HELLENIC PETROLEUM Holdings SA

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2021

(As per article 4, L. 3556/2007)

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1.1 Group Consolidated Financial Statements

HELLENIC PETROLEUM HOLDINGS S.A. (former HELLENIC PETROLEUM S.A.)

Consolidated Financial Statements in accordance with IFRS as endorsed by the European Union for the year ended 31 December 2021

GENERAL COMMERCIAL REGISTRY: 000296601000
COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 8^{A} CHIMARRAS STR, 15125 MAROUSI, GREECE

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(All amounts in Euro thousands unless otherwise stated)

Company Information

Directors	Ioannis Papathanasiou - Chairman of the Board Andreas Shiamishis - Chief Executive Officer Georgios Alexopoulos - Member Theodoros-Achilleas Vardas - Member Alexandros Metaxas - Member Iordanis Aivazis - Member Alkiviadis-Konstantinos Psarras - Member Anastasia Martseki - Member (From 17/05/2021) Nikolaos Vrettos - Member (From 30/6/2021) Lorraine Scaramanga - Member (From 30/6/2021) Panagiotis Tridimas - Member (From 30/6/2021)
Other Board Members during the period	Michail Kefalogiannis - Member (Until 17/05/2021) Loukas Papazoglou - Member (Until 17/05/2021) Theodoros Pantalakis - Member (Until 30/06/2021) Spiridon Pantelias - Member (Until 30/06/2021) Georgios Papakonstantinou - Member (Until 30/06/2021) Konstantinos Papagiannopoulos - Member (Until 30/06/2021) Anastasia Makarigaki - Member (From 17/05/2021 until 30/06/2021)
Registered Office	8A Chimarras Str GR 151 25 - Marousi
General Commercial Registry	000296601000

These consolidated financial statements constitute an integral part of the Annual Financial Report which can be found at https://www.helpe.gr/en/investor-relations/quarterly-results/annual-interim-financial-reports/ and which incorporates the Independent Auditor’s Report.

(All amounts in Euro thousands unless otherwise stated)

Consolidated Statement of financial position

	Note	As at 31 December 2021	31 December 2020
ASSETS			
Property, plant and equipment	6	3.484.805	3.379.813
Right-of-use assets	7	228.375	235.541
Intangible assets	8	175.907	105.841
Investments in associates and joint ventures	9	313.723	416.542
Deferred income tax assets	20	75.702	72.161
Investment in equity instruments	3	504	959
Loans, advances and long term assets	10	73.910	71.676
Non-current assets		4.352.926	4.282.533
Inventories	11	1.379.135	694.410
Trade and other receivables	12	694.606	544.795
Income tax receivable	30	16.479	37.699
Derivative financial instruments	24	92.143	9.945
Cash and cash equivalents	13	1.052.618	1.202.900
Current assets		3.234.981	2.489.749
Assets held for sale	14	191.577	2.466
Total assets		7.779.484	6.774.748
EQUITY			
Share capital and share premium	15	1.020.081	1.020.081
Reserves	16	249.104	273.959
Retained Earnings		795.468	492.457
Equity attributable to the owners of the parent		2.064.653	1.786.497
Non-controlling interests		64.402	62.340
Total equity		2.129.055	1.848.837
LIABILITIES			
Interest bearing loans and borrowings	18	1.516.531	2.131.371
Lease liabilities	18	172.296	170.896
Deferred income tax liabilities	20	89.478	32.572
Retirement benefit obligations	21	210.736	194.887
Derivative financial instruments	24	860	-
Provisions	22	26.959	26.368
Other non-current liabilities	23	27.801	27.957
Non- current liabilities		2.044.661	2.584.051
Trade and other payables	17	2.093.807	1.559.498
Derivative financial instruments	24	2.214	4.635
Income tax payable	30	4.488	1.673
Interest bearing loans and borrowings	18	1.474.493	744.561
Lease liabilities	18	29.499	30.240
Dividends payable		1.267	1.253
Current liabilities		3.605.768	2.341.860
Total liabilities		5.650.429	4.925.911
Total equity and liabilities		7.779.484	6.774.748

The notes on pages 9 to 113 are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on 24 February 2022.

A. Shiamishis	V. Tsaitas	S. Papadimitriou
Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of total comprehensive income / (loss)

	Note	For the year ended 31 December 2021	31 December 2020
Revenue from contracts with customers	5	**9.222.235**	**5.781.791**
Cost of sales	25	(8.346.317)	(5.817.773)
Gross profit / (loss)		**875.918**	**(35.982)**
Selling and distribution expenses	25	(326.588)	(319.897)
Administrative expenses	25	(151.798)	(132.920)
Exploration and development expenses	26	(3.636)	(5.526)
Other operating income and other gains	27	36.365	53.387
Other operating expense and other losses	27	(29.971)	(60.466)
Operating profit / (loss)		**400.290**	**(501.404)**
Finance income	28	5.356	5.646
Finance expense	28	(101.387)	(109.820)
Lease finance cost	19,28	(10.092)	(10.914)
Currency exchange gains / (losses)	29	16.246	4.950
Share of profit / (loss) of investments in associates and joint ventures	9	96.660	29.826
Profit / (loss) before income tax		**407.073**	**(581.716)**
Income tax	30	(65.916)	185.101
Profit / (loss) for the year		**341.157**	**(396.615)**
<u>Profit / (loss) attributable to:</u>			
Owners of the parent		337.444	(395.827)
Non-controlling interests		3.713	(788)
		341.157	**(396.615)**
Other comprehensive income / (loss):			
Other comprehensive income / (loss) that will not be reclassified to profit or loss (net of tax):			
Actuarial gains / (losses) on defined benefit pension plans	21	(15.254)	(7.381)
Changes in the fair value of equity instruments	16	(349)	(309)
Share of other comprehensive income / (loss) of associates	16	(3.930)	1.440
		(19.533)	(6.250)
Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):			
Fair value gains / (losses) on cash flow hedges	16	24.973	(22.008)
Recycling of (gains) / losses on hedges through comprehensive income	16	(31.794)	25.077
Currency translation differences and other movements		97	145
		(6.724)	3.214
Other comprehensive income / (loss) for the year, net of tax		**(26.257)**	**(3.036)**
Total comprehensive income / (loss) for the year		**314.900**	**(399.651)**
<u>Total comprehensive income / (loss) attributable to:</u>			
Owners of the parent		311.165	(398.840)
Non-controlling interests		3.735	(811)
		314.900	**(399.651)**
Earnings / (losses) per share (expressed in Euro per share)	31	**1,10**	**(1,30)**

The notes on pages 9 to 113 are an integral part of these consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of changes in equity

		Attributable to owners of the Parent					
	Note	Share Capital	Reserves	Retained Earnings	Total	Non-controlling Interest	Total Equity
Balance at 1 January 2020		1.020.081	276.972	964.972	2.262.025	64.548	2.326.573
Changes in the fair value of equity instruments	16	-	(318)	-	(318)	9	(309)
Recycling of (gains) / losses on hedges through comprehensive income	16	-	25.077	-	25.077	-	25.077
Fair value gains / (losses) on cash flow hedges	16	-	(22.008)	-	(22.008)	-	(22.008)
Share of other comprehensive income / (loss) of associates	16	-	1.440	-	1.440	-	1.440
Currency translation differences and other movements	16	-	190	-	190	(45)	145
Actuarial gains / (losses) on defined benefit pension plans	16	-	(7.394)	-	(7.394)	13	(7.381)
Other comprehensive income / (loss)		-	(3.013)	-	(3.013)	(23)	(3.036)
Profit / (loss) for the period		-	-	(395.827)	(395.827)	(788)	(396.615)
Total comprehensive income / (loss) for the year		-	(3.013)	(395.827)	(398.840)	(811)	(399.651)
Participation of minority shareholders in share capital increase of subsidiary		-	-	-	-	35	35
Dividends to non-controlling interests		-	-	-	-	(1.432)	(1.432)
Dividends	32	-	-	(76.409)	(76.409)	-	(76.409)
Other movements		-	-	(279)	(279)	-	(279)
Balance at 31 December 2020		1.020.081	273.959	492.457	1.786.497	62.340	1.848.837
Effect of changes in accounting policy (IAS 19)	21	-	-	(2.976)	(2.976)	-	(2.976)
Balance at 1 January 2021		1.020.081	273.959	489.481	1.783.521	62.340	1.845.861
Changes of the fair value of equity investments	16	-	321	(673)	(352)	3	(349)
Recycling of (gains) / losses on hedges through comprehensive income	16	-	(31.794)	-	(31.794)	-	(31.794)
Fair value gains / (losses) on cash flow hedges	16	-	24.973	-	24.973	-	24.973
Share of other comprehensive income / (loss) of associates	16	-	(3.930)	-	(3.930)	-	(3.930)
Currency translation differences and other movements	16	-	89	-	89	8	97
Actuarial gains / (losses) on defined benefit pension plans	16	-	(15.265)	-	(15.265)	11	(15.254)
Other comprehensive income / (loss)		-	(25.606)	(673)	(26.279)	22	(26.257)
Profit / (loss) for the period		-	-	337.444	337.444	3.713	341.157
Total comprehensive income / (loss) for the period		-	(25.606)	336.771	311.165	3.735	314.900
Dividends to non-controlling interests		-	-	-	-	(1.673)	(1.673)
Dividends	32	-	-	(30.564)	(30.564)	-	(30.564)
Other movements		-	751	(220)	531	-	531
Balance at 31 December 2021		1.020.081	249.104	795.468	2.064.653	64.402	2.129.055

The notes on pages 9 to 113 are an integral part of these consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of cash flows

	Note	For the year ended 31 December 2021	31 December 2020
Cash flows from operating activities			
Cash generated from operations	33	262.342	427.130
Income tax received / (paid)	30	8.032	23.133
Net cash generated from/ (used in) operating activities		**270.374**	**450.263**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	6,8	(400.441)	(295.261)
Proceeds from disposal of property, plant and equipment & intangible assets		6.370	2.803
Acquisition of share of associates and joint ventures	37	(2.400)	-
Purchase of subsidiary, net of cash acquired	37	6.296	-
Share capital issue expenses		(132)	(51)
Grants received		70	337
Interest received	28	5.356	5.646
Prepayments for right-of-use assets		(280)	(1.035)
Dividends received	9	6.525	9.465
Proceeds from disposal of assets held for sale		2.649	-
Net cash generated from/ (used in) investing activities		**(375.987)**	**(278.096)**
Cash flows from financing activities			
Interest paid on borrowings		(94.420)	(100.003)
Dividends paid to shareholders of the Company	32	(30.320)	(152.647)
Dividends paid to non-controlling interests		(1.635)	(1.401)
Participation of minority shareholders in share capital increase of subsidiary		-	34
Proceeds from borrowings	18	586.620	1.419.247
Repayments of borrowings	18	(479.426)	(1.167.609)
Payment of lease liabilities - principal	19	(32.074)	(33.563)
Payment of lease liabilities - interest	19	(10.092)	(10.914)
Net cash generated from/ (used in) financing activities		**(61.347)**	**(46.856)**
Net increase/ (decrease) in cash and cash equivalents		**(166.960)**	**125.311**
Cash and cash equivalents at the beginning of the year	13	**1.202.900**	**1.088.198**
Exchange (losses) / gains on cash and cash equivalents		16.678	(10.608)
Net increase / (decrease) in cash and cash equivalents		(166.960)	125.311
Cash and cash equivalents at end of the year	13	**1.052.618**	**1.202.900**

The notes on pages 9 to 113 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General information

HELLENIC PETROLEUM Holdings S.A. ("the Company or "HELLENIC PETROLEUM") is the parent company of HELLENIC PETROLEUM Group (the "Group"). On 3rd January 2022, a new corporate structure was completed by way of a hive-down of its refining, supply and trading of oil products and petrochemicals sector from HELLENIC PETROLEUM to a new established company (Note 38). As part of the hive-down, the parent company changed its name from "HELLENIC PETROLEUM S.A." to "HELLENIC PETROLEUM Holdings S.A.". The Group operates in the energy sector predominantly in Greece, as well as in the wider South Eastern Europe / East Mediterranean region. The Group's activities include refining and marketing of oil products, production and marketing of petrochemical products and electricity generation through renewable energy sources. The Group is also active in exploration for hydrocarbons and provides engineering services. Through its investments in DEPA Commercial, DEPA International Projects and Elpedison B.V., the Group also operates in the natural gas sector and in electricity generation (through gas-fired units) and trading.

The parent company is incorporated in Greece with an indefinite corporate life and the address of its registered office is 8A Chimarras Str., Marousi, 151 25. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDRs.

The consolidated financial statements of HELLENIC PETROLEUM Holdings S.A. for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 24 February 2022. The shareholders of the Company have the power to amend the financial statements after their issuance.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as endorsed by the European Union ("EU"), and present the financial position, results of operations and cash flows of the Group on a going concern basis.

In determining the appropriate basis of preparation of the consolidated financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

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. 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 including liquidity risk, market risk, credit risk and capital risk to these consolidated financial statements.

At 31 December 2021, the Group held cash of €1.053 million and has a positive operating working capital position. Its total loans and borrowings amount to €2.991 million, €2.413 million relate to committed term facilities and €578 million to uncommitted short-term revolving facilities on demand. Of its total borrowings, an amount of €894 million of term loans and €578 million to uncommitted short-term revolving facilities fall due within the next 12 months. Details of these balances and their maturities are presented in Note 18.

Management expects that all committed borrowings maturing within the next 12 months will be refinanced with similar terms and will commence discussions in the near term with the respective lenders to extend or refinance the maturing facilities and is confident that such discussions will conclude successfully. Moreover, as part of its long term funding strategy, Management is able to raise funds from debt capital markets through the issuance of listed bonds. Should further funding be required, the Group can draw from committed term facilities limits €180 million without further approvals as well as from uncommitted facilities €372 million, subject to approvals from the respective financial institutions. Based on their assessment, taking into account the above and also their financial forecasts over the next 18 months, Management is satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements.

The future financial performance of the Group is dependent upon the wider economic environment in which it operates. The factors that particularly affect the performance of the Group include economic growth and pace of recovery post pandemic, energy transition and impact on natural gas and electricity pricing, as well as associated compliance costs, which together will affect the demand for fuels and benchmark refining margins which is a key determinant of profitability, as well as operating expenditure.

Covid-19 continues to heighten the inherent uncertainty in the Group's assessment of these factors. In particular, risks to economic growth persist principally from the potential impact that potential Covid-19 variants may have on economic activity. Further risks to economic recovery may inter-alia arise from, rising inflation and monetary policies implemented by central banks impacting interest and exchange rates expectations, prolongation of global supply issues and the European energy crisis. Nevertheless, the roll out of the mass vaccination schemes launched by governments during 2021 positively affected the severity of infections in terms of hospitalizations and symptoms experienced; consequently worldwide restrictions to mobility have been relaxed to a large extent with some governments lifting the entirety of restrictions in early 2022. Equally, worldwide economic recovery accelerated particularly in the second half of 2021 and is forecasted to continue in 2022. The increase in economic activity positively impacted demand for fuels and benchmark margins. Conversely the higher demand for energy, particularly in Europe, is considered a key factor for the increase in the price of natural gas, electricity and the cost of CO2 emissions rights which are significant cost components in the refining process.

The Group's financial forecasts were modelled over an 18-month period, ending 30 June 2023 and reflect the outcomes that the Directors consider most likely, based on the information available at the date of signing of these consolidated financial statements. This includes the expectation of demand evolution, benchmark refining margins and associated costs applicable to the Group. The Group financial forecasts have been prepared with consideration to independent third-party data which inter-alia include forecasted international commodity prices used in the calculation of benchmarks refining margins, demand evolution and operating costs. In the 18-month period assessed 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. Further details on the Group's actions for financing of operations are included in Note 3.

Taking into account the above in their assessment, Management has excercised judgement and concluded that, at the time of approving the consolidated financial statements there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the historical cost basis, except for the following:

- financial instruments – some of which are measured at fair value (Note 3.3 & 24)
- defined benefit pension plans – plan assets measured at fair value
- assets held for sale – measured at the lower of carrying value and fair value less cost to sell

The preparation of financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in "Note 4: Critical accounting estimates and judgements". Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

2.1.1 New standards, amendments to standards and interpretations

New and amended standards adopted by the Group.

The accounting principles and calculations used in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2020 and have been consistently applied in all periods presented in this report except for the following IFRS amendments, which have been adopted by the Group as of 1 January 2021. The Group applied, the IFRS Interpretation Committee's Agenda Decision issued on May 2021 for IAS 19 Employee benefits - Attributing Benefit to Periods of Service and disclosed below (Note 21), the nature and effect of these changes. Several other amendments and interpretations applied for the first time in 2021 but did not have a significant impact on the consolidated financial statements of the Group for the year ended 31 December 2021.

- *IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'.* In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods.

- *IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions':* The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

    - The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
    - Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
    - There is no substantive change to other terms and conditions of the lease.

- *Attributing Benefit to Periods of Service (IAS 19 Employee Benefits) – IFRS Interpretation Committee (IFRS IC or IFRIC) Agenda Decision issued May 2021*: The International Financial Reporting Standards Interpretations Committee issued a final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the attribution of benefits in periods of service regarding a specific defined benefit plan analogous to that defined in Article 8 of Greek Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the aforementioned decision is implemented as a change in accounting policy. The impact of the change is disclosed in detail in Note 21.

Standards issued but not yet effective and not early adopted

The Group has not early adopted any other of the following standard, interpretation or amendment that has been issued but is not yet effective. In addition, the Group is in the process of assessing the impact of all standards, interpretations and amendments issued but not yet effective, on the consolidated financial statements.

- *IFRS 10 (Amendment) Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*: The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

- *IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)*: The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

  - IFRS 3 Business Combinations (Amendments) update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - IAS 16 Property, Plant and Equipment (Amendments) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
  - *Annual Improvements 2018-2020* make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

- *IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2,* Disclosure of Accounting policies (Amendments): The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Amendments have not yet been endorsed by the EU.

- *IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments):* The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.
  In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU.

- *IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments):* The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The Amendments have not yet been endorsed by the EU.

- *IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments):* The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU.

- *IFRS 16 'Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)'*: The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the Covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
At each reporting period, the Group reassesses whether it exercises control over the investees, in case there are facts and circumstances indicating a change in one of the control elements above. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless there is objective evidence that the asset is impaired. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control over an entity, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates and Equity method

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, investments are initially recognised at cost and their carrying amount is increased or decreased to recognise the investor's share of the profit or loss or share of other comprehensive income of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value. The recoverable amount is the higher of the associate's fair value less costs to sell and its value in use (discounted cash flows expected to be generated based upon management's expectations of future economic and operating conditions).

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures are changed where necessary to ensure consistency with the policies adopted by the Group.

