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 presumed management override 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. We also recomputed the interest income receivable by vouching to fully executed and signed loan agreements as well as performing analytical review procedures. In addition, to address the risk of management override we: reviewed board meeting minutes, reviewed the nature of and supporting agreements for all material related party transactions, performed analytical review procedures and reviewed for evidence of unusual or significant transactions. 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.

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	
	Note	2023	2022
		€	€
Interest income	14	18,734,766	23,403,850
Interest expense	6	(14,226,507)	(14,196,238)
Net interest income		4,508,259	9,207,612
Administrative expenses	7	(273,095)	(234,736)
Other income / (expense)	7	308,097	410
Profit before income tax		4,543,261	8,973,286
Income tax expense	8	(1,067,666)	(1,813,445)
Profit for the year from continuing operations		3,475,595	7,159,841
Total comprehensive income for the year		3,475,595	7,159,841

The notes on pages 23 to 39 form an integral part of these financial statements.

HELLENIQ ENERGY FINANCE PLC

Annual report and financial statements for the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2023	2022
	Note	€	€
ASSETS			
Non-current assets			
Loans and receivables	3, 9, 14	-	494,395,110
Deferred Tax Asset	8	-	662,769
		<u>-</u>	<u>495,057,879</u>
Current assets			
Loans and receivables	3,9,14	624,064,783	123,112,162
Prepayments and accrued income	10	9,084	16,201
Cash and cash equivalents	11	1,391,779	215,946
Income Tax Receivable		-	972,462
		<u>625,465,646</u>	<u>124,316,771</u>
Total Assets		<u>625,465,646</u>	<u>619,374,650</u>
EQUITY AND LIABILITIES			
EQUITY			
Ordinary shares	12	10,000,000	10,000,000
Retained earnings		13,848,703	10,373,108
Total equity		<u>23,848,703</u>	<u>20,373,108</u>
LIABILITIES			
Non current liabilities			
Interest bearing loans and borrowings	13	-	595,922,609
		-	<u>595,922,609</u>
Current liabilities			
Interest bearing loans and borrowings	13	601,084,692	2,933,577
Other liabilities		127,353	145,356
Income tax payable		404,898	-
		<u>601,616,943</u>	<u>3,078,933</u>
Total liabilities		<u>601,616,943</u>	<u>599,001,542</u>
Total equity and liabilities		<u>625,465,646</u>	<u>619,374,650</u>

These financial statements on pages 23 to 39 were approved by the Board of directors on 22 May 2024 and signed on its behalf by:

Vasileios Tsaitas
Director

The notes on pages 23 to 39 form an integral part of these financial statements.

Company Registration Number: 05610284

HELLENIQ ENERGY FINANCE PLCAnnual report and financial statements for the year ended 31 December 2023

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Ordinary Shares	Retained Earnings	Total Equity
	€	€	€
Balance at 1 January 2022	10,000,000	3,213,267	13,213,267
Total comprehensive income / (expense) for the year	-	7,159,841	7,159,841
Balance at 31 December 2022 and 1 January 2023	10,000,000	10,373,108	20,373,108
Total comprehensive income / (expense) for the year	-	3,475,595	3,475,595
Balance at 31 December 2023	10,000,000	13,848,703	23,848,703

The notes on pages 23 to 39 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