A joint operation arises where the Group has rights to the assets and obligations of the operation. The Group recognizes its share of the assets, obligations, revenue and expenses of the jointly controlled operation, including its share of those held or incurred jointly, in each respective line of its' financial statements.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit/ (loss) of investments in associates and joint ventures' in the statement of profit or loss.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

The consideration transferred for the acquisition of a subsidiary is the total of the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date and is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss, in accordance with the appropriate IFRS. Amounts classified as equity are not remeasured.

Goodwill (as disclosed in Note 2.10) is initially measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the Group reassesses whether it has correctly identified all of the assets acquired and liabilities assumed and reviews their measurement, before any remaining difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

For a transaction or event to be a business combination, the assets acquired and liabilities assumed over which the Group has obtained control are required to constitute a business.

A 'business' is an integrated set of activities and assets that is capable of being conducted and managed to provide goods or services to customers, generate investment income or generate other income from ordinary activities. A business generally consists of inputs, processes applied to those inputs and the ability to contribute to the creation of outputs. At a minimum, to be considered a business the acquired set is required to include an input and a substantive process that together significantly contribute to the ability to create outputs.

To be a business, the acquired set does not need to include all of the inputs and processes required to create outputs but it is required to be capable of being managed to create outputs.

If the group concludes that an entity acquired is in essence an asset acquisition, then no goodwill is recognised and the respective assets are recognised at cost, which is effectively the purchase price allocated to these assets.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The executive committee is the chief operating decision-maker, who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. The executive committee is comprised of the Chief Executive Officer and eight General Managers of the Group. The Group's key operating segments are disclosed in Note 5.

2.5 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euro, which is the parent entity's functional currency and the presentation currency of the Group. Given that the Group's primary activities are in oil refining and trading, in line with industry practices, most crude oil and oil product trading transactions are based on the international reference prices of crude oil and oil products in US Dollars. Depending on the country of operation, the Group translates this value to the local currency (Euro in most cases) at the time of any transaction.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates 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 exchange rates are recognised in the statement of comprehensive income. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges.

For transactions that include the receipt or payment of advance consideration in a foreign currency the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.

Foreign exchange gains and losses are presented in the same line as the transaction they relate to in the statement of comprehensive income, except those that relate to borrowings and cash, which are presented in a separate line ("Currency exchange gains/(losses)").

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) *Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recycled to the profit or loss of the statement of comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.6 Assets held for sale

The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Upon the classification of investments in associates and joint ventures as assets held for sale, the equity method of accounting is discontinued from that point onwards.

Assets held for sale and their related liabilities are presented separately as current items in the statement of financial position.

2.7 Property, plant and equipment

Property, plant and equipment is comprised mainly of land, buildings, plant & machinery, transportation means and furniture and fixtures. Property, plant and equipment are shown at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss of the statement of comprehensive income as incurred. Refinery turnaround costs that take place periodically are capitalised and charged to profit or loss on a straight line basis until the next scheduled turnaround to the extent that such costs either extend the useful economic life of the equipment or improve the capacity of its production.

Assets under construction are assets (mainly related to the refinery units) that are in the process of construction or development, and are carried at cost. Cost includes cost of construction, professional fees and other direct costs. Assets under construction are not depreciated, as the corresponding assets are not yet available for use.

(All amounts in Euro thousands unless otherwise stated)

Land is also not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful economic life, as shown on the table below for the main classes of assets:

– Buildings (including petrol stations)	10 – 40 years
– Plant & Machinery	
▪ Specialised industrial installations and Machinery	10 – 35 years
▪ Pipelines	30 – 50 years
▪ Other equipment	5 – 25 years
– Transportation means	
▪ LPG and white products carrier tank trucks	5 – 10 years
▪ Other Motor Vehicles	4 – 10 years
▪ Shipping Vessels	25 – 35 years
– Furniture and fixtures	
▪ Computer hardware	3 – 5 years
▪ Other furniture and fixtures	4 – 10 years

Specialised industrial installations include refinery units, petrochemical plants, tank facilities and petrol stations.

The assets' residual values and estimated useful economic lives are reviewed at the end of each reporting period and adjusted prospectively if appropriate.

If the asset's carrying amount is greater than its estimated recoverable amount then it is written down immediately to its recoverable amount (Note 2.12).

The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss, which is determined by comparing the proceeds with the carrying amount, is included in the consolidated statement of comprehensive income within "Other operating income / (expenses) and other gains / (losses)".

2.8 Leases

2.8.1 Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment on their own or together with the Cash Generating Unit to which they belong.

2.8.2 Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this re-measurement is disclosed in a line of the right-of-use assets Note as modifications.

(a) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value (i.e., below five thousand Euros). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(b) Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (as a change in business strategy).

The IFRS Interpretations Committee (the “Committee”) has issued, among others, a summary of decisions reached in its public meetings to clarify interpretations in respect to IFRS 16 on the following topics:

(c) Subsurface rights

The Committee concluded that the arrangement presented in its decision, where a pipeline operator obtains the right to place a pipeline in an underground space constitutes a lease and therefore this arrangement as presented in this decision should be in scope of IFRS 16. As disclosed in Note 7, the Group operates a number of subsurface pipelines within the boundaries of various municipalities, in accordance with relevant laws, without the requirement to pay any compensation for them. As described in Note 34 of these financial statements, certain municipalities have proceeded with the imposition of duties and fines relating to the rights of way. The group has appealed against such amounts imposed as described in the Note and believes the outcome will be favourable. The Group considers these do not fall within the scope of IFRS 16 as there is no requirement to pay compensation.

(d) Lease term

The Committee issued a decision that in assessing the notion of no more than an insignificant penalty, when establishing the lease term, the analysis should not only capture the termination penalty payment specified in the contract but use a broader economic consideration of penalty and thus include all kinds of possible economic outflows related to termination of the contract. The Group applies this decision and uses judgment in estimating the lease term, especially in cases, where the agreements do not provide for a predetermined term, such as rights of use of coastal zones as described in Note 7. The Group considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

(e) Lessor accounting

The Group enters into certain sublease agreements with third parties and therefore, acts as an intermediate lessor. In classifying a sublease, the Group acting as the intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows:

(a) if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying paragraph 6 of the standard, the sublease shall be classified as an operating lease.

(b) otherwise, the sublease shall be classified by reference to the right-of- use asset arising from the head lease, rather than by reference to the underlying asset.

The Group has assessed all subleases it enters into based on the above criteria and classifies these as either operating or finance. As at 31 December 2021, all leases where the Group acts as an intermediate lessor assessed and evaluated as operating.

2.9 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are added to the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed as incurred.

2.10 Intangible assets

(a) Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in the fair value of the net identifiable assets and liabilities of the acquiree at the date of acquisition. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. In the event that the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition is higher than the cost, the excess remaining is recognised immediately in the statement of comprehensive income.

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The allocation is made to those CGUs or Groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments. Goodwill impairment reviews are undertaken annually or more frequently, if events or changes in circumstances indicate a potential impairment. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount (higher of value in use and fair value less costs to sell) of the CGU is less than its carrying amount including goodwill, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(b) Retail Service Stations Usage rights

Retail Service Stations Usage rights represent upfront lump-sum amounts to purchase licenses to operate and control service stations from previous owner of the license. These licenses are not directly linked with any lease agreement and have an indefinite useful economic life. Such payments were made to secure branding and future revenues for the Group that were not available before and are therefore capitalised in accordance with IAS 38, Intangible Assets. Retail Service Stations Usage rights are tested for impairment as part of the CGU to which they relate.

(c) Licences and rights

Licenses and rights have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is being calculated using the straight-line method to allocate their cost over their estimated useful lives, which usually range from 3 to 25 years.

(d) Computer software

The category computer software includes primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (1 to 5 years).

2.11 Exploration for and evaluation of mineral resources

(a) Exploration and evaluation assets

During the exploration period and before a commercially viable discovery, oil and natural gas exploration and evaluation expenditures are expensed. Geological and geophysical costs as well as costs directly associated with an exploration are expensed as incurred. Exploration property leasehold acquisition costs are capitalized within intangible assets and amortised over the period of the licence or in relation to the progress of the activities if there is a substantial difference. Upstream exploration rights are included in licenses and rights in intangible assets.

(b) Development of tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells is capitalized within tangible and intangible assets according to their nature. When development is completed on a specific field, it is transferred to production assets. No depreciation and/or amortisation is charged during development.

(c) Oil and gas production assets

Oil and gas production assets are aggregated exploration and evaluation tangible assets and development expenditures associated with the production of proved reserves. The Group has not recognised any such assets, as it is currently in the first stages of exploration and evaluation.

(d) Depreciation/amortisation

Oil and gas properties/intangible assets are depreciated/amortized using the unit-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

(e) Impairment – exploration and evaluation assets

The exploration property leasehold acquisition costs are tested for impairment whenever facts and circumstances indicate impairment. For the purposes of assessing impairment, the exploration property leasehold acquisition costs subject to testing are grouped with existing cash-generating units (CGUs) of production fields that are located in the same geographical region corresponding to each licence.

(f) Impairment – proven oil and gas properties and intangible assets

Proven oil and gas properties and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.12 Impairment of non-financial assets

The Group assesses, at each reporting date, whether an indication of impairment exists. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.13 Financial assets

2.13.1 Initial recognition and measurement

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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.26 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period, otherwise they are classified as non-current. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

(b) Financial assets at amortised cost

The Group 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.

(c) Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the profit or loss of the statement of comprehensive income, when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

2.13.2 Derecognition and impairment

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant estimates and assumptions Note 4
- Trade receivables Note 12

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.13.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Derivative financial instruments and hedging activities

As part of its risk management policy, the Group utilizes currency and commodity derivatives to mitigate the impact of volatility in commodity prices and foreign exchange rates. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in fair values of the derivative financial instruments are recognised at each reporting date either in the statement of comprehensive income or in other comprehensive income, depending on whether the derivative is designated as a hedging instrument. If so, the nature of the item being hedged is also disclosed. The Group designates certain derivatives as either:

(a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.

The documentation also includes both at hedge inception and on an ongoing basis how it will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. The instruments used for this risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

Cash flow hedges

The effective portion of changes in the fair value of these derivatives is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income within "Other operating income / (expenses) and other gains / (losses)". Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects profit or loss (i.e. when the forecast transaction being hedged takes place) within cost of sales.

When a hedging instrument expires or is sold, or a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the derivative is de-designated and the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income within "Other operating income / (expenses) and other gains / (losses)".

Derivatives at fair value through profit or loss

Derivatives that do not qualify for hedge accounting are classified as derivatives at fair value through profit or loss. Changes in the fair value of the derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of comprehensive income.

2.15 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants related to Property, Plant and Equipment received by the Group are initially recorded as deferred government grants and included in "Other non-current liabilities". Subsequently, they are credited to the statement of comprehensive income over the useful lives of the related assets in direct relationship to the depreciation charged on such assets.

2.16 Inventories

Inventories comprise crude oil and other raw materials, refined and semi-finished products, petrochemicals, merchandise, consumables and other spare parts.

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the monthly weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It does not include borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, where applicable. Spare parts consumed within a year are carried as inventory and recognized in cost of sales in the statement of comprehensive income when consumed.

2.17 Trade receivables

Trade receivables, which generally have 20-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables include bills of exchange and promissory notes from customers.

For trade receivables, which are not in default the Group applies the simplified approach, in accordance with IFRS 9 and calculates ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. On the other hand, trade receivables in default are assessed on a case by case basis. The amount of the provision is recognised in the statement of comprehensive income and is included in "Selling and distribution expenses".

2.18 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.

Cash pledged as collateral is included in "Trade and other receivables".

2.19 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.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised to profit or loss of the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

2.20 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. In this case, the fee is deferred until the draw-down occurs. To the extent 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 derecognized from the balance sheet 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 the statement of comprehensive income as finance costs or other operating income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

In cases where an existing borrowing of the Group 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 the recognition of a new liability any difference in the respective carrying amount, is recognized in the statement of comprehensive income.

The Group 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

2.21 Current and deferred income tax

The tax expense or credit for the period comprises current and deferred tax. The income tax expense or credit for the period, is the tax estimated on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, as well as additional taxes for prior years. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

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 countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Any interest and penalties arising on uncertain tax positions are considered as part of income tax.

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those deductible temporary differences and losses.

Deferred income tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

2.22 Employee benefits

(a) *Pension obligations*

The Group participates in various pension schemes. The payments are determined by the local legislation and the funds' regulations. The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate State pension fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Defined benefit pension plan

Where applicable, under local labour laws, employees and workers are entitled to post employment payments in the event of retirement with the amount of payment varying in relation to the employee's or worker's compensation and length of service. This program is considered as a defined benefit plan.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognized in the consolidated statement of profit or loss in employee benefit expense (except where included in the cost of an asset) reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss of the statement of comprehensive income.

Defined contribution plans

The Group's employees are covered by one of several Greek State sponsored pension funds which relates to the private sector and provides pension and pharmaceutical benefits. Each employee is required to contribute a portion of their monthly salary to the funds, with the Group also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. As such, the Group has no legal or constructive obligation to pay future benefits under this plan.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Share-based compensation

Employees of the Group may receive remuneration in the form of share based payments as part of a share option plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

At each reporting period end, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company may issue new shares. In that case, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The Group has no share-based compensation schemes in force for 2020 and for 2021.

(d) Short-term paid absences

The Group recognises the expected cost of short-term employee benefits in the form of paid absences in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences.

2.23 Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.24 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

No provisions are recognized for possible future obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or for present obligations if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. For such cases the Group discloses a contingent liability.

2.25 Environmental liabilities

The Group has an environmental policy which complies with existing legislation and any obligations resulting from its environmental and operational licences. In order to comply with all rules and regulations, the Group has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognised is the best estimate of the expenditure required, based on the relevant environmental studies. If the effect of the time value of money is material, the amount recognised is the present value of the estimated future expenditure.

The obligation of the Group to meet its CO2 emission targets is treated as follows: European ETS register allocates emission rights to refineries annually. Allowances received or purchased are recognised at cost. A provision is recognized for the net obligation payable for the emission quantities that exceed the pre-allocated allowances, after taking into account any purchases of emission certifications. The provision recognised is measured at the amount that it is expected to cost the entity to settle the obligation net of any certificates purchased. This will be the market price at the balance sheet date of the allowances required to cover any emissions deficit made to date.

2.26 Revenue recognition

Revenue from contracts with customers

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Control over goods sold and services rendered is transferred to the customer upon delivery of the respective products or service respectively. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Payment terms vary in line with the type of sales transactions and depend mainly on the products sold or services rendered, the distribution channels as well as each customer’s specifics.

The Group assesses whether it acts as a principal or agent in each of its revenue arrangements. The Group has concluded that in all sales transactions it acts as a principal.

Revenue is recognised as follows:

Sales of goods – wholesale & retail

Revenue is recognized when a contractual promise to a customer (performance obligation) is fulfilled by transferring the promised goods (which is when the customer obtains control over the promised goods). If a contract contains more than one performance obligation, the total transaction price of the contract is allocated among the individual, separate performance obligations based on their relative standalone selling prices. The amount of revenue recognized is the amount allocated to the satisfied performance obligation based on the consideration that the Group expects to receive in accordance with the terms of the contracts with the customers.

Provision of services

For sales of services, revenue is recognised in the accounting period in which the services are rendered, as the customer obtains control over the promised services, by reference to stage of completion of each specific performance obligation and assessed on the basis of the actual service provided (using appraisals of the results achieved and milestones reached), as a proportion of the total services to be provided.

Variable consideration

If the consideration in a contract includes a variable amount, the Group recognizes this amount as revenue only to the extent that it is highly probable that a significant reversal will not occur in the future.

Volume discounts

The Group provides volume discounts to customers based on thresholds specified in the respective contracts. Options for volume related discounts are assessed by the Group to determine whether they constitute a material right that the customer would not receive without entering into that contract. For all such options that are considered as material rights, the Group assesses the likelihood of its exercise and then the portion of the transaction price allocated to the option is deferred and recognized when it is either exercised or lapsed.

The Group has concluded that volume discounts constitute a material right which should be recognized over time up to the point it is either exercised or lapsed. All such discounts are accrued within the financial year.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.27 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared and appropriately authorised or approved by the Company's Shareholders' General Meeting. Interim dividends proposed by the Board of Directors are recognized as liabilities when it becomes certain they will be paid, as following their proposal by the Board, they are subject to the usual legal procedures before payment.

2.28 Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of the loss allowance determined in accordance with IFRS 9 requirements and the amount initially recognized, less when appropriate, the cumulative amount of income.

2.29 Changes in accounting policies

The Group adopted the amendments described in paragraph 2.1.1, (the more significant of which is the application of the *IFRIC Agenda Decision* for IAS 19 - Note 21), for the first time for the annual reporting period commencing 1 January 2021.

2.30 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year (Notes 5, 6, 7 & 22).

3 Financial risk management

3.1 Financial risk factors

The Group's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products; with secondary activities relating to power generation from renewable and conventional energy sources and trading, as well as exploration of hydrocarbons. As such, the Group is exposed to a variety of financial and commodity markets' risks including foreign exchange and commodity price risk, credit risk, liquidity risk, cash flow risk and interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Group's overall risk management policies aim at reducing possible exposure to market volatility and / or mitigating its adverse effects on the financial position of the Group to the extent possible. In general, the key factors that impact the Group's operations are summarised as follows:

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

However, despite the aforementioned uncertainties, the real GDP growth rate in 2021 was stronger and higher than previous expectations. The normalization of mobility indicators affected significantly the economic recovery and boosted economic sentiment expectations and international trade, the significant vaccination rates in Europe weakened the pandemic dynamics and encouraged international travel and the prolonged tourist period until November, resulting in a sizeable output expansion as shown by an estimated 8,5% increase in GDP (2020: -9%).

Total domestic fuels consumption for the year increased by 1,5% compared to 2020 (total demand for motor fuels increased by 7%, partially offset by weaker heating gasoil consumption) since the gradual normalization of the economic activity and the relaxation of the mobility restrictions imposed during the previous year, led to an increase in transport fuels demand.

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

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

The Group immediately responded to the outbreak of the pandemic and already from March 2020, took various initiatives to this end primarily focusing on ensuring the health and safety of its employees and all of its stakeholders operating or visiting the Group's premises, as well as the smooth operation of its activities and uninterrupted supply of our markets.

These initiatives include:

- Adopting a timely and successful new remote working model (teleworking) where possible, remotely supporting information systems and modifying shift programs.
- Utilizing digital technology and upgrading teleworking infrastructures.
- Drafting a Policy with frequent revisions based on developments and instructions from the State, addressing how to prevent and manage issues arising from the Covid -19 pandemic, including detailed prevention guidelines and testing response under various scenarios, planning for and implementing procedures for handling any suspected Covid -19 cases.
- Continuously keeping employees up to date, along with ongoing health support (increase of its medical network, participation of an infectious disease specialist, psychological support line, regular publication of special newsletter).
- Conducting in total over 206.000 PCR and rapid tests on the Group's employees and associates in 2021.
- Regular disinfection in all workplaces and appropriate disposal of personal protection equipment (PPE).

Management will continue to monitor the situation closely and will assess any potential further impact on the Group's financial position and performance, including the recoverable amount of its investments, in case the period of disruption becomes prolonged.

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. As a result, the Group's operations are mainly exposed to the risk of 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 (inventory, investments, receivables, 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 Group Finance under policies approved by the Board of Directors. Group Finance identifies and evaluates financial risks in close co-operation with the Group's operating units. During the year ended on 31 December 2021, the Group entered into certain derivatives to hedge cash flows related to purchases and sales of crude oil and petroleum products. The Group has also entered into derivative transactions to hedge the cash flow risk arising from the fluctuation in EUA (CO2 certificates) pricing, in order to fulfill its obligation as part of the EUA scheme (Notes 17 & 24).

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

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

Term loans

In October 2021 HELLENIC PETROLEUM fully repaid the outstanding balance of a €100 million bond loan facility upon maturity, issued a new €100 million revolving bond loan facility with a tenor of 3 years as well as a new €150 million revolving bond loan facility with a tenor of 2 years.

In 2021 HELLENIC PETROLEUM fully repaid the outstanding balance of two loan agreements with the European Investment Bank amounting to €66 million (of which €44 million upon maturity and €22 million as a voluntary prepayment).

In October 2021 HELLENIC PETROLEUM Finance PLC fully repaid the outstanding balance of its €201 million Eurobond upon maturity.

In December 2021, the Group acquired Evia Wind Power S.A. and Achladotopos Wind Power S.A. and assumed all their assets and liabilities including two Project finance loans maturing in December 2033 and December 2030, respectively.

In December 2021, HELLENIC PETROLEUM increased the principal amount of one of its short-term bilateral facilities by €50 million to €200 million.

Additional information is disclosed in paragraph (c) Liquidity risk below and in Note 18.

Capital management: Another key priority of the Group has been the management of its Assets. Overall the Group has approximately €4.1 billion of capital employed which is driven from investment in fixed assets, working capital and its investment in its associates and joint ventures. Current assets are mainly funded with current liabilities (incl. short term bank debt) and the net operating working capital position of the Group as of 31 December 2021 was positive. 48% of total capital employed is financed through net debt excluding leases, while the remaining 52% is financed through shareholders equity.

(a) Market risk

(i) Foreign exchange risk

As explained in Note 2.5, the parent company's functional currency and presentation currency of the Group is the Euro. However, in line with industry practice in all international crude oil and oil trading transactions, underlying commodity prices are based on international reference prices quoted in US dollars.

Foreign currency exchange risk arises on three types of exposure:

- Financial position translation risk: Most of the inventory held by the Group is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the statement of financial position. In order to manage this risk, a significant part of the Group's payables (sourcing of crude oil and petroleum products) is denominated in USD resulting to an offsetting impact to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark-to-market valuation of USD-denominated trade liabilities leads to a reported foreign exchange loss, with no compensating benefit as inventories continue to be included in the statement of financial position at cost. It is estimated that at 31 December 2021 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax results would have been approximately €44 million lower, as a result of foreign exchange gains on translation of US dollar-denominated receivables, payables, cash and borrowings.
- Gross Margin transactions and translation risk: The fact that most of the transactions in crude oil and oil products are based on international Platt's USD prices leads to exposure in terms of the Gross Margin translated in Euro. Market volatility has an adverse impact on the cost of mitigating this exposure; as a result, the Group did not actively hedge material amounts of the Gross margin exposure. This exposure is linearly related to the Gross margin of the Group in that the appreciation/ depreciation of Euro vs. USD leads to a respective translation loss/ (gain) on the period results.
- Local subsidiaries exposure: Where the Group operates in non-Euro markets, namely in the Republic of Serbia and Northern Macedonia, there is an additional exposure in terms of cross currency translation between USD (price base), Euro reporting currency and local currency. Where possible the Group seeks to manage this risk by matching its financial exposure to assets

and liabilities held at the same currency. Although material for each of local subsidiaries' operations, the overall exposure is not considered material for the Group.

(ii) Commodity price risk

The Group's primary activity as a refiner involves exposure to commodity prices. Changes in current or forward absolute price levels vs acquisition costs affect the value of inventory while exposure to refining margins (combination of crude oil and product prices) affect the future cash flows of the business.

In the case of price risk, the level of exposure is determined by the amount of priced inventory carried at the end of the reporting period. In periods of sharp price decline, as Group policy is to report its inventory at the lower of historical cost and net realisable value, results are affected by the reduction in the carrying value of the inventory. The extent of the exposure relates directly to the level of stocks and price decrease.

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; a change in the refinery margin has a proportionate impact on the profitability of the refining segment and ultimately on the Group's profitability.

Where possible, the Group aims to hedge part of its exposure associated with price changes of crude oil, products and refinery margins, depending on the prevailing market conditions.

(iii) Cash flow and fair value interest rate risk

The Group's operating income and cash flows are not materially affected by changes in market interest rates, given the low level of prevailing reference rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Approximately 20% of the Group's borrowings are at fixed rates of interest and are comprised of a €599 million Eurobond with a fixed coupon of 2%. Depending on the levels of net debt at any given period of time, any change in the base interest rates, has a proportionate impact on the Groups results. At 31 December 2021, if interest rates on Euro denominated borrowings had been 0,5% higher with all other variables held constant, pre-tax profit for the year would have been Euro €12 million lower. The Group's subsidiary Aioliki Energeiaki Achladotopos S.A., acquired in December 2021, has entered into a derivative transaction to hedge the cash flow risk resulting from changes in the interest rates (Note 24).

(b) Credit risk

(i) Risk Management

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

(ii) Credit quality

The credit quality of cash and cash equivalents is assessed by reference to external credit ratings obtained from S&P in the table below.

	As at	
Bank Rating (in €million)	**31 December 2021**	**31 December 2020**
A+	95	114
A	-	28
BBB+	5	85
B+	901	-
B	-	835
B-	41	76
No rating	11	65
Total	**1.053**	**1.203**

A Group credit committee also monitors material credit exposures arising from trade receivables. See Note 12 for further disclosures on credit risk.

(c) Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash reserves and financial headroom, through committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in its funding operations through the use of cash and committed credit facilities.

Where deemed beneficial to the Group, and in order to achieve better commercial terms (e.g. better pricing, higher credit limits, longer payment terms), the Group provides for the issuance of short term letters of credit or guarantee for the payment of liabilities arising from trade creditors. These instruments are issued using the Group's existing credit lines with local and international banks, and are subject to the approved terms and conditions of each bank, regarding the amount, currency, maximum tenor, collateral etc.

The Group's plans with respect to term facilities expiring within the next 12 months are presented below in million Euros.

2021					
Contractual Term Facility Repayments	1H22	2H22	2022	Scheduled for repayment	Scheduled for refinancing
Bond Loan €400 million	0	385	385	0	385
Bond Loan €400 million	0	400	400	0	400
Bond Loan €100 million	0	100	100	0	100
Aioliki Energeiaki Achladotopos	1	1	2	2	0
Aioliki Energeiaki Evoias	1	1	2	2	0
Total	**2**	**887**	**889**	**4**	**885**

In October 2021, the Group refinanced the €100 million bond loan on maturity and repaid its €201 million Eurobond (Note 18). The €400 million bond loan maturing on December 2022 and the €400 million bond loan maturing on November 2022 with carrying amounts of €385 and €400 million respectively as of 31 December 2021, scheduled for refinancing in 2022, include a one year extension option at the discretion of the lender and such options are expected to be exercised.

The Group's bilateral lines (refer to Note 18 for the balances used), are uncommitted credit facilities with various banks to finance general corporate needs, which have been consistently renewed in the last 20 years in accordance with the Group's finance needs. The Group expects it will be able to continue to renew these in the future or will refinance part of them with committed facilities.

(All amounts in Euro thousands unless otherwise stated)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from balance sheet date to the contractual maturity date. The amounts disclosed in the table are the undiscounted contractual cash flows.

	Less than 1 year	Between 1 and 5 years	Over 5 years
31 December 2021			
Borrowings	1.675.097	1.732.053	2.606
Lease liabilities (Note 19)	31.336	98.018	153.525
Derivative financial instruments	2.214	-	860
Trade and other payables	2.044.184	-	-
31 December 2020			
Borrowings	826.824	2.236.716	-
Lease liabilities (Note 19)	31.049	85.069	150.090
Derivative financial instruments	4.635	-	-
Trade and other payables	1.501.689	-	-

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

Trade and other payables do not correspond to the balance sheet amounts as they include only financial liabilities.

3.2 Capital risk management

The Group's objective with respect to capital structure, which includes both equity and debt funding, is to safeguard its ability to continue as a going concern and to have in place an optimal capital structure from a cost perspective.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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 long-term objective of the Group is to maintain the gearing ratio between 35% and 45%, as significant fluctuations of crude oil prices may affect total debt respectively. Given the Group's new strategy and its transition to activities that are subject to reduced volatility due to the business environment as well as the significant de-escalation of financial cost, the capital structure by sector will be reviewed and is expected to affect the relevant objectives. It is noted that the Group has significantly reduced its financial cost by about 50% in the last five years.

(All amounts in Euro thousands unless otherwise stated)

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

	As at	
	31 December 2021	31 December 2020
Total Borrowings (Note 18)	2.991.024	2.875.932
Less: Cash & Cash Equivalents (Note 13)	(1.052.618)	(1.202.900)
Less: Investment in equity instruments (Note 3.3)	(504)	(959)
Net debt (excl. Lease liabilities)	**1.937.902**	**1.672.073**
Total Equity	2.129.055	1.848.837
Total Capital Employed (excl. Lease liabilities)	**4.066.957**	**3.520.910**
Gearing ratio (excl. Lease liabilities)	**48%**	**47%**
Lease liabilities (Note 18)	201.795	201.136
Net debt (incl. Lease liabilities)	**2.139.697**	**1.873.209**
Total Capital Employed (incl. Lease liabilities)	**4.268.752**	**3.722.046**
Gearing ratio (incl. Lease liabilities)	**50%**	**50%**

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group’s assets and liabilities that are measured at fair value at 31 December 2021:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives at fair value through the income statement	-	92.143	-	92.143
Investment in equity instruments	504	-	-	504
Assets held for sale	191.577	-	-	191.577
	192.081	**92.143**	**-**	**284.224**
Liabilities				
Derivatives at fair value through the income statement	-	1.428	-	1.428
Derivatives used for hedging	-	1.646	-	1.646
	-	**3.074**	**-**	**3.074**

(All amounts in Euro thousands unless otherwise stated)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2020:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivative financial instruments held for trading	-	2.433	-	2.433
Derivatives used for hedging	-	7.512	-	7.512
Investment in equity instruments	959	-	-	959
Assets held for sale	2.466	-	-	2.466
	3.425	**9.945**	**-**	**13.370**
Liabilities				
Derivatives used for hedging	-	4.635	-	4.635
	-	**4.635**	**-**	**4.635**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

There were no changes in valuation techniques during the year. For the years ended 31 December 2021 and 31 December 2020, there were no transfers between levels.

The fair value of Euro denominated Eurobonds as at 31 December 2021 was €611 million (31 December 2020: €802 million), compared to its book value of €594 million (31 December 2020: €792 million). The fair value of the remaining borrowings approximates their carrying value. The fair values of borrowings are within level 2 of the fair value hierarchy.

The fair value of the following financial assets and liabilities approximate their carrying amount, due to their short term nature:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

4 Critical accounting estimates and judgements

Estimates and judgements are continuously evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Critical accounting estimates and assumptions

(a) Income taxes

The Group is subject to periodic audits by local tax authorities in various jurisdictions and the assessment process for determining the Group's current and deferred tax balances is complex and involves high degree of estimation and judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. Where tax positions are not settled with the tax authorities, the Group management takes into account past experience with similar cases as well as the advice of tax and legal experts in order to analyze the specific facts and circumstances, interpret the relevant tax legislation, assess other similar positions taken by the tax authorities to form a view about whether its tax treatments will be accepted by the tax authorities, or whether a provision is needed. Where the Group is required to make payments in order to appeal against positions of tax authorities and the Group assesses that it is more probable than not to win its appeal, the respective payments are recorded as assets as these advance payments will be returned to the Group, if the Group's position is upheld. In case the Group determines a provision is needed for the outcome of the uncertain tax position, any amounts already paid are deducted from the said provision.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Recoverability of deferred tax assets

Deferred tax assets include certain amounts which relate to carried forward tax losses. In most cases, depending on the jurisdiction in which such tax losses have arisen, such tax losses are available for set off for a limited period of time since they are incurred. The Group makes assumptions on whether these deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for each relevant entity.

(c) Provision for environmental restoration

The Group operates in the oil industry with its principal activities being that of exploration and production of hydrocarbons, refining of crude oil and sale of oil products, and the production and trading of petrochemical products. Environmental damage caused by such substances may require the Group to incur restoration costs to comply with the regulations in the various jurisdictions in which the Group operates, and to settle any legal or constructive obligation. Analysis and estimates are performed by the Group together with its technical and legal advisers, in order to determine the probability, timing and amount involved with probable required outflow of resources. Estimated restoration costs, for which disbursements are determined to be probable, are recognised as a provision in long-term liabilities and as part of the respective fixed asset cost in the Group's consolidated statement of financial position. Subsequently, the effect of the unwinding the discounting on the provision is charged in the finance cost and the fixed asset is depreciated in the consolidated statement of comprehensive income. In case there are changes in estimates or the final determination of such obligation amounts differ from the recognised provisions, the Group's statement of comprehensive income is impacted.

(d) Estimates in value-in-use calculations

The Group assesses, at each reporting date, whether there is an indication that a non-current asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Among others, the impact of Covid-19 has been assessed and when appropriate, has been considered an impairment indicator. The Group constantly monitors the latest government legislation in relation to climate related matters. At the current time, no legislation has been passed that will impact the Group. The Group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount of a cash-generating unit (CGU) is determined for impairment tests purposes based on value-in-use calculations which require the use of assumptions. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The calculations use cash flow projections based on financial budgets approved by management with consideration to independent third-party data which inter-alia include forecasted international commodity prices used in the calculation of benchmarks refining margins, demand evolution and operating costs. These budgets and forecast calculations generally cover a period of five years. Cash flows beyond the period over which projections are available are extrapolated using estimated growth rates. These growth rates are consistent with forecasts included in country or industry reports specific to the country and industry in which each CGU operates and where appropriate are further calibrated to the Group long term objectives in relation to climate related matters. Further, The Group constantly monitors the latest government legislation in relation to climate related matters. At the current time, no legislation has been passed that will impact the Group. The Group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required. The key assumptions used to determine the recoverable amount for the different CGUs, or assets, including a sensitivity analysis, are disclosed and further explained in Notes: 6. for Property, Plant and Equipment, 7 for Right of use asset and 8. for Goodwill.

(e) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives and certain investments in equity instruments) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(f) Provision for expected credit losses of receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on the Group's historical credit loss experience calibrated to adjust the historical credit loss experience with forward-looking information specific to the debtors and the economic environment. At each year end, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed credit losses, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Especially in the case of marketing segment, individual customer assessments take also into account customers' ability to pay, expected time of collection and the valuation of collaterals held.

For the years ended 31 December 2021 and 2020, management assessed forward-looking information specific to its trade debtors and the economic environment taking into account the impact of Covid – 19 and recorded additional losses in line with its policies, when needed. (Note 12)

(g) Retirement Benefit Obligations

The present value of the pension obligations for the Group's defined benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate and salary rate increases. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency and jurisdiction in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 21.

(h) Depreciation of property, plant and equipment

The Group periodically assesses the useful lives of its property, plant and equipment to determine whether the original estimated lives continue to be appropriate. To this respect, the Group may obtain technical studies and use external sources to determine the lives of its assets, which can vary depending on a variety of factors such as technological innovation and maintenance programs.

(ii) Critical judgements in applying the Group's accounting policies

(i) Impairment of non-current assets and investments in associates and joint ventures

The Group assesses at each reporting date, whether indicators for impairment exist for its non-financial assets (Note 2.12) and its investments in associates and joint ventures. The assessment includes both external and internal factors which include inter-alia, significant changes with an adverse effect in the regulatory or technological environment or evidence available from internal reporting that indicates that the economic performance of the asset is, or will be worse than expected. If any indication exists, the Group estimates the asset's or cash generating unit's recoverable amount. Judgment is involved to some extent in determining whether indicators exist and also for the determination of the cash generating units at which the respective assets are tested for impairment. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(j) Provisions for legal claims

The Group has a number of legal claims pending against it. Management uses its judgement as well as the available information from the Group legal department and external counsellors when deemed necessary, in order to assess the likely outcome of these claims and if it is more likely than not that the Group will lose a claim, then a provision is recognized. Provisions for legal claims, if required, are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period (Note 34).

(k) Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant: If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate). If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate). Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5 Segment information

The Group's Executive Committee ("the Committee") reviews the Group's internal reporting in order to assess performance of the different segments and allocate resources. Management has determined the reportable operating segments based on these reports. The Committee considers the business using a number of measures which may vary depending on the nature and evolution of a business segment by taking into account the risk profile, cash flow, product and market considerations. Information provided to the Committee is measured in a manner consistent with that of the financial statements.

The Group's key operating segments are:

a) Refining, Supply and Wholesale Trading (Refining)

- Activities in Greece revolve around the operation of the Group's three refineries located in Aspropyrgos, Elefsina and Thessaloniki, which account for approximately 65% of the country's total refining capacity. The three refineries combine a storage capacity of 6,65 million m^3 of crude oil and petroleum products.
- International activities refer to the OKTA facility, which is located in Skopje and is connected to Thessaloniki refinery through a pipeline for the transportation of high value-added products (e.g. diesel). The pipeline has not been operational since 2013 and is expected to commence operation during October 2022.

b) Marketing

- Activities in Greece: The Group, through its subsidiary HFL S.A., possesses an extensive fuel supply network in the country via the EKO and BP brand names, which includes a total of 1.682 petrol stations, 229 of which are company-operated.
- International activities: The Group operates through subsidiary companies in Cyprus, Bulgaria, Serbia and Montenegro, with a total network of 287 petrol stations.

c) Petrochemicals

Petrochemical activities mainly focus on the production and marketing of polypropylene, BOPP films and solvents, as well as the trading of imported plastics and chemicals. The polypropylene production plant in Thessaloniki mainly receives propylene produced in the Aspropyrgos refinery. Part of the production of the produced polypropylene is the raw material used in the BOPP film production unit in Komotini.

d) Gas and Power

- Power: The Group is active in the production, trading and supply of power in Greece through its owned operations in the renewable energy sector and its participation (50%) in the JV Elpedison B.V. (the remaining 50% is held by EDISON S.p.A.). Elpedison B.V. owns 100% of the share capital of Elpedison S.A..
- Natural Gas: The Group is active in the natural gas sector through its 35% participation in DEPA Commercial S.A., DEPA Infrastructure S.A. (up to 30 November 2021 – Note 14) and DEPA International Projects S.A. (the remaining 65% of all three of the above is held by the Hellenic Republic Asset Development Fund - HRADF). The DEPA Commercial Group, DEPA Infrastructure Group and DEPA International Group are active in the wholesale trading, supply and distribution of natural gas in Greece and also participate in international gas transportation projects. Refer also to Note 9.

e) Exploration and Production of Hydrocarbons

The Group is engaged in the exploration and production of hydrocarbons in several areas in Greece (either through full control or in partnership with other oil & gas companies), including the sea of Thrace in the North Aegean, the offshore Block 2 west of Corfu Island, the offshore West Crete & Southwest Crete areas, the offshore area Western Greece in the Ionian Block and the Kyparissiakos gulf (Block 10). An offer has also been submitted for North Corfu (Block 1).

f) Other

“Other Segments” include Group entities which provide treasury, consulting and engineering services.