		For the year ended 31 December	
		2023	2022
		€	€
Profit / (loss) before income tax	Note	4,543,261	8,973,286
<i>adjustments for:</i>			
Amortisation of deferred borrowing costs	6	1,240,118	1,214,618
Finance income - net		(5,748,377)	(10,422,229)
Net changes in asset / liabilities relating to operating activities			
Decrease / (increase) in prepayments	10	7,118	6,275
Increase / (decrease) in other payables	13	(18,005)	(30,820)
Cash flows (used in) operating activities		24,115	(258,870)
Income tax received / (paid)		972,462	-
Net cash generated from / (used in) operating activities		996,577	(258,870)
Cash flow from investing activities			
Loans granted to related parties		(284,000,000)	(147,805,000)
Loan repayments received from related parties		270,131,199	138,410,000
Interest received	10,14	26,046,057	21,761,632
Net cash generated from / (used in) investing activities		12,177,256	12,366,632
Cash flow from financing activities			
Repayments of borrowings	13	-	-
Interest paid	13	(11,998,000)	(11,998,000)
Net cash (used in) / generated from financing activities		(11,998,000)	(11,998,000)
Net (decrease) / increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	11	215,946	106,184
Cash and cash equivalents at the end of the year	11	1,391,779	215,946

The notes on pages 23 to 39 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**1. GENERAL INFORMATION**

HELLENIQ ENERGY FINANCE PLC (“HEF”), which changed its name from “Hellenic Petroleum Finance PLC” on 25 July 2023, was incorporated as a public limited company in England and Wales on 2 November 2005 and is a wholly owned subsidiary of HELLENiQ ENERGY 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. MATERIAL 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 until 30 June 2025 and for the foreseeable future.

Going Concern – The Company

At 31 December 2023, HEF had current assets of €625,465,645 (2022: current assets of €124,316,771). 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 with an exception of the bond loan agreement signed in March 2023 with the fellow subsidiary Hellenic Petroleum R.S.S.O.P.P. S.A. (Notes 9, 14) which matures in 2028. Relating to this bond loan agreement Hellenic Petroleum R.S.S.O.P.P. S.A. has provided the directors with a letter of request for the prepayment and repurchase of its own bonds on 1 October 2024. 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 HELLENiQ ENERGY 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 joint letter of support from the Parent Company and a fellow subsidiary. This letter states that HELLENiQ ENERGY Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. will provide financial support to HEF for a period until 30 June 2025.

The directors of HEF have performed an assessment of the ability of HELLENiQ ENERGY Holdings S.A. and Hellenic Petroleum R.S.S.O.P.P. S.A. to honour the letter of support that has 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.

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 the maturity date. Specifically, in March 2024, Group’s management has presented the refinancing plan in the HELPE R.S.S.O.P.P. S.A. board of directors meeting. Among other, the maturity of the two term loans maturing in February 2025 (€200 million drawn as at 31 December 2023, €200 million nominal amount) and in May 2025 (€241 million drawn as at 31 December 2023, €400 million nominal amount) will be extended to April 2028 and April 2029 respectively. In addition, an amount of uncommitted short-term revolving facilities of €200 million nominal amount is planned to be refinanced as a term loan maturing in April 2027. The above procedure for the loan maturing in May 2025 was completed on 20 May 2024 and the remaining procedures are expected to be completed in June 2024. Following this refinancing, the total amount of the Eurobond and the term committed facilities that fall due up to 30 June 2025 is €649 million.

The directors supported the sufficient liquidity through a worst-case scenario in the group cash flows in spite of the likelihood of the Group to face challenges in renewing or extending its existing available facilities being remote based on:

NOTES TO THE FINANCIAL STATEMENTS (continued)**2. ACCOUNTING POLICIES (continued)**

- the liquidity status of the Group,
- the already secured committed and uncommitted facilities at balance sheet date
- the additional post year end secured facility
- the strong profitability and cash generation recorded in 2023
- relationships with existing banks and the historic record of successful facilities' extensions.

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 letter of support that has been provided.

Through this analysis, the Company's directors have satisfied themselves that the Company can continue its operational existence through to 30 June 2025 and beyond. 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.

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 2023 were approved by its board of directors on 29 February 2024. The Group's operating results in 2023 reported a net profit of €481 million (2022: €895 million net profit).

The Group's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products, electricity generation through renewable sources; with secondary activities relating to exploration of hydrocarbons and through its investments in Elpedison B.V., DEPA Commercial and DEPA International Projects, 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, credit, liquidity, cash flow 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.

The Group's business activities, together with factors which the directors consider are likely to affect its development, financial performance and financial position are set out in the director's report of the Group's Annual Report. The most significant financial and operational risks and uncertainties that may have an impact upon the Group's performance and their mitigation are outlined in Note 3 of the Group's Annual Report, including liquidity risk, market risk, credit risk and capital risk to these consolidated financial statements.

The Group continues to execute its strategic transformation plan including the establishment of a material 2nd pillar in New Energy as an enabler of delivering on its climate objectives, diversifying its profitability sources and increasing the share of more stable cash flows.

The future financial performance of the Group is dependent upon the wider economic environment in which it operates. The factors that particularly affect the environment and therefore the performance of the Group include macroeconomic conditions and supply and demand for crude oil and oil products that affect their pricing and consequently benchmark refining margins which is a key determinant of profitability.

Furthermore, profitability can be affected by natural gas and electricity pricing, which together with the cost of acquiring CO2 certificates in compliance with the European Union Emissions Trading System (EU ETS), will affect variable operating expenditure. In the medium to long term, Energy transition is further expected to affect key profitability and operating expenditure factors.

In general, factors that adversely affect the demand for oil products such as negative macroeconomic conditions, supply and demand for crude oil that result in price increases or increase in the cost elements of refining oil products such as cost of natural gas, electricity and costs from EU ETS, have a negative impact on Group profitability. Conversely,

NOTES TO THE FINANCIAL STATEMENTS (continued)**2. ACCOUNTING POLICIES (continued)**

ample supply of crude oil and/ or a higher demand for oil products would lead to higher benchmark margins and profitability.

In 2023, demand for oil products continued to grow in line with the post pandemic global economic recovery supporting higher benchmark margins. At the same time, the cost of electricity and Natural Gas declined compared to the irregularly high prices that it reached in 2022, substantially reverting to pre-energy crisis levels.

In general, the key factors that impact the Group's operations are summarised as follows:

Currency: The Group's business is naturally hedged against a functional currency risk at the gross margin level. All petroleum industry transactions are referenced to international benchmark quotes for crude oil and oil products in USD. All international purchases and sales of crude oil and products are conducted in USD and all sales into local markets are either in USD prices or converted to local currency for accounting and settlement reasons using the USD reference on the date of the transaction. In addition, the Group's majority of operating expenses transactions are conducted in Euro. As a result, the Group's operations are mainly exposed to the risk of foreign exchange caused by fluctuating the dollar exchange rate against the Euro. The strengthening of the US Dollar against the Euro has a positive effect on the Group's financial results while in the opposite event, both the financial results and balance sheet items (net position of inventory, investments, receivables, trade payables and other liabilities in US dollar) would be valued at lower levels.

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 the Finance Department 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.

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. Following the developments in Ukraine, and the imposition of economic sanctions against the Russian Federation, 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 since March 2022. Further, provided that the Group has only limited sourcing of crude oil through Red Sea, the recent events in the Middle East have not had to date any significant impact on the ability of the Group to source crude oil or supply refined products to its customers in the region. Nevertheless, Group's Management continuously monitors the situation and assesses the potential impact on its operation. The Group's three coastal refineries' location, the flexibility provided by the configuration and technology of each refinery provide access to a wide range of feedstock sourcing opportunities, which enables the Group to 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

In the 12-month period ending 31 December 2023, the Group successfully signed a financing framework agreement for an amount of up to €766 million for the financing of existing and new projects for electricity generation from Renewable Energy Sources and refinanced approximately €1 billion of outstanding committed facilities at lower margins whilst improving the maturity profile of its debt liabilities.

At 31 December 2023, the Group held cash of €919 million and has a positive operating working capital position. Its total loans and borrowings amount to €2,547 million, €2,218 million relate to committed term facilities and €329 million to uncommitted short-term revolving facilities on demand. Of its total borrowings, an amount of €1,090 million of term loans and €329 million of uncommitted short-term revolving facilities fall due up to 30 June 2025.