More information about the activities of the Group’s key operating segments, as described above, can be found in the Group’s Annual Report.

(All amounts in Euro thousands unless otherwise stated)

Financial information regarding the Group's operating segments for the years ended 31 December 2021 and 31 December 2020 is presented below:

For the year ended 31 December 2021

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Total
Gross Sales	8.079.181	2.917.795	85	378.757	5.240	14.302	11.395.275
Inter-segmental Sales	(2.157.666)	(3.194)	(82)	-	(47)	(12.133)	(2.173.040)
Revenue from contracts with customers	**5.921.515**	**2.914.600**	**3**	**378.757**	**5.193**	**2.169**	**9.222.235**
EBITDA	**433.869**	**107.513**	**(8.855)**	**130.230**	**145**	**(5.681)**	**657.221**
Depreciation	(160.049)	(41.060)	(3)	(5.457)	(1.300)	(475)	(208.340)
Amortisation	(5.624)	(1.910)	(148)	-	(381)	(54)	(8.116)
Depreciation & Amortisation (PPE & Intangibles)	(165.672)	(42.970)	(150)	(5.457)	(1.681)	(529)	(216.459)
Depreciation of Right-of-Use assets	(6.301)	(31.541)	(44)	(3.158)	(288)	860	(40.472)
Operating profit / (loss)	**261.896**	**33.002**	**(9.049)**	**121.615**	**(1.823)**	**(5.350)**	**400.290**
Currency exchange gains / (losses)	15.799	450	-	-	-	(3)	16.246
Share of profit / (loss) of investments in associates & joint ventures	2.603	179	-	-	89.316	4.562	96.660
Finance income / (expense) - net	(54.657)	(9.623)	(620)	17	(1.469)	(29.679)	(96.031)
Lease finance cost	(1.079)	(8.944)	(3)	(45)	(180)	159	(10.092)
Profit / (loss) before income tax	**224.562**	**15.064**	**(9.673)**	**121.587**	**85.844**	**(30.311)**	**407.073**
Income tax							(65.916)
Profit / (loss) for the period							**341.157**
Profit / (loss) attributable to non-controlling interests							(3.713)
Profit / (loss) for the period attributable to the owners of the parent							**337.444**

For the year ended 31 December 2020

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Total
Gross Sales	4.893.272	1.985.720	-	248.195	4.145	11.896	7.143.227
Inter-segmental Sales	(1.346.015)	(4.478)	-	-	(21)	(10.922)	(1.361.436)
Revenue from contracts with customers	**3.547.256**	**1.981.242**	**-**	**248.195**	**4.124**	**974**	**5.781.791**
EBITDA	**(383.833)**	**74.713**	**(10.604)**	**58.782**	**1.440**	**6.077**	**(253.425)**
Depreciation & Amortisation (PPE & Intangibles)	(157.839)	(40.309)	(970)	(4.553)	(1.106)	(460)	(205.237)
Depreciation of Right-of-Use assets	(6.682)	(33.031)	(53)	(3.794)	(30)	850	(42.741)
Operating profit / (loss)	**(548.354)**	**1.373**	**(11.628)**	**50.434**	**304**	**6.467**	**(501.404)**
Currency exchange gains / (losses)	5.240	(266)	-	(24)	-	-	4.950
Share of profit / (loss) of investments in associates & joint ventures	1.307	1.473	-	-	30.890	(3.844)	29.826
Finance income / (expense) - net	(56.700)	(11.440)	-	22	(488)	(35.568)	(104.174)
Lease finance cost	(1.347)	(9.659)	(5)	(60)	(6)	162	(10.914)
Profit / (loss) before income tax	**(599.854)**	**(18.519)**	**(11.633)**	**50.372**	**30.699**	**(32.783)**	**(581.716)**
Income tax							185.101
Profit / (loss) for the period							**(396.615)**
Profit / (loss) attributable to non-controlling interests							788
Profit / (loss) for the period attributable to the owners of the parent							**(395.827)**

Inter-segment sales primarily relate to sales from the refining segment to the other operating segments.

There were no changes in the basis of segmentation or in the basis of measurement of segmental profit or loss, as compared to the consolidated annual financial statements for the year ended 31 December 2020.

(All amounts in Euro thousands unless otherwise stated)

An analysis of the Group's revenue from contracts with customers by type of market (domestic, aviation & bunkering, exports and international activities) and business unit is presented below:

	For the year ended 31 December 2021					
Revenue from contracts with customers	Refining	Marketing	Petro-chemicals	Gas & Power	Other	Total
Domestic	1.249.035	1.823.074	135.387	5.193	2.025	3.214.715
Aviation & Bunkering	455.824	584.167	-	-	-	1.039.991
Exports	3.795.810	15.731	243.370	-	144	4.055.055
International activities	420.846	491.627	-	-	-	912.473
Total	**5.921.515**	**2.914.600**	**378.758**	**5.193**	**2.169**	**9.222.235**

	For the year ended 31 December 2020					
Revenue from contracts with customers	Refining	Marketing	Petro-chemicals	Gas & Power	Other	Total
Domestic	702.230	1.301.405	92.965	4.124	808	2.101.532
Aviation & Bunkering	279.666	261.034	-	-	-	540.699
Exports	2.319.034	7.066	155.229	-	166	2.481.495
International activities	246.328	411.737	-	-	-	658.065
Total	**3.547.257**	**1.981.242**	**248.195**	**4.124**	**974**	**5.781.791**

The segment assets and liabilities at 31 December 2021 and 2020 are as follows:

	As at	
	31 December 2021	31 December 2020
Total Assets		
Refining	5.182.639	4.576.426
Marketing	1.268.662	1.250.810
Exploration & Production	21.108	26.161
Petro-chemicals	561.610	449.874
Gas & Power	638.905	465.516
Other Segments	1.878.488	2.022.658
Inter-Segment	(1.963.504)	(2.019.163)
Assets held for sale (*) (Note 14)	191.577	2.466
Total	**7.779.484**	**6.774.748**
Total Liabilities		
Refining	3.544.675	3.023.517
Marketing	679.589	663.530
Exploration & Production	20.873	19.943
Petro-chemicals	23.753	40
Gas & Power	321.859	36.720
Other Segments	1.677.204	1.911.322
Inter-Segment	(617.524)	(729.162)
Total	**5.650.429**	**4.925.911**

(All amounts in Euro thousands unless otherwise stated)

(*): The amount of assets held for sale of 31 December 2020 relates to catalysts that in prior year were classified under the Refining segment and now included separately for improved presentation. The current year's amount relates to DEPA Infrastructure which was reclassified in assets held for sale from Gas & Power segment (Note 14). The Group's share of profit from DEPA Infrastructure up to 30 November 2021 is included in the Gas & Power segment.

"Other Segments" include Group entities which provide treasury, consulting and engineering services.

There has been no material change in the definition of segments or the segmental analysis of total assets or total liabilities from the amounts disclosed in the consolidated annual financial statements for the year ended 31 December 2020.

6 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Transportation means	Furniture and fixtures	Assets Under Construction	Total
Cost							
As at 1 January 2020	**311.775**	**927.951**	**4.949.478**	**87.514**	**202.879**	**149.884**	**6.629.481**
Additions	8	3.160	14.012	585	7.445	256.551	281.761
Acquisition of a subsidiary	-	-	-	-	-	7.208	7.208
Capitalised projects	-	19.828	207.098	1	20.626	(247.553)	-
Disposals	(888)	(11.452)	(31.416)	(11.483)	(5.763)	(213)	(61.215)
Currency translation differences	(13)	(173)	(327)	(4)	(19)	(2)	(538)
Transfers and other movements	-	333	1.131	-	-	(4.261)	(2.797)
As at 31 December 2020	**310.882**	**939.647**	**5.139.976**	**76.613**	**225.168**	**161.614**	**6.853.900**
Accumulated Depreciation and impairment							
As at 1 January 2020	**2.949**	**512.622**	**2.590.503**	**59.465**	**164.966**	**1.308**	**3.331.813**
Charge for the year	-	26.164	156.539	3.032	10.785	-	196.520
Disposals	-	(11.624)	(30.791)	(11.478)	(5.314)	-	(59.207)
Impairment / Write off	165	151	3.213	1.650	-	243	5.422
Currency translation differences	-	(165)	(275)	(5)	(16)	-	(461)
As at 31 December 2020	**3.114**	**527.148**	**2.719.189**	**52.664**	**170.421**	**1.551**	**3.474.087**
Net Book Value at 31 December 2020	**307.768**	**412.499**	**2.420.787**	**23.949**	**54.747**	**160.063**	**3.379.813**
Cost							
As at 1 January 2021	**310.882**	**939.647**	**5.139.976**	**76.613**	**225.168**	**161.614**	**6.853.900**
Additions	5.367	7.584	22.938	400	10.126	229.686	276.101
Acquisition of a subsidiary	21	16.886	34.810	-	50	-	51.767
Capitalised projects	-	11.051	56.399	173	278	(67.901)	-
Disposals	(1.135)	(1.622)	(10.830)	(13.253)	2.545	(4.213)	(28.509)
Currency translation differences	4	58	105	-	6	4	178
Transfers and other movements	(221)	1.285	4.288	-	3	(8.581)	(3.226)
As at 31 December 2021	**314.918**	**974.890**	**5.247.686**	**63.932**	**238.176**	**310.609**	**7.150.211**
Accumulated Depreciation and impairment							
As at 1 January 2021	**3.114**	**527.148**	**2.719.189**	**52.664**	**170.421**	**1.551**	**3.474.087**
Charge for the year	1.033	26.526	165.725	2.341	12.718	-	208.343
Disposals	-	(1.339)	(10.586)	(12.029)	(1.281)	-	(25.236)
Impairment / Write off	-	311	8	-	146	-	465
Currency translation differences	-	52	90	-	5	-	147
Transfers and other movements	-	2.503	5.547	(465)	15	-	7.600
As at 31 December 2021	**4.147**	**555.200**	**2.879.973**	**42.511**	**182.023**	**1.551**	**3.665.405**
Net Book Value at 31 December 2021	**310.771**	**419.690**	**2.367.713**	**21.421**	**56.152**	**309.058**	**3.484.805**

(All amounts in Euro thousands unless otherwise stated)

Restatement: The comparatives cost figures have been restated for improved presentation. €29 million have been reclassified from Assets Under Construction to Furniture and fixtures (€20 million) and to Buildings (€9 million).

(1) Additions mainly include:

a) Capital expenditures in the renewable energy sector of gas and power segment (€166 million) comprising of:

- Construction costs incurred during the year and included in the assets under construction additions that relate to the photovoltaic park in Kozani's wider region amounting to €103 million. The project is expected to become operational during the first quarter of 2022.

- Costs associated with the acquisition of two wind parks companies in December 2021. The Group completed the acquisition of Aioliki Energeiaki Evoias S.A. and Aioliki Energeiaki Achladotopos S.A., with a total cost of investment of €85 million (Note 37). The transaction was accounted for as an asset acquisition. The total consideration of €97 million was allocated to the identifiable assets and liabilities based on their relative fair value.

  The purchase consideration and the fair value of the assets and liabilities acquired are presented below:

	€
Intangibles	69.993
Property, plant and equipment	51.767
Cash acquired	6.296
Loans (Note 18)	(32.561)
Other assets and liabilities - net	1.725
Acquisition consideration	**97.220**

b) Capital expenditures in the refining segment that relate to projects of long-term maintenance and upgrades of the refining units (€109 million). These amounts are mainly included in assets under construction and are reclassified into the relevant asset class when the projects are completed.

(2) During 2021 an amount of €3,7 million (31 December 2020: €3,1 million) in respect of interest has been capitalised within Assets Under Construction relating to the refining segment, at an average borrowing rate of 3,23% (31 December 2020: 3,53%).

(3) Gains or losses from disposals are included within "Other income / (expenses) and other gains / (losses) (Note 27).

(4) 'Transfers and other movements' for the year ended on 31 December 2021 include the transfer of computer software development costs to intangible assets (Note 8) and the transfer of spare parts for the refinery units between inventories and fixed assets (Note 11).

(5) The Group constantly monitors the developments in the sector with respect to energy transition as well as the latest legislation in relation to climate related matters. The significant accounting estimates made by management incorporate the future effects of the Group's own strategic decisions and commitments on having its portfolio adhered to the energy transition targets, short and long-term impacts of climate-related matters and energy transition to lower carbon energy sources together with management's best estimate on global supply and demand, including forecasted commodities prices. At the current time, no legislation has been passed that will impact the Group. The Group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required. Management considers the existence of indicators for impairment and performs an assessment for significant CGUs (Notes 2.1, 4).

a) Volatility in refining margins caused by Covid-19 pandemic and the ensuing influence in demand for oil products, as well as the impact on cost base primarily due to CO2 and electricity cost, were considered by management as indicators of potential impairment. Management proceeded with an impairment test for the fixed assets of the Group's main segments of Domestic Refining and Petrochemicals, which have been considered as one CGU for the purposes of IAS 36 impairment testing, based on the synergies and interdependence between them. The recoverable amount is determined using Value in Use which is determined as future cash inflows and outflows from continuing use of the asset, which are then discounted to reflect time value for money and risk in those cash flows. CGU's carrying value as at 31 December 2021 is €2,7 billion and represents 74% of the total Group's carrying value of property, plant and equipment and intangible assets. The Group's approved business plan over next 5 years was used as starting point with extrapolation over the useful life of the main refinery assets. The impairment test was carried out using the following main assumptions as of 31 December 2021:

Discount rate: Discount rates are based on an appropriate weighted average cost of capital ("WACC"), calculated using the Capital Asset Pricing Model. The WACC calculation considers not only the Group's WACC, but also the cost of equity and the cost of debt of entities with a similar portfolio of assets, of similar tenure, and comparable debt to equity ratios, with appropriate adjustments made to determine the pre-tax discount rate. Additionally, the WACC calculation includes relevant business risks, as well as CGU's specific risks. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Post-tax WACC used is calculated at 4,91% (31 December 2020: 4,44%).

Benchmark margins used are in line with Group's business plan and range from $/bbl 3,9 to $/bbl 4,3 within the 5 year period (31 December 2020: $/bbl 1,7 to $/bbl 3,9). Benchmark Forecast margins are based on management's estimates and available market data over a period of two to three years, for which there is a liquid market, thereafter remaining in levels observed over a five year period prior to Covid-19 and having considered the expected peak of oil products demand by the end of this decade.

Long-term maintenance capital expenses are in line with historical capex of the last 5 years, required for the standard operation of the fixed assets and was calculated at €107 million annually, over the useful life of the CGU.

(All amounts in Euro thousands unless otherwise stated)

The Group estimated the impact on the recoverable amount if certain key assumptions used in the application of the discounted cash flow valuation method varied with all other variables held constant as follows:

Key assumption tested	Change in assumption	Impact on value in use
WACC	+1,0%	(9,33%)
Lon-term maintenance capital expenses	+5,0%	(1,53%)
Benchmark margins years 1 to 5	$ -0,50	(14,47%)

Based on this impairment test, the Group concluded that the carrying amount of the CGU is recoverable and consequently no impairment charge was recorded.

b) Plant and machinery include inter alia the carrying value (€59m) of the pipeline connecting Thessaloniki and Skopje, which is an asset of the Group's subsidiary Vardax S.A.. The asset has not been in operation since 2013 and is maintained in a state of suspension until today, repaired continuously throughout the period not in operation. In Q4 2021, the State of Northern Macedonia approved the technical specifications and relevant application for the metering system submitted by the Company. However, further administrative processes need to be completed, the timing of which is uncertain. Nevertheless, based on the recent positive developments of the aforementioned application approval, Management consider that the asset could become operational by Q4 2022. All of the above were considered an indication of possible impairment.

Management carried out an impairment test according to the requirements of IAS 36. The analysis was carried out by identifying the recoverable amount ("Value in Use") of the asset through the application of the discounted cash flow valuation method. The impairment test was carried out using the following main assumptions as of 31 December 2021: Post-tax WACC of 4,78%, Growth 2%, Year of expected commencement of operation October 2022 (31 December 2020: Post-tax WACC of 6,01%, Growth 2%, Year of expected commencement of operation Q1 of 2022).

Based on this impairment test, the Group concluded that the carrying amount of the asset is recoverable and consequently no further impairment charge was recorded (for the year ended 31 December 2020: Impairment charged €3,2m). The accumulated impairment recorded as of 31 December 2021 is €11,5m.

The value in use measurement is most sensitive to the timing of reoperation of the pipeline and the sales volumes to pass through the pipeline.

(All amounts in Euro thousands unless otherwise stated)

The Group estimated the impact on the recoverable amount if certain key assumptions used in the application of the discounted cash flow valuation method varied with all other variables held constant as follows:

Key assumption tested	Change in assmuption	Impact on value in use
WACC	+0,5%	(6,41%)
Growth	(0,5%)	(4,19%)
Year of operation	+ 6 months delay	(3,00%)
Sales volumes	(5,0%)	(6,91%)

The changes in the individual assumptions described in the table above do not result in the recognition of impairment of the asset. However, if these changes exceed the values above, or occur in combination, then impairment would have to be recognised.

c) As at 31 December 2021, HFL S.A. management carried out an impairment test according to the requirements of IAS 36, based on the post-tax cash flows produced by the entity. The impact of Covid-19 and the anticipated future developments in the market in which the company operates, were considered as indicators of impairment, as they could impact the future cash flows of its assets. The valuation analysis considered HFL S.A. (the Group's marketing activities in Greece, and part of the Marketing segment) as a single cash generation unit (CGU). The analysis was carried out by identifying the recoverable value (Fair Value) of the CGU through the application of the Discounted Cash Flow Valuation Method, starting from the entity's approved 5-year business plan. The discount rate applied was 4,12% (31 December 2020: 5%) and was estimated as the post-tax WACC of the company. Based on this impairment test, the Group concluded that the carrying amount of the net assets of its marketing activities in Greece is recoverable and consequently no impairment charge was recorded.