In February 2024, the Group proceeded with the extension of a facility of €200 million initially maturing in February 2024, for one year. Other than the Eurobond amounting to €599 million maturing in October 2024, there are no other committed borrowings that mature in 2024. With regards to the Eurobond, Management is considering its alternatives, including the issuance of a new bond. Should further funding be required, the Group can draw from committed term

NOTES TO THE FINANCIAL STATEMENTS (continued)**2. ACCOUNTING POLICIES (continued)**

facilities limits €953 million without further approvals as well as from uncommitted facilities €729 million, subject to approvals from the respective financial institutions.

Based on their assessment, considering the above and also their financial forecasts up to 30 June 2025, 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. Based on the period up to 30 June 2025 assessment and considering successful refinancing of maturing debt obligations, the Group expects to generate sufficient cash from operations to meet all its operating liabilities as they fall due and planned investments.

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.

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

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. No new or amended standards had a material impact on the entity’s financial statements

Standards issued but not yet effective and not early adopted

There are no standards issued but not yet effective that are expected to have a material impact on the financial statements.

Foreign currency translation**(a) Functional and presentational currency**

The Company transacts in Euros (“€”) and 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 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

NOTES TO THE FINANCIAL STATEMENTS (continued)**2. ACCOUNTING POLICIES (continued)**

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.

Current and deferred taxation

The income tax expense or credit for the year, is the tax estimated on the current year'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 utilised.

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 Instruments

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 2023 and 2022, 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 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)**2. ACCOUNTING POLICIES (continued)**

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% 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)**3. FINANCIAL RISK MANAGEMENT****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.

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 Group's 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 refining and renewable segments' companies and other entities 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 have a maturity period less than those of the related borrowings or are payable on demand. The borrower must repay the loan on demand by the lender at any time with an exception of the bond loan agreement signed in March 2023 with the fellow subsidiary Hellenic Petroleum R.S.S.O.P.P. S.A. (Notes 9, 14) which matures in 2028. Relating to this bond loan agreement Hellenic Petroleum R.S.S.O.P.P. S.A. has provided the directors with a letter of request for the prepayment and repurchase of its own bonds on 1 October 2024. 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 2023	€	€	€
Loan receivable from Group companies	623,851,911	-	623,851,911
Accrued interest income	212,872	-	212,872
Total	624,064,783	-	624,064,783
Debt issued and other borrowings	608,980,454	-	608,980,454
Interest payable and other liabilities	3,040,938	-	3,040,938
Total	612,021,392	-	612,021,392
	Less than 1 year	Between 1 to 5 years	Total
As at 31 December 2022	€	€	€
Loan receivable from Group companies	115,588,000	494,395,110	609,983,110
Accrued interest income	7,524,162	-	7,524,162
Total	123,112,162	494,395,110	617,507,272
Debt issued and other borrowings	9,064,423	611,898,000	620,962,423
Interest payable and other liabilities	3,078,933	-	3,078,933
Total	12,143,356	611,898,000	624,041,356

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

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.

(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 2023, the Company had total borrowings amounting to €599 million (2022: €599 million) of fixed coupons Eurobonds.

NOTES TO THE FINANCIAL STATEMENTS (continued)
3. FINANCIAL RISK MANAGEMENT (continued)
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 2023	Total	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years
	€	€	€	€
Assets				
Loans receivable from Group companies	623,851,911	623,851,911	-	-
Accrued interest income	212,872	212,872	-	-
Total assets	624,064,783	624,064,783	-	-
Liabilities				
Borrowings	599,124,503	599,124,503	-	-
Accrued interest expense	2,917,546	2,917,546	-	-
Total liabilities	602,042,049	602,042,049	-	-
Total interest sensitivity gap	22,022,734	22,022,734	-	-
As at December 2022				
	€	€	€	€
Assets				
Loans receivable from Group companies	609,983,110	115,588,000	494,395,110	-
Accrued interest income	7,524,162	7,524,162	-	-
Total assets	617,507,272	123,112,162	494,395,110	-
Liabilities				
Borrowings	598,120,084	-	598,120,084	-
Accrued interest expense	2,933,577	2,933,577	-	-
Total liabilities	601,053,661	2,933,577	598,120,084	-
Total interest sensitivity gap	16,453,611	120,178,585	(103,724,974)	-

Effective interest rates

The weighted average effective interest rates were as follows:

	2023	2022
Loans receivable		
- Euro floating	3.00%	3.81%
Loans payable		
- Euro fixed	2.37%	2.37%

NOTES TO THE FINANCIAL STATEMENTS (continued)**3. FINANCIAL RISK MANAGEMENT (continued)****Interest rate sensitivity**

The Company's sensitivity to interest rates is limited principally, as it raises borrowing at fixed rates and applies interest rates to the loans granted to other members of the Group that comprise of the fixed borrowing cost plus margin and where applicable EURIBOR. The directors therefore consider that there is no risk arising from changes to the benchmark interest rate.

(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 Group's Companies in line with the Group's business strategy. In order to maintain or adjust its capital structure, the Company may adjust the 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 2023 and 2022 were as follows:

	2023	2022
	€	€
Total Borrowings (Note 13)	598,167,146	595,922,609
Less: Cash and cash equivalents (Note 11)	(1,391,779)	(215,946)
Net Debt	596,775,367	595,706,663
Total Equity	23,848,703	20,373,108
Total Capital Employed	620,624,070	616,079,771
Gearing Ratio	96.16%	96.69%

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. There are no critical accounting estimates or critical judgements affecting components of the financial statements for the year ended 31 December 2023:

i) Other 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 is 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 €12 thousands for the change in PD and €8 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.

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.

6. INTEREST EXPENSE

	2023	2022
	€	€
Interest expense on borrowings	12,986,389	12,981,620
Amortisation of deferred borrowing cost	1,240,118	1,214,618
	<u><u>14,226,507</u></u>	<u><u>14,196,238</u></u>

7. ADMINISTRATIVE EXPENSES AND OTHER INCOME / (EXPENSE)

Administrative expenses are analysed as follows:

	2023	2022
	€	€
Professional fees	21,923	21,923
Fees payable to the Company’s auditors for the audit of the Company’s financial statements	71,160	67,200
Fees for tax services (not provided by Company auditor)	22,887	27,276
Bank charges	2,017	3,171
Company secretarial and director fees	67,949	42,680
Management fees	74,340	60,512
Legal fees	12,819	11,974
	<u><u>273,095</u></u>	<u><u>234,736</u></u>

The auditors’ remuneration for the year ended 31 December 2023 was €59,300 net of VAT (2022: €56,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. ADMINISTRATIVE EXPENSES AND OTHER INCOME / (EXPENSE) (continued)

The Company has no employees. Director's remuneration for the year, included in the table above in "Company secretarial and director fees" was €20,238 (2022: €21,722) (Note 14).

Where certain directors were employed by and/or participated in the board of directors 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 other income / (expense) is analysed as follows:

	2023	2022
	€	€
Interest income from bank deposits	240,428	-
Net foreign exchange gains / (losses)	67,669	410
	<u>308,097</u>	<u>410</u>

8. INCOME TAX

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

	2023	2022
	€	€
Current tax	(404,897)	-
Deferred Tax origination and reversal of temporary differences	(662,769)	(1,704,924)
Adjustment in respect of previous periods	-	(108,521)
Income tax (expense) / credit	<u>(1,067,666)</u>	<u>(1,813,445)</u>

Based on the developments in the UK tax legislative framework, from 1st of April 2023, the standard rate of Corporation Tax in the UK for companies with profits over GBP 250,000, was increased from 19% to 25%

Consequently, the effective tax rate applied for the Company throughout 2023 was 23.5% (2022: 19%).