It should be noted that the assumptions and scenarios used could further change in the future, particularly in an environment characterized by high volatility. Relevant changes in the assumptions used e.g. EBITDA generation and discount rates, could have an impact on the recoverable value of the assets. It is estimated that, if the EBITDA generation was lower by 10% for the period of detailed forecasts (2022-2026) the recoverable amount would have been lower by 9%. In addition, if the WACC used in the impairment test was higher by 0,5% with all other variables held constant, the recoverable amount would have been lower by 15%. In both sensitivity analysis' scenarios, representing reasonably possible changes in assumptions, the carrying amount of the net assets of the CGU is recoverable.

(6) Depreciation expense of Property, plant and equipment of €208,3 million (31 December 2020: €196,5 million), depreciation expense of right-of-use assets of €40,4 million (31 December 2020: €42,7 million) and amortisation expense of €8,1 million (31 December 2020: €8,7 million) are allocated in the following lines of the Consolidated Statement of Comprehensive Income:

- Cost of Sales €161,3 million (31 December 2020: €156,1 million),
- Selling and distribution expenses €81,6 million (31 December 2020: €77,8 million),
- Administration expenses €13,9 million (31 December 2020: €13,9 million)

(All amounts in Euro thousands unless otherwise stated)

Current year depreciation in Land relates to the depreciation of a restoration cost included in additions for a land plot in Larnaka, Cyprus.

7 Right-of-use assets

	Petrol station properties	Commercial Properties	Plant & Machinery	Motor Vehicles	Other	Total
Cost						
As at 1 January 2020	**219.969**	**31.321**	**8.909**	**25.714**	**-**	**285.913**
Additions	10.325	121	6.744	5.056	1.033	23.279
Derecognition	-	(117)	(20)	(18)	-	(155)
Modification	13.086	874	(23)	816	-	14.753
Currency translation effects	-	-	-	(9)	-	(9)
As at 31 December 2020	**243.396**	**32.199**	**15.610**	**31.546**	**1.033**	**323.784**
Accumulated Depreciation						
As at 1 January 2020	**31.576**	**5.887**	**1.150**	**4.366**	**-**	**42.979**
Charge for the period	27.262	4.561	2.539	8.356	23	42.741
Derecognition	-	(25)	(15)	(17)		(57)
Impairment/ Write off	1.563	-	1.026	-	-	2.589
As at 31 December 2020	**60.401**	**10.428**	**4.700**	**12.691**	**23**	**88.243**
Net Book Value at 31 December 2020	**182.995**	**21.771**	**10.910**	**18.855**	**1.010**	**235.541**
Cost						
As at 1 January 2021	**243.396**	**32.199**	**15.610**	**31.546**	**1.033**	**323.784**
Additions	6.310	8.727	-	4.786	392	20.215
Derecognition	(2.361)	(26)	-	(103)	-	(2.490)
Modification	12.356	848	1	1.385	-	14.590
Currency translation effects	1	-	-	7	-	8
As at 31 December 2021	**259.703**	**41.747**	**15.611**	**37.621**	**1.425**	**356.107**
Accumulated Depreciation						
As at 1 January 2021	**60.401**	**10.428**	**4.700**	**12.691**	**23**	**88.243**
Charge for the period	25.817	4.597	2.008	7.985	65	40.472
Derecognition	(851)	(6)	-	(100)	-	(958)
Modification	-	(46)	-	(6)	-	(52)
Currency translation effects	-	-	-	4	-	4
Other	22	-	-	-	-	22
As at 31 December 2021	**85.389**	**14.972**	**6.708**	**20.574**	**88**	**127.732**
Net Book Value at 31 December 2021	**174.313**	**26.775**	**8.903**	**17.048**	**1.337**	**228.375**

Restatement: Impairment / Write offs for 2020 has been netted in accumulated depreciation as an improvement of presentation. In 31 December 2020 consolidated financial statements was included gross in cost and accumulated depreciation.

The Group leases a variety of assets in the course of its activities. Through the marketing segment the Group enters into lease agreements whereby it leases land on which it constructs petrol stations. Furthermore, the Group leases operational petrol stations and large complexes which may include other commercial properties such as highway service stations.
Impairment / write-off for petrol stations relates to impairments in petrol stations' ROU assets leased by HFL SA.

Part of the Group's operations require the use of coastal zones. The Group has entered into an Agreement with the State for the use of coastal zones in certain areas. There are however other areas, where the Group uses coastal zones, and for which no agreement exists. The State may periodically issue a notice for compensation for the use of the coastal zones for these areas. Upon adoption of IFRS 16, the Group concluded that the use of coastal zones could meet the criteria of an identified asset under IFRS 16, where an Agreement exists. Where the terms of use by the Greek state are determinable from the Agreement, the Group recognizes a right of use asset within commercial properties and a lease liability representing its obligation to make payments. For instances where the Group uses coastal zones without an Agreement, the Group considers that the arrangement does not constitute a lease and provides for compensation for the use of the coast based on the most recently received notice. For the year ended 31 December 2021, this is estimated at € 670 thousand (31 December 2020: € 670) and is included in current liabilities.

Furthermore, the Group operates a number of underground pipelines within the boundaries of various municipalities, in accordance with relevant laws. As described in Note 33 of these financial statements, certain municipalities have proceeded with the imposition of duties and fines relating to the rights of way. The Group has appealed against such amounts imposed as described in the note and does not consider that any of these fall within the scope of IFRS 16.

Commercial Properties include an addition of €7,5 million which relates to leased land used to construct a photovoltaic park.

(All amounts in Euro thousands unless otherwise stated)

8 Intangible assets

	Goodwill	Retail Service Stations Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2020	138.588	6.993	123.411	40.249	75.035	384.276
Additions	-	548	4.779	844	121	6.292
Disposals	-	-	(78)	-	-	(78)
Currency translation effects	-	-	(2)	(2)	1	(3)
Other movements	-	-	3.834	-	6	3.840
As at 31 December 2020	138.588	7.541	131.944	41.091	75.163	394.327
Accumulated Amortisation						
As at 1 January 2020	71.829	-	112.356	30.601	65.064	279.850
Charge for the year	-	-	7.224	1.022	471	8.717
Disposals	-	-	(78)	-	-	(78)
Currency translation effects	-	-	(1)	(2)	-	(3)
As at 31 December 2020	71.829	-	119.501	31.621	65.535	288.486
Net Book Value at 31 December 2020	66.759	7.541	12.443	9.470	9.628	105.841
Cost						
As at 1 January 2021	138.588	7.541	131.944	41.091	75.163	394.327
Additions	-	-	2.319	250	11	2.580
Acquisition of a subsidiary	-	-	-	69.993	-	69.993
Disposals	-	-	(58)	-	(135)	(194)
Currency translation effects	-	-	-	1	-	1
Other movements	-	-	6.987	4	30	7.021
As at 31 December 2021	138.588	7.541	141.192	111.339	75.068	473.728
Accumulated Amortisation						
As at 1 January 2021	71.829	-	119.501	31.621	65.535	288.486
Charge for the year	-	-	7.042	592	482	8.116
Disposals	-	-	(29)	-	(122)	(151)
Impairment	-	-	-	1.369	-	1.369
Currency translation effects	-	-	-	1	-	1
As at 31 December 2021	71.829	-	126.514	33.584	65.895	297.821
Net Book Value at 31 December 2021	66.759	7.541	14.678	77.756	9.173	175.907

(1) The majority of the remaining balance of goodwill as at 31 December 2021 relates to the unamortised goodwill arising on the acquisition of HELLENIC PETROLEUM Cyprus Ltd in 2003 which is treated in line with the accounting policy in Note 2.10. Goodwill was tested for impairment as at 31 December 2021 using the value-in-use model. This calculation used cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five-year period were extrapolated using an estimated growth rate of 1% that reflects the forecasts in line with management beliefs, based on GDP growth projections. Management determined annual volume growth rate and gross margins based on past performance and expectations for the market development. The discount rate used was 6,06% which reflects the specific risks relating to operations. The results of the model show that the valuation covers the carrying amount of the goodwill, which amounts to €67 million as of 31 December 2021.

A sensitivity analysis was performed to the key assumptions used in the model (discount rates and perpetuity growth rates), in order to stress test the adequacy of the valuation headroom. It is estimated that at 31 December 2021 if the free cash flow growth rate of HELLENIC PETROLEUM

Cyprus Ltd used in the impairment test was lower by 0,5% with all other variables held constant, the Equity Value of the company would have been lower by 7%. In addition, if the future WACC was higher by 0,5% with all other variables held constant, the Equity Value of the company would have been lower by 9%. The sensitivity analysis resulted in recoverable values well in excess of the carrying value.

(2) In December 2021, the Group completed the acquisition of two wind parks companies, Aioliki Energeiaki Evoias S.A and Aioliki Energeiaki Achladotopos S.A., and recognised intangible assets of €70 million included in additions and which relate to the fair value of the power purchase agreement (Notes 6, 37).

(3) Other intangible assets include the right of indefinite use of land in Serbia and Montenegro, where under certain circumstances the local legal framework did not allow outright ownership of land. The balance represent upfront lump-sum payments in the case of Serbia and in the case of Montenegro the purchase price allocation of land upon acquisition of the Group's subsidiary in Montenegro. The legal title of the land was subsequently contested by the local authorities in both countries without however recalling the right of the entities to make use of the land and buildings located on it.

(4) 'Licenses and Rights' include (other than the power purchase agreement referred to in (2) above) net exploration license costs of €2 million relating to the exploration & production of hydrocarbons' concessions in Greece. As stated in Note 35, the Group intends to return certain licenses to the Hellenic Republic. Consequently, an impairment of €1,4 million has been recorded. The carrying value of licenses as of 31 December 2021 related to renewable energy generation is €71 million and their useful life ranges from 15 to 25 years (see also 2 above).

(5) 'Other movements' include completed IT software projects capitalised during 2021 and thus transferred from assets under construction (Note 6). These projects are monitored within assets-under-construction as implementation of the relevant software takes place over a period of time. They are transferred to Intangible Assets when the implementation of the software has been completed and tested as being ready for use.

(All amounts in Euro thousands unless otherwise stated)

9 Investments in associates and joint ventures

	As at	
	31 December 2021	31 December 2020
Beginning of the Year	**416.542**	**384.747**
Dividend income	(6.525)	(9.465)
Share of profit / (loss) of investments in associates & joint ventures	96.660	29.826
Share of other comprehensive income / (loss) of investments in associates	(3.930)	1.440
Participation in joint ventures	2.400	-
Share capital increase / (decrease)	150	-
Reversal of impairment of investments in joint ventures	-	10.000
Transfers from investments to Assets held for sale (Note 14)	(191.577)	-
Other movements	3	(6)
End of the year	**313.723**	**416.542**

a) Joint Ventures

The Group is active in power generation, trading and supply in Greece through its 50% shareholding in Elpedison B.V., a joint venture entity with EDISON S.p.A.. The Group accounts for Elpedison B.V. using the equity method and as such, the Group's 50% share of the consolidated results of Elpedison B.V. appear under "Share of profit of investments in associates and joint ventures" and its 50% share of net assets under "Investment in associates and joint ventures".

(All amounts in Euro thousands unless otherwise stated)

Given the materiality of this activity for the Group, the table below summarises the key financials of the Elpedison B.V. Group, which consolidates its 100% holding in Elpedison S.A..

	As at	
Elpedison B.V. Group	31 December 2021	31 December 2020
Statement of Financial Position		
Non-Current Assets	221.675	231.875
Cash and Cash Equivalents	10.864	15.321
Other Current Assets	428.557	192.418
Total Assets	**661.096**	**439.614**
Equity	**127.812**	**74.654**
Long Term Borrowings	-	-
Other Non-Current Liabilities	34.938	26.915
Short Term Borrowings	212.473	204.413
Other Current Liabilities	285.873	133.632
Total Liabilities	**533.284**	**364.960**
Total Liabilities and Equity	**661.096**	**439.614**
Investment in Elpedison BV as accounted in Helpe Group	**82.659**	**56.282**

	As at	
	31 December 2021	31 December 2020
Statement of Comprehensive Income		
Revenue	1.495.553	684.897
EBITDA	**93.562**	**44.209**
Depreciation & Amortisation	(22.314)	(28.388)
EBIT	**71.248**	**15.821**
Interest Income	494	1
Interest Expense	(10.110)	(8.203)
Income / (loss) beforeTax	**61.632**	**7.619**
Income Tax	(9.066)	7.146
Income / (loss) after Tax	**52.566**	**14.765**
Share of gain / (loss) accounted in Helpe Group	**26.227**	**7.374**

In September 2018, Elpedison S.A. agreed with its Bondholders to refinance its loans amounting to €213,9 million for three years, up to September 2021 when it was refinanced for a further year. The loans are fully guaranteed by the ultimate shareholders of Elpedison S.A., according to their shareholdings in the Company. The loans outstanding as at 31 December 2021 amounted to €212,4 million. (31 December 2020: €204,4 million)

The Group has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to Elpedison S.A. As at 31 December 2021, the Group's share of the above was €106 million (31 December 2020: €111 million).

As at 31 December 2021, Elpedison B.V. Management carried out an impairment test according to the requirements of IAS 36, based on the post-tax cash flows produced by the company. Changes in the regulatory environment were considered as a probable indicator of impairment, as it could impact the future cash flows of its assets. Based on this impairment test, the Group concluded that the carrying amount of the investment in Elpedison is recoverable and consequently no impairment charge was recorded.

b) Associates

The Group exercises significant influence over a number of entities, which are also accounted for using the equity method.

DEPA Commercial and DEPA Infrastructure groups

In January 2020, the HRADF launched an international public tender process for the sale of its 65% in the share capital of DEPA Commercial S.A. HELLENIC PETROLEUM, in a joint venture with EDISON S.p.A., is among the interested parties. In June 2020, Phase A of the tender process was completed, with seven interested parties meeting the criteria to participate in Phase B (Binding Offers Phase). The Fund and HELLENIC PETROLEUM have entered into a Memorandum of Understanding (MoU) in the event that HELLENIC PETROLEUM is not selected as preferred bidder, the granting by HELLENIC PETROLEUM to the referred bidder of a call option and the granting by the preferred bidder to HELLENIC PETROLEUM of a put option respectively, regarding HELLENIC PETROLEUM shareholding in DEPA Commercial, which will enable HELLENIC PETROLEUM exit from a minority participation. The privatisation procedure was suspended during the second quarter of 2021. As such, DEPA Commercial continues to be accounted for and included in these consolidated financial statements as an associate.

DEPA Commercial group operates in the wholesale, trading, transmission, distribution and supply of natural gas.

DEPA Commercial group fully consolidates its 100% shareholding in:

- EPA Attica S.A. (gas Supply Company for the Attica region)

On 11 May 2020, DEPA Commercial S.A. established DEPA International Projects S.A. a 100% subsidiary in order to transfer and then demerge the international business sector through its 50% shareholding in IGI Poseidon S.A. (Joint Venture between DEPA Commercial S.A. and Edison S.p.A.), which is engaged in the development of gas infrastructure projects in South East Europe. On 12 November 2020, DEPA Commercial S.A. concluded the partial demerger of its international sector. The official legal procedure of transfer of 35% of shares of DEPA International Projects S.A. to the Company was completed on 29 January 2021 when the Group commenced consolidating DEPA International group.

(All amounts in Euro thousands unless otherwise stated)

The table below shows the Group's carrying value of its investment in DEPA Commercial S.A. as at 31 January 2021 and the subsequent allocation between the two new groups.

	DEPA Commercial SA	DEPA International Projects SA
Investment as accounted in Helpe Group 31 January 2021	168.630	-
Investment as accounted in Helpe Group 1 February 2021 after demerger	143.463	25.167

The table below summarizes the key financials of DEPA Commercial group.

DEPA Commercial Group	As at 31 December 2021	31 December 2020
<u>Statement of Financial Position</u>		
Non-Current Assets	149.923	113.990
Cash and Cash Equivalents	265.892	240.377
Other Current Assets	784.239	470.246
Total Assets	1.200.054	824.613
Equity	557.175	466.429
Long Term Borrowings	-	-
Non-Current Liabilities	35.136	34.278
Short Term Borrowings	4.000	-
Other Current Liabilities	603.744	323.905
Total Liabilities	642.880	358.184
Total Liabilities and Equity	1.200.054	824.613
Investment in DEPA Commercial Group as accounted in Helpe Group	194.913	163.311

	As at 31 December 2021	31 December 2020
<u>Statement of Comprehensive Income</u>		
Continuing operations		
Revenue	1.696.904	549.805
Operating profit / (loss)	227.291	37.713
Interest Income	928	7.611
Interest Expense	(2.052)	(2.072)
Profit / (loss) before Tax	234.795	43.150
Income Tax	(54.368)	(3.524)
Profit / (loss) from continuing operations	180.426	39.625
Discontinued operations		
Loss from discontinued operations	(11.306)	(58.182)
Total Profit/ (Loss) After Tax	169.120	(18.557)
Other comprehensive loss	(11.229)	1.126
Total Comprehensive Income/ (Loss)	157.891	(17.431)
Share of profit/ (loss) accounted in Helpe Group	63.089	23.516
Share of other comprehensive loss accounted in Helpe Group	(3.930)	394

(All amounts in Euro thousands unless otherwise stated)

The Group consolidates DEPA Commercial group using the equity method of accounting and the carrying value of the investment in the consolidated financial statements reflects HELLENIC PETROLEUM's 35% share of the net asset value, which as at 31 December 2021 amounts to €195 million (31 December 2020: €163 million). The cost of investment in the financial statements of HELLENIC PETROLEUM is €85,7 million.

In 2021, the Group received cash dividends of €4,2 million and €2,3 million from DEPA Infrastructure and DEPA Commercial respectively (31 December 2020: €8 million).

Following the signing of the sale and purchase agreement for the shares of DEPA Infrastructure, the investment is classified in assets held for sale (Note 14).

Other associates

The Group's subsidiary company, HELLENIC PETROLEUM International AG, participates in the shareholding of DMEP Holdco Ltd (48% shareholding). DMEP HoldCo Ltd is incorporated in the UK and ultimately owns 100% of "OTSM S.A. of Maintenance Compulsory Stocks and Trading of Crude Oil and Petroleum Products" (OTSM). OTSM is established under Greek law and is fully permitted to provide crude oil and petroleum products stock keeping and management services. The Group has delegated part of its compulsory stock keeping obligations to OTSM, reducing its stock holding by approximately 31 kMT (31 December 2020: 66 kMT), at a fee calculated in line with the legal framework.