Reconciliation of effective tax rate

	2023	2022
	€	€
Profit before tax for the year	<u>4,543,261</u>	<u>8,973,286</u>
Tax charge on profit before tax multiplied by the standard rate of corporation tax in the UK of 23.5% (2022: 19%)	(1,067,666)	(1,704,924)
Adjustment in respect of previous periods	-	(108,521)
Total income tax charge / (credit) in the statement of comprehensive income	<u>(1,067,666)</u>	<u>(1,813,445)</u>

In March 2021, the UK government announced a proposed increase in the tax rate from 19% to 25% with effect from 1 April 2023. Corporation tax at 31 December 2023 has been calculated at 23.5%.

NOTES TO THE FINANCIAL STATEMENTS (continued)**8. INCOME TAX (continued)**

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

	2023	2022
	€	€
Beginning of the year	662,769	2,476,214
Income statement (charge) / credit	-	(1,813,445)
Deferred tax asset utilized	<u>(662,769)</u>	<u>-</u>
End of year	<u>-</u>	<u>662,769</u>

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

	2023	2022
	€	€
Tax losses carried forward	-	662,769

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 (2022: 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.

New loans granted after 31 December 2022 are issued in the form of common bond loans at a margin over finance cost. The only such case as at 31 December 2023 and up to date of approval by the board of directors of these financial statements is the refinancing of the loan receivable with HELPE R.S.S.O.P.P. S.A.. For more details refer to Note 2.

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 2023, the carrying amounts of the loan receivables between the Group and the Company are denominated in Euro (Note 14). Loans granted by the Company to Group's companies mirror HEF'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 2023, the Company concluded that the expected credit losses of these loans were immaterial and no impairment loss was recorded.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. PREPAYMENTS AND ACCRUED INCOME

	2023	2022
	€	€
Prepaid expenses	9,084	16,201
	<u>9,084</u>	<u>16,201</u>

11. CASH AND CASH EQUIVALENTS

	2023	2022
	€	€
Cash at bank	1,391,779	215,946
	<u>1,391,779</u>	<u>215,946</u>

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.

	Number of Shares (authorised and issued)	Share Capital €	Total €
As at 1 January and 31 December 2022	6,970,000	10,000,000	10,000,000
As at 31 December 2023	<u>6,970,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

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	
	2023	2022
	€	€
Non-current borrowings		
Eurobond	-	598,120,084
Unamortised Eurobond fees	-	(2,197,475)
Total non-current borrowings	<u>-</u>	<u>595,922,609</u>
Current borrowings		
Eurobond	599,124,503	-
Unamortised Eurobond fees	(957,357)	-
Interest payable	2,917,546	2,933,577
Total current borrowings	<u>601,084,692</u>	<u>2,933,577</u>
Total borrowings	<u>601,084,692</u>	<u>598,856,186</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
13. INTEREST BEARING LOANS AND BORROWINGS (continued)

At 31 December 2023, outstanding borrowings consisted of Notes issued under Eurobond transactions of prior years. There were no significant movements during this year. The Notes are guaranteed by the Parent Company and Hellenic Petroleum R.S.S.O.P.P. S.A..

Eurobond €599m maturing in October 2024

In October 2019, HEF issued a €500 million five-year 2% Eurobond guaranteed by HELLENiQ ENERGY 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, HEF, successfully priced €99.9 million of new notes principal amount, with a yield of 2.42%. These form a single series with HEF'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 during the current year 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 Group's companies.

The table below presents the changes in liabilities arising from financing activities for the year ended 31 December 2023.

	1 January 2023	Cash flows – borrowings	Non-cash movements	31 December 2023
	€	€	€	€
Non-current Eurobonds	-	-	-	-
Current Eurobonds	595,922,609	-	2,244,537	598,167,146
Interest payable	2,933,577	(11,998,000)	11,981,969	2,917,546
Total liabilities from financing activities	598,856,186	(11,998,000)	14,226,506	601,084,692

The table below presents the changes in liabilities arising from financing activities for the year ended 31 December 2022.