An analysis of the financial position and results of the Group's major associates is set out below:

	% interest held	Investment	As at 31 December 2021 Assets	Liabilities	Revenues	Profit after tax
Spata Aviation Fuel Company S.A.	33%	310	5.449	4.663	5.704	1.748
Athens Airport Fuel Pipeline Company S.A.	50%	3.475	9.774	2.824	2.317	109
DMEP Holdco	48%	5.467	154.783	143.392	32.494	8.415

	% interest held	Investment	As at 31 December 2020 Assets	Liabilities	Revenues	Profit after tax
Spata Aviation Fuel Company S.A.	33%	131	3.647	2.861	3.752	143
ELPE THRAKI	25%	-	-	-	-	(2)
Athens Airport Fuel Pipeline Company S.A.	50%	3.829	9.578	2.903	1.171	(932)
DMEP Holdco	48%	2.510	358.821	354.974	34.516	3.215

There are no contingent liabilities or commitments in relation to the group's interest in its associates, other than those disclosed in Note 35.

c) Joint operations

The Group participates in the following joint operations with other third parties relating to exploration and production of hydrocarbons in Greece and abroad:

- Energean International E&P SpA (50%), HELPE Patraikos SA (50%) - Greece, Patraikos Gulf
- Calfrac Well Services Ltd (75%), HELPE Sea of Thrace SA (25%) - Greece, Sea of Thrace concession

(All amounts in Euro thousands unless otherwise stated)

- Energean Hellas LTD, Energean International E&P SpA (75%), HELPE West Kerkyra SA (25%) - Greece, Block 2, West of Corfu Island.
- Total E&P Greece B.V. (40%), Exxon Mobil Exploration and Production Greece (Crete) B.V. (40%), HELLENIC PETROLEUM (20%) - Greece, Block West Crete.
- Total E&P Greece B.V. (40%), Exxon Mobil Exploration and Production Greece (Crete) B.V. (40%), HELLENIC PETROLEUM (20%) - Greece, Block South West Crete.
- HELLENIC PETROLEUM (100%) - Greece, Block Ionian.

The jointly controlled operations are still at a research phase and do not contribute to the Group's revenue.

For contractual commitments of the Group for exploration costs refer to Note 35.

10 Loans, advances & long term assets

	As at	
	31 December 2021	31 December 2020
Loans and advances	67.144	65.268
Other long term assets	6.766	6.408
Total	**73.910**	**71.676**

Loans and advances primarily include trade receivables due in more than one year as a result of settlement arrangements and merchandise credit extended to third parties as part of the operation of the marketing segment.

Trade receivables due in more than one year as a result of settlement arrangements are discounted at a weighted average rate of 4,47% (31 December 2020: 4,39%) over their respective lives.

11 Inventories

	As at	
	31 December 2021	31 December 2020
Crude oil	546.968	84.772
Refined products and semi-finished products	714.991	519.428
Petrochemicals	35.221	17.412
Consumable materials and other spare parts	115.211	105.103
- Less: Provision for consumables and spare parts	(33.256)	(32.305)
Total	**1.379.135**	**694.410**

Under IEA and EU regulations, Greece is obliged to hold crude oil and refined product stocks in order to fulfil the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002. This responsibility is passed on to all companies, including HELLENIC PETROLEUM, which import and sell in the domestic market who have the obligation to maintain and finance the appropriate stock levels. Such stocks are part of the operating stocks and are valued on the same basis (see also Note 9).

(All amounts in Euro thousands unless otherwise stated)

The cost of inventories recognised as an expense and included in "Cost of sales" amounted to €7,7 billion (31 December 2020: €5,2 billion). The Group has reported a loss of €0,5 million as at 31 December 2021 arising from inventory valuation which is reflected in a write-down of the year end values (31 December 2020: – €6 million). This was recognised as an expense in the year ended 31 December 2021 and included in 'Cost of Sales' in the statement of comprehensive income. Overall for 2021, management has estimated that the impact on the results of the Group from the fluctuations of crude oil and product prices during the year was positive and equal to approx. €308 million (31 December 2020: negative impact of €525 million).

In addition, as at 31 December 2021, an amount of €3,8 million relating to spare parts for the refinery units, has been transferred from inventories to fixed assets (31 December 2020: €1,1 million transfer from inventories to fixed assets - see Note 6).

12 Trade and other receivables

	As at	
	31 December 2021	31 December 2020
Trade receivables	654.369	549.072
- Less: Provision for impairment of receivables	(262.947)	(261.580)
Trade receivables net	**391.422**	**287.492**
Other receivables	312.457	277.929
- Less: Provision for impairment of receivables	(37.735)	(45.416)
Other receivables net	**274.722**	**232.513**
Deferred charges and prepayments	28.462	24.790
Total	**694.606**	**544.795**

As part of its working capital management, the Group utilises factoring facilities to accelerate the collection of cash from its customers in Greece. Non-recourse factoring is excluded from balances shown above since all risks and rewards of the relevant invoices have been transferred to the factoring institution. Further details regarding factoring with recourse are included in Note 18.

Other receivables include balances in respect of advances to suppliers, advances to personnel, VAT, withholding taxes and also include taxes, other than taxes related to income tax, paid as a result of tax audit assessments during previous years from the tax authorities, where the Group has commenced legal proceedings and disputed the relevant amounts (Note 30). The timing of the finalization of these disputes cannot be estimated and the Group has classified the amounts as current assets.

This balance as at 31 December 2021 also includes an amount of €54 million (31 December 2020: €54million) of VAT approved refunds which has been withheld by the customs authorities due to a dispute relating to stock shortages. The Group has filed a specific legal objection and claim against this action and expects to fully recover this amount following the conclusion of the relevant legal proceedings (Note 34). Other assets also include restricted cash amounting to 9.3 million (31 December 2020: €18.7 million).

(All amounts in Euro thousands unless otherwise stated)

The table below analyses total trade receivables:

	As at	
	31 December 2021	31 December 2020
Not past due	286.719	207.537
Past due	367.650	341.535
Total trade receivables	**654.369**	**549.072**

The overdue days of trade receivables that were past due are as follows:

	As at	
	31 December 2021	31 December 2020
Up to 30 days	74.327	38.148
30 - 90 days	8.387	30.637
Over 90 days	284.936	272.750
Total	**367.650**	**341.535**

Regarding trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECLs). The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. Collaterals held by the Group include primarily first or second class pre-notices over properties of the debtor, personal and bank guarantees.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	< 30 days	31 - 90 days	> 91 days	Total
Expected credit loss rate	0,03%	0,24%	92,24%	40,18%
Total gross carrying amount	361.046	8.387	284.936	654.369
Expected credit loss	100	20	262.827	262.947

The movement in the provision for impairment of trade receivables is set out below.

	As at	
	31 December 2021	31 December 2020
Balance at 1 January	261.580	255.023
Charged / (credited) to the statement of comprehensive income		
- Exchange differences	24	(86)
- Additional provisions	11.312	16.597
- Unused amounts reversed	(9.584)	(6.207)
Receivables written off during the year as uncollectible	(385)	(2.940)
Other movements	-	(807)
Balance at 31 December	**262.947**	**261.580**

The additional provision for impairment has been included in Selling & Distribution costs in the statement of comprehensive income.

(All amounts in Euro thousands unless otherwise stated)

The movement in the provision for impairment of other receivables is set out below.

	As at	
	31 December 2021	31 December 2020
Balance at 1 January	45.416	44.120
Charged / (credited) to the statement of comprehensive income		
- Additional provisions	766	1.440
- Unused amounts reversed	(1.211)	(650)
- Receivables written off during the year as uncollectible	(7.263)	(244)
Other movements	27	750
Balance at 31 December	**37.735**	**45.416**

The additional provision for impairment has been included in Other operating income/ (expenses) and other gains /(losses) in the statement of comprehensive income.

13 Cash and cash equivalents

	As at	
	31 December 2021	31 December 2020
Cash at bank and on hand in USD (euro equivalent)	317.493	576.618
Cash at bank and on hand in Euro	735.125	626.282
Cash and Cash Equivalents	**1.052.618**	**1.202.900**

The balance of US Dollars included in Cash at bank as at 31 December 2021 was $ 360 million (euro equivalent €317 million). The respective amount for the period ended 31 December 220 was $ 708 million (euro equivalent €577 million).

The weighted average effective interest rate as at the reporting date on cash and cash equivalents was:

	As at	
	31 December 2021	31 December 2020
Euro	0,01%	0,06%
USD	0,01%	0,01%

14 Assets held for sale

On 10 December 2021, HELLENIC PETROLEUM and Hellenic Republic Asset Development Fund S.A. (HRADF) signed the sale and purchase agreement for the shares of DEPA Infrastructure, a Group's associate, to Italgas SpA, for a total price of €733 million, with the 35% share of HELLENIC PETROLEUM participation corresponding to €256 million. The transaction is expected to be completed within the first half of 2022, following the approval by the local regulatory authorities.

Accordingly, as at 31 December 2021, DEPA Infrastructure investment is classified as an asset held for sale at its carrying value (€192 million), which is lower than the fair value, being the consideration of the buyer mentioned above, less cost to sell. The business of DEPA Infrastructure was included in the gas and power segment of the Group in the line "Share of profit / (loss) of investments in associates & joint ventures" until 30 November 2021, which represents the final available financial information before the sale and purchase agreement date. From the date of classification as held for sale, the application of the equity method was discontinued and the investment is held at the lower of carrying value and fair value less cost to sell. The share of results of DEPA Infrastructure for the year, up to 30 November 2021, are presented in the consolidated statement of comprehensive income / (loss) in share of profit / (loss) of investments in associates and joint ventures.

(All amounts in Euro thousands unless otherwise stated)

The comparative amount related to catalysts held for sale by OKTA A.D. During 2021 these catalysts were sold.

15 Share capital

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January & 31 December 2020	305.635.185	666.285	353.796	1.020.081
As at 31 December 2021	305.635.185	666.285	353.796	1.020.081

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2,18 (31 December 2020: €2,18).

16 Reserves

		Statutory reserve	Special reserves	Hedging reserve	Tax free & Incentive Law Reserves	Other reserves	Total
As at 1 January 2020		160.656	86.495	2.640	71.335	(44.155)	276.972
Changes in the fair value of equity instruments		-	-	-	-	(318)	(318)
Recycling of gains / (losses) on hedges through comprehensive income	24	-	-	25.077	-	-	25.077
Actuarial gains / (losses) on defined benefit pension plans		-	-	-	-	(7.394)	(7.394)
Fair value gains / (losses) on cash flow hedges	24	-	-	(22.008)	-	-	(22.008)
Currency translation differences and other movements	13	-	-	-	-	190	190
Share of other comprehensive loss of associates		-	-	-	-	1.440	1.440
Balance at 31 December 2020		160.656	86.495	5.709	71.335	(50.237)	273.959
Changes in the fair value of equity instruments		-	-	-	-	321	321
Recycling of gains / (losses) on hedges through comprehensive income	24	-	-	(31.794)	-	-	(31.794)
Actuarial gains / (losses) on defined benefit pension plans		-	-	-	-	(15.265)	(15.265)
Fair value gains / (losses) on cash flow hedges	24	-	-	24.973	-	-	24.973
Currency translation differences and other movements	13	-	-	-	-	89	89
Share of other comprehensive loss of associates		-	-	-	-	(3.930)	(3.930)
Other movements		-	-	-	-	751	751
Balance at 31 December 2021		160.656	86.495	(1.112)	71.335	(68.271)	249.104

(All amounts in Euro thousands unless otherwise stated)

Statutory reserves

Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until this reserve is equal to one third of the outstanding share capital. This reserve cannot be distributed during the existence of the corporation, but can be used to offset accumulated losses.

Special reserves

Special reserves primarily relate to reserves arising from tax revaluations which have been included in the parent company accounts in accordance with the relevant legislation in prior years.

Tax free and Incentive Law reserves

These reserves relate to retained earnings that have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes and include reserves relating to investments under incentive laws. These reserves will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital under certain conditions.

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Other reserves

Other reserves are almost entirely comprised of actuarial losses.

Other reserves include:

- Actuarial gains / (losses) on defined benefit plans resulting from a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.
- Changes in the fair value of investments that are classified as investments in equity instruments.
- Exchange differences arising on translation of foreign controlled entities, which are recognised in other comprehensive income. The cumulative amount is reclassified to the profit or loss when the net investment is disposed of.

17 Trade and other payables

	As at	
	31 December 2021	31 December 2020
Trade payables	1.667.358	1.280.228
Accrued expenses	312.751	174.998
Other payables	113.698	104.272
Total	**2.093.807**	**1.559.498**

(All amounts in Euro thousands unless otherwise stated)

Restatement: An amount of €12,6 million in 2020 which relates to OKTA provision for a customs litigation case (Note 34) was reclassified from long-term provisions (Note 22) to short-term provisions in other payables of trade and other payables to reflect a more accurate classification.

Trade payables are comprised of amounts payable or accrued in respect of supplies of crude oil, products, and services.

Trade payables, as at 31 December 2021 and 31 December 2020, include amounts in respect of crude oil imports from Iran, which were received between December 2011 and March 2012 as part of a long-term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes through the international banking system between January and June 2012, it has not been possible to do so. In the period from 16 January 2016 up to 8 May 2018, when sanctions were suspended, the Group successfully made several payments against a significant part of these amounts. Following the re-imposition of relevant sanctions by the United States, no deliveries of Iranian crude oil or payments have taken place since 8 May 2018.

Accrued expenses as of 31 December 2021, include an amount of €227 million (31 December 2020: €104 million) relating to the estimated cost of the CO_2 emission rights, necessary to meet the Group's deficit as of 31 December 2021, following also the monetization of CO_2 certificates disposed by the Group in July 2021.

Accrued expenses also relate to accrued interest, payroll related accruals and accruals for operating expenses not yet invoiced.

Other payables include amounts in respect of payroll related liabilities, social security obligations and sundry taxes.

18 Interest bearing loans and borrowings

	As at	
	31 December 2021	31 December 2020
Non-current interest bearing loans and borrowings		
Bank borrowings	28.208	43.711
Bond loans	894.598	1.496.086
Eurobonds	593.725	591.574
Total non-current interest bearing loans and borrowings	**1.516.531**	**2.131.371**
Current interest bearing loans and borrowings		
Short term bank borrowings	589.298	399.565
Bond Loans	882.256	99.834
Eurobonds	-	200.718
Current portion of long-term bank borrowings	2.939	44.444
Finance leases - current portion	-	-
Total current interest bearing loans and borrowings	**1.474.493**	**744.562**
Total interest bearing loans and borrowings	**2.991.024**	**2.875.932**

(All amounts in Euro thousands unless otherwise stated)

Non-current interest bearing loans and borrowings mature as follows:

	As at	
	31 December 2021	31 December 2020
Between 1 and 2 years	797.533	867.335
Between 2 and 5 years	703.251	1.264.036
Over 5 years	15.747	0
	1.516.531	**2.131.371**

The respective amounts of contractual (undiscounted) cash flows, which include capital and interest are disclosed in Note 3.1.

The weighted average effective interest rates are as follows:

		As at	
Borrowings	Currency	31 December 2021	31 December 2020
Short-term			
- Floating Euribor + margin	Euro	2,47%	2,60%
- Floating Libor + margin	US Dollar	2,40%	2,40%
- Floating Belibor + margin	Serbian Dinar	1,45%	1,45%
- Floating Reference Rate + margin	Bulgarian Lev	1,21%	1,10%
- Fixed coupon	Euro	-	4,88%
Long-term			
- Floating Euribor + margin	Euro	2,64%	2,58%
- Floating Libor + margin	US Dollar	-	-
- Floating Reference Rate + margin	Bulgarian Lev	-	0,25%
- Fixed coupon	Euro	2,00%	2,00%

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at	
	31 December 2021	31 December 2020
Euro	2.956.532	2.823.179
US Dollar	9.792	11.933
Serbian Dinar	4.763	10.288
Bulgarian Lev	19.937	30.532
Total interest bearing loans and borrowings	**2.991.024**	**2.875.932**

The Group has centralized treasury operations which coordinate and control the funding and cash management activities of all group companies. Within this framework, HELLENIC PETROLEUM Finance plc (HPF) was established in November 2005 in the U.K. as a wholly-owned subsidiary of HELLENIC PETROLEUM to act as the central treasury vehicle of the HELLENIC PETROLEUM Group.

Borrowings of the Group by maturity as at 31 December 2021 and 31 December 2020 are summarised in the table below (amounts in € million):

	Company	Maturity	Balance as at 31 December 2021	Balance as at 31 December 2020
1. Bond loan € 400 million	Hellenic Petroleum	Jun 2023	397	395
2. Bond loan € 400 million	Hellenic Petroleum	Dec 2022	384	384
3. Bond loan € 400 million	Hellenic Petroleum	Dec 2023	398	277
4. Bond loan € 400 million	Hellenic Petroleum	Nov 2022	399	340
5. Bond loan € 100 million	Hellenic Petroleum	Oct 2021	-	100
6. Bond loan € 100 million	Hellenic Petroleum	Sep 2022	100	99
7. Bond loan € 100 million	Hellenic Petroleum	Oct 2024	100	-
8. European Investment Bank ("EIB") Term loan	Hellenic Petroleum	Jun 2022	-	67
9. Eurobond €201m	HPF Plc	Oct 2021	-	201
10. Eurobond €599m	HPF Plc	Oct 2024	594	592
11. Project Finance 1	Aioliki Energeiaki Evoias S.A.	Dec 2033	12	-
12. Project Finance 1	Aioliki Energeiaki Achladotopos S.A.	Dec 2030	19	-
13. Credit facility €40m	EKO Bulgaria	Dec 2022	11	21
14. Bilateral lines	Various	Various	578	400
Total			**2.991**	**2.876**

Refer to 'Liquidity Risk Management' (Note 3.1c) for an analysis of the Group's refinancing plans regarding the facilities falling due in 2022.

No loans were in default as at 31 December 2021 (none as at 31 December 2020).

Significant movements in borrowings for the year ended 31 December 2021 are as follows:

Bond loan €400 million maturing in December 2023

In January 2015, HELLENIC PETROLEUM issued a €200 million revolving bond loan facility with a tenor of 3 years. The facility was refinanced in February 2018 for an increased amount of €300 million and a tenor of 3 years. The facility was refinanced prior to its maturity date in December 2020 for an increased principal amount of €400 million and a tenor of 3 years, in accordance with the Group's liquidity risk management strategy to convert part of its short-term uncommitted credit facilities to committed medium term facilities. The outstanding amount of the loan as at 31 December 2021 was €400 million.

Bond loan €400 million maturing in November 2022

In November 2020, HELLENIC PETROLEUM issued a €400 million revolving bond loan facility with a tenor of 2 years and a 1 year extension option. The facility was used to finance the voluntary early prepayment of the $250 million Bond Loan facility maturing in June 2021 and to refinance part of short-term uncommitted credit facilities by medium term committed facilities, in line with the Group's liquidity risk management strategy. The outstanding amount of the loan as at 31 December 2021 was €400 million.

Bond Loan €100 million matured in October 2021

In April 2020, in line with the Group's liquidity risk management strategy to increase the amount of its committed medium-term credit term facilities in view of the Covid-19 crisis, HELLENIC PETROLEUM issued a new €100 million bond loan facility, with a tenor of 18 months. In October 2021 HELLENIC PETROLEUM fully repaid the outstanding balance of €100 million upon maturity.

Bond Loan €100 million maturing in October 2024

In October 2021 HELLENIC PETROLEUM issued a new €100 million revolving bond loan facility with a tenor of 3 years. The outstanding balance as at 31 December 2021 was €100 million.

Bond Loan €150 million maturing in October 2023

In October 2021 HELLENIC PETROLEUM issued a new €150 million revolving bond loan facility with a tenor of 2 years. The Group did not proceed to drawdown as at 31 December 2021.

EIB Term loans maturing in June 2022

In May 2010, HELLENIC PETROLEUM signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment program related to the upgrade of the Elefsina Refinery. Both loans had a maturity of twelve years and a 3 year grace period as well as similar terms and conditions. Facility B was credit enhanced by a commercial bank guarantee until February 2018 (this is normal lending practice for EIB particularly during the construction phase of large projects). Total repayments on both loans up to 31 December 2020 amounted to €333 million (€44 million paid during 2020). In December 2021 HELLENIC PETROLEUM fully repaid the outstanding balance of €66 million (of which €44 million upon maturity and €22 million as a voluntary prepayment).

Eurobond €201 million matured in October 2021

In October 2016, HELLENIC PETROLEUM PLC issued a €375 million 5 year 4.875% Eurobond guaranteed by HELLENIC PETROLEUM with the issue price being 99.453 per cent. of the principal amount. The proceeds of the issue were used to repay existing financial indebtedness including a partial prepayment of a €500 million Eurobond maturing in May 2017. The latter was affected via a tender offer process where notes of nominal value of €225 million were accepted. In July 2017, HELLENIC PETROLEUM Finance PLC fully issued a notional amount of €74.53 million of notes guaranteed by HELLENIC PETROLEUM maturing in October 2021 which were consolidated and form a single series with the €375 million 4.875% guaranteed notes as per above. The notes were partially prepaid in October 2019 with the proceeds of a new Eurobond issue of €500 million 5 year Eurobond. In October 2021 HELLENIC PETROLEUM Finance PLC fully repaid the outstanding balance of €201 million upon maturity.

Project Finance 1 – Evia Wind Power S.A.

In December 2021, the Group acquired Evia Wind Power S.A. and assumed all assets and liabilities including a Project finance loan maturing in December 2033. The outstanding balance as at 31 December was €12 million.

Project Finance 2 – Achladotopos Wind Power S.A.

In December 2021, the Group acquired Achladotopos Wind Power S.A. and assumed all assets and liabilities including a Project finance loan maturing in December 2030. The outstanding balance as at 31 December was €19 million.

Bilateral facilities

In December 2021, HELLENIC PETROLEUM increased the credit line of one of its short-term bilateral facilities by €50 million to €200 million. The outstanding balance as at 31 December 2021 was €150 million.

The Group companies maintain committed and uncommitted credit facilities with various banks to finance general corporate needs which are renewed in accordance with the Group's finance needs. The facilities mainly comprise of short-term loans of the parent company. During 2021, the Group achieved further improvements in the cost base of the facilities.

Billateral facilities also include factoring facilities with recourse amounting to €65 million (31 December 2020: €56 million)

The table below presents the changes in Borrowings arising from financing activities:

	1 January 2021	Cash flows - borrowings (inflows)	Cash flows - borrowings through acquisition of subsidiary (inflows)	Cash flows - borrowings (outflows)	Cash flows - fees	Foreign exchange movement	Non cash movements	31 December 2021
	€000	€000	€000	€000	€000	€000	€000	€000
Current interest-bearing loans and borrowings	**744.561**	334.059	-	(474.051)	(4.625)	-	874.549	**1.474.493**
Non-current interest-bearing loans and borrowings	**2.131.371**	220.000	32.561	-	(750)	-	(866.651)	**1.516.531**
Total	**2.875.932**	**554.059**	**32.561**	**(474.051)**	**(5.375)**	**-**	**7.898**	**2.991.024**

	1 January 2020	Cash flows - borrowings (inflows)	Cash flows - borrowings through acquisition of subsidiary (inflows)	Cash flows - borrowings (outflows)	Cash flows - fees	Foreign exchange movement	Non cash movements	31 December 2020
	€000	€000	€000	€000	€000	€000	€000	€000
Current interest-bearing loans and borrowings	**1.022.270**	214.347	-	(445.088)	(827)	-	(46.141)	**744.561**
Non-current interest-bearing loans and borrowings	**1.610.094**	1.204.900	-	(717.613)	(4.081)	(15.291)	53.362	**2.131.371**
Total	**2.632.364**	**1.419.247**	**-**	**(1.162.701)**	**(4.908)**	**(15.291)**	**7.221**	**2.875.932**

Certain loan facilities amounting to €31 million as of 31 December 2021 and associated with the two subsidiaries acquired by the Group during December 2021 (Evia Wind Power S.A. and Achladotopos Wind Power S.A.), include financial covenants, for the maintenance of certain ratios applicable only to the respective entities and certain pledges (including the companies' fixed assets and certain cash accounts). Management monitors the performance of these subsidiaries to ensure compliance with the above covenants.

(All amounts in Euro thousands unless otherwise stated)

19 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

		31 December 2021	31 December 2020
As at 1 January	**Note**	**201.136**	**199.894**
Additions		19.935	22.244
Derecognition		(3.248)	(440)
Modification		16.338	14.753
Interest Cost	**28**	10.090	10.914
Repayment (capital and interest)		(42.166)	(44.477)
Foreign exchange difference		1	(4)
Other		(291)	(1.748)
As at 31 December		**201.795**	**201.136**
Current		**29.499**	**30.240**
Non-current		**172.296**	**170.896**

The following are the amounts recognized in the consolidated statement of comprehensive income:

	Note	2021	2020
Depreciation expense for right-of-use assets	**7**	40.472	42.741
Interest expense on lease liabilities	**28**	10.090	10.914
Expense relating to short-term leases		1.094	1.304
Expense relating to leases of low-value assets		33	42
Variable lease payments		508	234
Total amount recognised in statement of comprehensive income		**52.197**	**55.235**

The maturity table of the undiscounted cash flows of the lease liabilities is presented in Note 3.1.

20 Deferred income tax

Deferred income 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 taxes relate to the same fiscal authority.

The amounts as presented in the consolidated statement of financial position are as follows:

	As at	
	31 December 2021	31 December 2020
Deferred income tax assets	75.702	72.161
Deferred income tax liabilities	(89.478)	(32.572)
	(13.776)	**39.589**

(All amounts in Euro thousands unless otherwise stated)

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

	As at	
	31 December 2021	31 December 2020
As at 1 January	**39.589**	**(154.137)**
Income statement charge	(60.141)	192.367
Charged / (released) to equity	4.548	1.388
Restatement of equity (IAS 19 - Note 21)	903	-
Other movements	1.325	(29)
As at 31 December	**(13.776)**	**39.589**

Deferred tax relates to the following types of temporary differences:

	As at	
	31 December 2021	31 December 2020
Intangible and tangible fixed assets	(231.702)	(239.699)
Inventory valuation	11.031	11.696
Unrealised exchange gains	(5.120)	713
Employee benefits provision	43.417	45.278
Provision for bad debts	33.002	39.772
Derivative financial instruments at fair value	(20.099)	(1.274)
Interest cost carried forward (thin capitalisation)	39.103	24.769
Tax losses carried forward	48.726	137.583
Environmental provisions	46.846	3.603
Impairment of investments	15.762	12.101
Unearned profit in stock	496	1.690
Other temporary differences relating to provisions and accruals	3.978	3.352
Leases (IFRS 16)	783	4
End of year	**(13.776)**	**39.589**

Deferred tax assets relating to tax losses carried forward are recognised if it is probable that they can be offset against future taxable profits. As at 31 December 2021, the Group's deferred tax assets on tax losses carried forward amounted to €49 million (31 December 2020: €138 million) and, on the basis of the approved business plan, the Group considers it is probable that these can be offset against future taxable profits. Tax losses can be carried forward for use depending on tax laws applicable at each tax jurisdiction, in Greece tax losses can be carried forward for a maximum of five years.

In 2014, thin capitalization rules as per art. 49 of law 4172/2013 were applied for the first time, whereby the net interest expense is deductible up to a certain percentage of tax EBITDA (60% for 2014, 50% for 2015, 40% for 2016 and 30% thereafter). This resulted in a deferred tax asset of €39 million as at 31 December 2021 (31 December 2020: €25 million), which can be offset against future taxable profits without any time constraints.

(All amounts in Euro thousands unless otherwise stated)

21 Retirement benefit obligations

The table below outlines where the Group's retirement benefit amounts and activity are included in the financial statements.

	As at	
	31 December 2021	31 December 2020
Statement of Financial Position obligations for:		
Pension benefits	210.736	194.887
Liability in the Statement of Financial Position	**210.736**	**194.887**

	For the year ended	
	31 December 2021	31 December 2020
Statement of Comprehensive Income charge for:		
Pension benefits	21.212	12.053
Total as per Statement of Comprehensive Income	**21.212**	**12.053**
Statement of Other Comprehensive Income charge for:		
Pension benefits	17.876	9.643
Tax	(2.622)	(2.262)
Total as per Statement of Other Comprehensive Income	**15.254**	**7.381**

The amounts recognised in the Statement of Financial Position are as follows:

	As at	
	31 December 2021	31 December 2020
Present value of funded obligations	33.014	30.108
Fair value of plan assets	(11.975)	(11.979)
Deficit of funded plans	**21.039**	**18.129**
Present value of unfunded obligations	189.698	176.759
Liability in the Statement of Financial Position	**210.736**	**194.887**

The Group operates defined benefit pension plans in Greece, Bulgaria, Serbia, North Macedonia, Montenegro and Cyprus. The level of benefits provided depend on members' length of service and remuneration. The majority of the plans are unfunded, however there are certain plans in Greece and Cyprus that have plan assets.

Effect of change in accounting policy - IAS 19

The IFRS Interpretations Committee (IFRIC) issued in May 2021 the final Decision on the agenda entitled "Attributing Benefits to Periods of Service in accordance with International Accounting Standard (IAS) 19", which includes guidance on how to distribute benefits in periods of service on a specific program of defined benefits.

Based on the above Decision, the way in which the basic principles of IAS 19 were generally applied in Greece in the past changed and consequently, in accordance with IASB Due Process Handbook (par. 8.6) entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies accordingly.

(All amounts in Euro thousands unless otherwise stated)

Until the issuance of the IFRIC Decision, the Group applied IAS 19 distributing the benefits defined by the respective law (L.2112 / 1920, and its amendment L.4093 / 2012) mainly in the period from the reqruitment until the date of retirement of employees.

The application of this final Decision in the consolidated financial statements, has as a result the distribution of the retirement benefits in the final years until the date of retirement of employees in accordance with the applicable legal framework and the other additional contractual obligations of the Group's subsidiaries in accordance with their respective collective labor agreements.

As a result, the application of the above Decision has been treated as a change in accounting policy. Management having considered the guidance provided by IASB's "IFRS Practice Statement 2 Making Materiality Judgements", have determined that the impact of the retrospective application of the above IFRIC Decision in not material for any of the lines of the comparative statement of financial position affected (Retirement benefit obligation, Retained earnings or Deferred income tax assets and liabilities) and therefore applied it from the beginning of the current period and not retrospectively by restating the comparatives. The effect of the application of the IFRIC Decision is presented in the below table:

Extract from the consolidated statement of financial position

	As at 31 December 2020 as published	Effect of change in IAS 19	As at 1 January 2021 after the effect of IAS 19
Non current assets			
Deferred income tax assets	72.161	(423)	71.738
Equity			
Retained earnings	492.457	(2.976)	489.481
Non current liabilities			
Deferred income tax liabilities	32.572	(1.318)	31.254
Retirement benefit obligations	194.887	3.871	198.758

The table below presents an extract of the consolidated statement of financial position assuming that the change in IAS 19 had been applied as of 1 January 2020:

	As at 31 December 2019 as published	Effect of change in IAS 19	As at 1 January 2020 after the effect oF IAS 19
Non current assets			
Deferred income tax assets	59.358	(341)	59.017
Equity			
Retained earnings	964.972	(3.013)	961.959
Non current liabilities			
Deferred income tax liabilities	213.495	(1.247)	212.248
Retirement benefit obligations	180.398	3.919	184.316

(All amounts in Euro thousands unless otherwise stated)

If the change in IAS 19 had been applied as of 1 January 2020, this would have resulted in an additional loss before tax for the year ended 31 December 2020 of 0,4 million as well as additional 0,3 million actuarial gains in other comprehensive income.

The movement in the defined benefit obligation is as follows:

	Present Value of Obligation	Fair Value of Plan Assets	Total
As at 1 January 2020	**191.878**	**(11.479)**	**180.398**
		`	
Current service cost	9.069	-	9.069
Interest expense/(income)	1.866	(97)	1.769
Past service costs and (gains)/losses on settlements	1.215	-	1.215
Statement of comprehensive income charge (P&L)	**12.150**	**(97)**	**12.053**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest (income)/ expense	-	(241)	(241)
- (Gain)/loss from change in demographic assumptions	(9)	-	(9)
- Loss/ (Gain) from change in financial assumptions	6.828	-	6.828
- Experience (gains)/losses	3.071	(6)	3.065
Statement of comprehensive income charge (OCI)	**9.890**	**(247)**	**9.643**
Other movements/ Reclassifications	(5.388)	(1.319)	(6.707)
Benefits paid directly by the group/Contributions paid by the group	(1.663)	1.175	(488)
Benefit payments from the plan	12	(12)	-
Settlement payments from the plan	(12)	-	(12)
As at 31 December 2020	**206.867**	**(11.979)**	**194.887**
Effect of changes in accounting policy (IAS 19)	3.871	-	3.871
As at 1 January 2021	**210.738**	**(11.979)**	**198.758**
		`	
Current service cost	10.189	-	10.189
Interest expense/(income)	1.561	(55)	1.506
(Gains)/losses on settlements	8.850	-	8.850
Past service costs	667	-	667
Statement of comprehensive income charge (P&L)	**21.267**	**(55)**	**21.212**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest (income)/ expense	-	(506)	(506)
- (Gain)/loss from change in demographic assumptions	344	-	344
- Loss/ (Gain) from change in financial assumptions	13.248	-	13.248
- Experience (gains)/losses	4.806	(16)	4.790
Statement of comprehensive income charge (OCI)	**18.398**	**(522)**	**17.876**
Benefits paid directly by the group/Contributions paid by the group	(26.107)	(1.000)	(27.107)
Benefit payments from the plan	(1.592)	1.592	-
Contributions paid by employees	11	(11)	-
Settlement payments from the plan	(3)	-	(3)
As at 31 December 2020	**222.712**	**(11.975)**	**210.736**

(All amounts in Euro thousands unless otherwise stated)

The expected maturity analysis of undiscounted pension benefits is as follows:

Balance at 31 December 2021	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Pension Benefits	16.483	23.821	39.907	160.945	**241.156**

Plan assets are comprised as follows:

	2021				2020			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Equity Instruments	3.420	-	3.420	29%	2.138	-	2.138	18%
Debt Instruments								
- Government bonds	1.214	-	1.214	10%	1.293	-	1.293	11%
- Corporate bonds	3.999	-	3.999	33%	4.067	-	4.067	34%
Investment funds	1.437	-	1.437	12%	1.996	-	1.996	17%
Real Estate / Property	1.351	-	1.351	11%	1.386	-	1.386	12%
Cash and cash equivalents	54	500	554	5%	90	1.009	1.099	9%
Total	**11.475**	**500**	**11.975**	**100%**	**10.970**	**1.009**	**11.979**	**100%**

The principal actuarial assumptions used were as follows:

	As at 31 December 2021	31 December 2020
Discount Rate	0,84%	0,80%
Future Salary Increases	2,05% - 2,50%	1,20% - 2,50%
Inflation	2,05%	1,20%
Average future working life in years	9,92	10,84

The sensitivity of the defined benefit obligation (DBO) to changes in the weighted principal assumptions is:

	Impact on Defined Benefit Obligation		
	Change in assumption	Increase in DBO	Decrease in DBO
Discount Rate	0,5%	-4,48%	4,85%
Future Salary Increases	0,5%	4,58%	Not appicable

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

(All amounts in Euro thousands unless otherwise stated)

Expected contributions to defined benefit plans for the following year amount to €1,4 million. The weighted average duration of the defined benefit obligation is 10 years.

22 Provisions

The movement for provisions for 2021 and 2020 is as follows:

	Provisions for other liabilities and charges
At 1 January 2020	**25.625**
Charged / (credited) to the statement of comprehensive income:	
- Additional provisions	845
- Unused amounts reversed	-
- Utilized during year	(1.060)
Other movements / reclassifications	958
At 31 December 2020	**26.368**
Charged / (credited) to the statement of comprehensive income:	
- Additional provisions	1.696
- Unused amounts reversed	(116)
- Utilized during year	(23)
Other movements / reclassifications	(966)
At 31 December 2021	**26.959**

Restatement: An amount of €12,6 million in 2020 which relates to OKTA provision for a customs litigation case (Note 34) was reclassified from long-term provision to short-term provisions in other payables of trade and other payables (Note 17) to reflect a more accurate classification.

Long-term provisions as at 31 December 2021 mainly comprise of provision for environmental estoration costs of €16 million (31 December 2020: €15 million) and litigation provision of €11 million (31 December 2020: €11 million).

23 Other non-current liabilities

	As at	
	31 December 2021	31 December 2020
Government grants	8.831	9.556
Trade and other payables	18.970	18.401
Total	**27.801**	**27.957**

Government grants

Advances by the Government to the Group's entities relate to grants for the purchase of property plant and equipment. Amortisation for 2021 amounted to €662 thousand (31 December 2020: €1,1 million).

Trade and other payables

Trade and other payables, non-current are comprised of cash guarantees received from petrol station dealers/ managers of the Group's retail companies in order to ensure that contract terms and conditions are met.