	1 January 2022	Cash flows – borrowings	Non-cash movements	31 December 2022
	€	€	€	€
Non-current Eurobonds	593,724,370	-	2,198,239	595,922,609
Current Eurobonds	-	-	-	-
Interest payable	3,109,752	(11,998,000)	11,821,825	2,933,577
Total liabilities from financing activities	596,834,122	(11,998,000)	14,020,064	598,856,186

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
13. INTEREST BEARING LOANS AND BORROWINGS (continued)

The carrying amounts and fair value of Euro denominated Eurobonds based on the settlement price on 31 December 2023 are as follows:

	Book value	Fair value
	€	€
As at December 2023		
Eurobond €599m – October 2024	598,167,146	586,312,265
Total	598,167,146	586,312,265
As at December 2022		
Eurobond €599m – October 2024	595,922,609	580,487,236
Total	595,922,609	580,487,236

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 2023.

14. 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 2023 the following loans were outstanding:

	As at 31 December	
	2023	2022
	€	€
HELPE R.S.S.O.P.P. S.A. (Fellow subsidiary)	231,000,000	115,588,000
HELLENiQ ENERGY International GmbH (Fellow subsidiary, former Hellenic Petroleum International GmbH)	214,572,672	213,200,000
Hellenic Fuels and Lubricants S.A. (Fellow subsidiary)	8,000,000	8,000,000
HELLENiQ ENERGY R.E.S. S.A. (Fellow subsidiary, former Hellenic Petroleum R.E.S. SA.)	170,279,239	273,195,110
Total	623,851,911	609,983,110

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

	As at 31 December	
	2023	2022
	€	€
HELPE R.S.S.O.P.P. S.A. (Fellow subsidiary)	-	1,421,503
HELLENiQ ENERGY International GmbH (Fellow subsidiary, former Hellenic Petroleum International GmbH)	-	2,631,599
Hellenic Fuels and Lubricants S.A. (Fellow subsidiary)	-	98,747
HELLENiQ ENERGY R.E.S. S.A. (Fellow subsidiary, former Hellenic Petroleum R.E.S. SA.)	212,872	3,372,313
Total	212,872	7,524,162

NOTES TO THE FINANCIAL STATEMENTS (continued)
14. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	As at 31 December	
	2023	2022
	€	€
HELPE R.S.S.O.P.P. S.A. (Fellow subsidiary)	4,013,790	6,415,289
HELLENiQ ENERGY International GmbH (Fellow subsidiary, former Hellenic Petroleum International GmbH)	6,368,790	8,245,411
Hellenic Fuels and Lubricants S.A. (Fellow subsidiary)	238,466	318,770
HELLENiQ ENERGY R.E.S. S.A. (Fellow subsidiary, former Hellenic Petroleum R.E.S. SA.)	8,113,720	8,424,380
Total	18,734,766	23,403,850

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

	For the year ended 31 December	
	2023	2022
	€	€
HELLENiQ ENERGY Holdings S.A.	74,340	60,512
	74,340	60,512

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 €7,589 (2022: €7,742). Additionally, directors acting as personal directors were entitled to a total remuneration of €12,649 (2022: €13,980).

Where certain directors were employed by and/or participated in the board of directors 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 HELLENiQ ENERGY Holdings S.A. and is incorporated in Greece. Copies of its financial statements may be obtained from HELLENiQ ENERGY Holdings S.A., Chimarras 8A, Marousi, 15125, Greece or online at the Group's website www.helleniqenergy.gr.

The immediate and ultimate parent undertaking and controlling party is HELLENiQ ENERGY Holdings S.A.

15. EVENTS AFTER THE REPORTING PERIOD

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.