24 Derivative financial instruments

Derivatives at FVTPL

	31 December 2021				31 December 2020			
Commodity derivative type	Notional Amount		Assets	Liabilities	Notional Amount		Assets	Liabilities
	MT'000	Bbls'000	€	€	MT'000	Bbls'000	€	€
Commodity Swaps - EUAs	2.400	-	92.143	-	*3.140*	-	*2.433*	-
Commodity Swaps - Crude and other oil products	34	1.680	-	1.428	120	2.000	-	4.635
Total	2.434	1.680	92.143	1.428	3.260	2.000	2.433	4.635

Derivatives designated as cash flow hedges

	31 December 2021				31 December 2020			
Commodity derivative type	Notional Amount		Assets	Liabilities	Notional Amount		Assets	Liabilities
	MT'000	Bbls'000	€	€	MT'000	Bbls'000	€	€
Commodity Swaps - Crude and other oil products	-	230	-	786	-	7.514	7.512	-
Interest rate swaps	-	-	-	860	-	-	-	-
Total	-	230	-	1.646	-	7.514	7.512	-
Grand Total	2.434	1.910	92.143	3.074	3.260	9.514	9.945	4.635

	31 December 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
Non-current portion				
Commodity swaps	-	860	-	-
	-	860	-	-
Current portion				
Commodity swaps	92.143	2.214	9.945	4.635
	92.143	2.214	9.945	4.635
Total	92.143	3.074	9.945	4.635

As of 31 December 2021, derivative financial instruments include a liability amounting to €0,9 million associated with a loan owed by the Group’s subsidiary Aioliki Energeiaki Achladotopos S.A., acquired during December 2021, which has entered into a derivative transaction to hedge the cash flow risk resulting from changes in the interest rates.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the accounting hedging criteria, they are classified as ‘held for trading’ for accounting purposes.

Derivatives held for trading include commodity swaps for EUAs (see Note 3 and 17).

Derivatives designated as cash flow hedges

During the year ended 31 December 2021 amounts transferred to the statement of comprehensive income, relating to contracts that were settled during the year, amounted to a gain of €31,8 million, net of tax (31 December 2020: €25,1 million loss, net of tax).

The remaining cash flow hedges are highly effective and the movement in their fair value, amounting to a gain of €25 million net of tax as at 31 December 2021, (2020: €22 million loss, net of tax), is included in the hedging reserve (see Note 16).

(All amounts in Euro thousands unless otherwise stated)

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

25 Expenses by nature

	For the year ended	
	31 December 2021	31 December 2020
Raw materials and consumables used	7.741.829	5.230.161
Employee costs	298.664	286.016
Depreciation	248.833	239.261
Amortisation	8.116	8.717
Transportation and warehouse costs	117.214	98.204
Production overheads	226.476	90.493
SWAPS gains / (losses)	(37.312)	40.559
Stock devaluations	574	6.144
Other expenses	220.309	292.035
	8.824.703	**6.291.590**
Expenses capitalised in assets under construction	-	(21.000)
Total cost of sales, distribution cost and administrative expenses	**8.824.703**	**6.270.590**

Other expenses mainly comprise items relating to maintenance & site expenses, insurance costs, provision for impairment of receivables, corporate social responsibility costs, third party services (consultancy & legal) expenses, IT costs and advertising and promotion costs.

“SWAPS gains / (losses)” comprise the total amounts included in comprehensive income for derivatives at fair value through profit or loss whether realized or unrealized and the effect of recycling for derivatives held for hedging (Note 3 and 24).

The fees of Ernst & Young concerning the permissible non audit services which have been preapproved by the Audit Committee of the Group during 2021, amount to €217,5 thousand.

Employee costs

Employee costs are set out in the table below:

	For the year ended	
	31 December 2021	31 December 2020
Wages and salaries	202.996	201.532
Social security costs	45.008	47.744
Pension costs	12.959	11.073
Other employment benefits	37.701	25.667
Total	**298.664**	**286.016**

Other employment benefits include medical insurance, catering and transportation expenses.

(All amounts in Euro thousands unless otherwise stated)

26 Exploration and development expenses

Geological and geophysical costs are expensed as incurred (31 December 2021: €3,6 million and 31 December 2020: €5,5 million) and relate mainly to exploration operations including environmental and geological studies in the Patraikos Gulf, Arta –Preveza onshore Block, NW Peloponnese onshore Block, Block 2, Ionio, Block 10, SW Crete and West Crete.

Exploration license costs relating to Patraikos, Arta Preveza, NW Peloponnese, Block 2, SW Crete, West Crete, Ionio and Block 10 have been capitalized within intangible assets and are amortised over the term of the exploration period for each block (Note 8).

27 Other operating income / (expenses) and other gains / (losses)

Other operating income / (expenses) and other gains / (losses) are analysed as follows:

	Note	For the year ended	
		31 December 2021	31 December 2020
Other operating income and other gains			
Income from Grants	27	830	1.110
Services to 3rd parties		3.297	2.851
Rental income		7.117	8.206
Insurance compensation		158	171
Gains on disposal of non-current assets		3.150	2.635
Gains from discounting of long-term receivables and liabilities		3.627	1.724
Other		18.186	36.690
Total		**36.365**	**53.387**
Other operating expenses and other losses			
Covid-19 related expenses		14.274	26.294
Loss on disposal of non-current assets		797	1.045
Impairment of fixed assets	6	1.834	5.422
Loss from discounting of long-term receivables and liabilities		1.307	7.964
Other		11.759	19.741
Total		**29.971**	**60.466**

Other operating income / (expenses) and other gains / (losses) include amounts which do not relate to the trading activities of the Group.

Other category in other operating income includes various items of a non-trading nature, the most significant of which relates to Repsol's exit clause payment (Ionio Block) of €2,6 million (Note 35), reversal of unutilised provision balances of €5,3 million (31 December 2020: €7 million) and income from state reserve maintained for the public of North Macedonia €3,1 million (31 December 2020: €2,9 million).

(All amounts in Euro thousands unless otherwise stated)

Other category in other operating expenses includes €3,2 million for a litigation provision of OKTA (31 December 20: €12,7 million – see Note 34) as well as €2,4 million legal and consulting fees for services in relation to Kozani's project.

Covid-19 related expenses of 14,2 million (31 December 2020: €26,3 million) comprise of €6,1 million (31 December 2020: €6,8 million) payroll costs mainly related to required modifications in the working shifts in the refineries, €6,7 million for protective measures in Group's premises (31 December 2020: €5,1 million) and €1,5 million related to other expenses related to Covid-19 (31 December 2020: €6 million). In Addition, an amount of €8,4 million relate to donations to the health-care system at the period ended on 31 December 2020.

Rental income relates to long term rental of petrol stations, let to dealers.

28 Finance income / (expense)

	For the year ended	
	31 December 2021	31 December 2020
Interest income	5.466	5.646
Interest expense	(75.961)	(89.457)
Other finance costs	(25.538)	(20.363)
Lease finance cost	(10.090)	(10.914)
Finance costs -net	**(106.123)**	**(115.088)**

Finance costs amounting to €3,7 million (31 December 2020: €3,1 million) have been capitalised (Note 6).

29 Currency exchange gains / (losses)

Foreign currency exchange gains of €16 million for the year ended 31 December 2021 mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly USD). The corresponding amount for the year ended 31 December 2020 was a loss of €5 million.

30 Income tax expense

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

	For the year ended	
	31 December 2021	31 December 2020
Current tax	(8.193)	(5.539)
Prior year tax	2.418	(1.727)
Deferred tax (Note 19)	(60.141)	192.367
Income Tax (expense) / credit	**(65.916)**	**185.101**

(All amounts in Euro thousands unless otherwise stated)

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

	For the year ended					
	31 December 2021			31 December 2020		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Share of other comprehensive income of associates	(3.930)	-	(3.930)	1.440	-	1.440
Investment in equity instruments	(193)	(156)	(349)	(397)	88	(309)
Cash flow hedges	(8.903)	2.082	(6.821)	4.038	(969)	3.069
Currency translation differences	97	-	97	145	-	145
Actuarial gains/ (losses) on defined benefit pension plans	(17.876)	2.622	(15.254)	(9.651)	2.270	(7.381)
Other comprehensive income	**(30.805)**	**4.548**	**(26.257)**	**(4.425)**	**1.389**	**(3.036)**

The corporate income tax rate of legal entities in Greece for 2021 is 22% (31 December 2020: 24%). This was enforced according to the provisions of Law 4799/2021, issued in May 2021, where the corporation income tax rate was amended to 22%, effective from tax year 2021 onwards.

The deferred tax charge of €60,1 million included within income taxes mainly relates to the utilization of tax losses that arose during the year ended 31 December 2020 and utilized during the current year. As at 31 December 2021 the deferred tax asset on tax losses carried forward amounts to €48,7 million (31 December 2020: €137,6 million). The tax losses carried forward can be utilized up to 2025. The deferred tax credit within income taxes for the previous year, mainly relates to tax losses arising during the year ended 31 December 2020 and carried forward. They amounted to € 137,1 million and are expected to be fully utilised during a period of five years.

In accordance with thin capitalization rules the net interest expense is deductible up to a certain percentage of tax EBITDA. This resulted in a deferred tax asset of €39,1 million as at 31 December 2021 (31 December 2020: €24,8 million), which can be offset against future taxable profits without any time constraints, following relevant conditions.

In accordance with the applicable tax provisions, tax audits in Group companies are conducted as follows:

a. Audits by Certified Auditors - Tax Compliance Report

Effective from fiscal years ending 31 December 2011 onwards, Greek companies meeting certain criteria can obtain an "Annual Tax Compliance Report" as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013, as of 2014, from their statutory auditor in respect of compliance with tax law. The issuance of a Tax Compliance Report under certain conditions, substitutes the full tax audit by the tax authorities, however the tax authorities reserve the right of future tax audit taking into consideration the statute of limitation provisions.

All Group companies based in Greece have received unqualified Tax Compliance Reports by their respective statutory auditor for fiscal years up to 2020 inclusive. The management expects that the same will also apply for the year ended 31 December 2021.

(All amounts in Euro thousands unless otherwise stated)

b. Audits by Tax Authorities

Income tax years of the parent company and its most significant subsidiaries audited by the tax authorities are set out below:

Company name	
HELLENIC PETROLEUM	Financial years up to (and including) 2011 and financial year 2014
EKO SA	Financial years up to (and including) 2010
HELLENIC FUELS & Lubricants SA (former HELLENIC FUELS SA)	Financial years up to (and including) 2011

According to the general provisions, fiscal years up to (and including) 2015 are time-barred.

It is also noted that EKO S.A. and Hellenic Fuels & Lubricants S.A. (former Hellenic Fuels S.A.) were merged in 2016 (transformation balance sheet as on 31/12/2015).

Notwithstanding the possibility of future tax audits, Group management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognised in the consolidated financial statements as of 31 December 2021 (Note 34).

As of 31 December 2021, the income tax receivables include amounts of €14,0 million advanced by the Group, relating to uncertain tax positions (as explained in Notes 2.21, 4 and 34) relating to income taxes and related interest and penalties (31 December 2020: €32,1 million). The timing of the finalization of these disputes cannot be estimated and the Company has classified these amounts as current assets.

Numerical reconciliation of Group Income tax expense to prima facie tax payable:

	For the year ended	
	31 December 2021	31 December 2020
Profit/(loss) before tax	**407.073**	**(581.716)**
Tax (expense) at Greek corporation tax rate of 22% (2020: 24%)	(89.556)	139.612
Difference in overseas tax rates	3.868	1.746
Tax exempt results of shipping companies	175	484
Tax on expenses not deductible for tax purposes	(9.367)	39.832
Adjustments to Deferred tax due to changes in tax rate	(2.371)	-
Utilization of previously unrecognized tax losses	161	2.337
Tax losses for which no deferred income tax was recognised	(4.676)	(6.303)
Adjustments for deferred tax of prior periods	2.589	1.159
Tax on income from associates not subject to corporate tax	21.265	7.158
Adjustment for prior year taxes	3.879	(1.566)
Other	8.117	641
Tax (Charge) / Credit	**(65.916)**	**185.101**
Effective tax rate	**16,2%**	***(31,8)%***

31 Earnings / (losses) per share

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period, excluding the weighted average number of treasury shares (Note 15). As of 31 December 2021 and 31 December 2020, there are no potential diluting events and consequently diluted earnings per share equal basic earnings per share.

	For the year ended	
	31 December 2021	31 December 2020
Earnings per share / (Loss) attributable to the Company Shareholders (expressed in Euro per share):	1,10	(1,30)
Net income/ (Loss) attributable to ordinary shares (Euro in thousands)	337.444	(395.827)
Weighted average number of ordinary shares	305.635.185	305.635.185

32 Dividends per share

On 27 February 2020, the Board of Directors proposed to the AGM the distribution of a final dividend of €0,25 per share for the year ended 2019, which was approved by the AGM on 24 June 2020. The total final dividend for 2019, amounts to €76,4 million and was paid in July 2020.

At its meeting held on 25 February 2021, the Board of Directors decided to propose to the AGM a final dividend €0,10 per share for the financial year 2020, , which was approved by the AGM on 30 June 2021. The dividend amounts to €30,6 million and was paid in July 2021.

At its meeting held on 24 February 2022, the Board of Directors decided to propose an amount of €0,30 per share from prior year retained earnings as well as to propose to the AGM a final dividend of €0,1 per share for the financial year 2021. The total dividend amounts to €122,3 million. The final dividend for the financial year 2021 is subject to approval by the AGM on 9 June 2022.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend or an additional special dividend during 2022.

(All amounts in Euro thousands unless otherwise stated)

33 Cash generated from operations

	Note	For the year ended 31 December 2021	31 December 2020
Profit/ (loss) before tax		407.073	(581.716)
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	6,7	249.280	247.272
Amortisation and impairment of intangible assets	8	9.485	8.717
Amortisation of grants	27	(830)	(1.110)
Finance costs - net	28	106.233	115.088
Share of operating profit of associates	9	(96.660)	(29.827)
Provisions for expenses and valuation charges	17	216.409	140.003
Foreign exchange gains	29	(16.245)	(4.950)
(Gains)/ Losses from discounting of long-term receivables and liabilities	27	(2.320)	6.240
Gains / (losses) on assets held for sale		(205)	54
(Gains) / losses on sales of property, plant and equipment	27	(2.353)	(1.590)
		869.867	(101.819)
Changes in working capital			
(Increase) / decrease in inventories		(690.373)	315.524
(Increase) / decrease in trade and other receivables		(144.076)	192.071
Increase / (decrease) in trade and other payables		226.924	21.354
		(607.526)	528.949
Net cash generated from operating activities		262.342	427.130

34 Contingencies and litigation

The Group has contingent liabilities in respect of bank and other guarantees provided and other matters arising in the ordinary course of business, the most significant of which are disclosed below:

(a) Business issues

(i) Unresolved legal claims

The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information and the opinion of legal counsel, management believes that the final outcome will not have a significant effect on the Group’s operating results or financial position and that no additional provisions over and above provisions already reflected in the consolidated financial statements are required.

Municipalities

During the current and preceding years, a number of Municipalities proceeded with the imposition of duties and fines relating to the rights of way occupied by underground pipelines operated by the Group within the boundaries of each respective municipality. As at 31 December 2021, the total amounts imposed were €53,3 million (31 December 2020: €39.4 million). In order to appeal against these, and in accordance with the legislation, the Group has paid an amount of €19,4 million (31 December 2020: €14 million), which is included in Other Receivables in the consolidated financial statements. The Group has exercised all available legal recourse relating to these cases and Group Management have assessed that it is most probable that the outcome of all appeals will be favourable.

During the current and preceding years, the Municipality of Aspropyrgos proceeded with the imposition of duties and fines relating to the rights of way occupied by underground pipelines operated by EAKAA in which HELLENIC PETROLEUM owns 50% of the share capital and consolidates through the equity method. As at 31 December 2021, the total amounts imposed were €6,7 million (31 December 2020: €6.7 million). EAKAA has exercised all available legal recourses relating to these cases and the company's Management have assessed that it is most probable that the outcome of the current process will be favorable.

Competition commission

In 2008, the Competition Commission (CC) imposed a penalty to BP Hellas S.A. (BP) amounting to € 30 million. On 24 December 2008, BP appealed against the CC Decision before the Athens Appellate Administrative Court and obtained suspension of enforcement for the amount of €28 million. Said Court, by virtue of Decision No. 1494/2011 sustained the appeal and cancelled the penalty. On 26 October 2011 the CC appealed against the above Decision before the Supreme Administrative Court (Conseil d' Etat), which rendered its Decision No. 1770/2019, by virtue of which it has sustained the appeal of the CC and annulled the Decision of the Appellate Court, before which the case is tried anew. The relevant hearing took place, after postponement, on 22 October 2020. On 2 November 2021, the Court rendered its decision by virtue of which the company's appeal has been sustained and the penalty of the CC has been cancelled in its entirety.

Other business issues

During 2020, the Group received a credit note from DEPA S.A., amounting to € 7,3 million, following a court decision on its action against Botas Petroleum Pipeline Corporation ("Botas") and subject to the condition that if the outcome of Botas appeal against the above decision is favorable for the counterparty the above amount will be recalled by DEPA S.A. The Group believes that the likelihood of such an event is less than probable and therefore has not raised a respective provision.

(ii) Guarantees

The parent Company has provided guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group. The outstanding amount of these as at 31 December 2021 was the equivalent of €783 million (31 December 2020: €1,006 million). Out of these, €676 million (31 December 2020: €903 million) are included in consolidated borrowings of the Group and are presented as such in the consolidated financial statements.

As at 31 December 2021, the parent company has also provided bank guarantees in favour of subsidiaries and associates of the Group amounting to €19 million (31 December 2020: €20,3 million) and €15,6 million (31 December 2020: €8,5 million) respectively, and corporate guarantees amounting to €7,9 million (31 December 2020: €11,3 million). Also, as at 31 December 2021, the intragroup corporate guarantees provided to the Custom Authorities for the transportation of energy products within the bonded warehouse regime amounted to €170,3 million (31 December 2020: €175,8 million).

(iii) International operations

The Group's international operations face a number of legal issues related mainly to changes in local permits and fines imposed by Independent Regulatory Agencies. Such cases include a dispute in connection with the local tank depots of Jugopetrol AD in Montenegro. The likelihood for an outflow of resources as a result of this case is assessed as remote. Management believes that no additional material liabilities will arise as a result of the above case over and above those recognized in the consolidated financial statements.

On the re-opening of the Commission for the Protection of Competition in Cyprus' investigation against the Petroleum companies operating there (wholesale), for the period from 1 October 2004 to 22 December 2006, on 15 November 2017 the Commission for the Protection of Competition in Cyprus imposed a fine amounting to €5 million against HELLENIC PETROLEUM Cyprus Ltd. (HPC). On 29 April 2021 the competent Court has sustained the appeal of HPC and has annulled the fine. The Commission for the Protection of Competition has appealed the decision, yet the legal advisors of HPC view is that such appeal will be rejected by the competent Court.

(b) Taxation and customs

The tax framework and practices in Greece, which determine the tax base for the transactions of the Group's main entities, may result in inherent uncertainties, due to its complexity and it being subject to changes and alternative interpretation by relevant authorities at different points in time and across different entities. As a result, there may be types of expenses or treatments for which a company may be assessed on a different basis than the one adopted during preparation of its tax return and the financial statements. Based on past experience tax audits were carried out by tax authorities on average 5-7 years after the filing of the tax return. In addition, where a tax audit results in a different view to the one adopted by a Group entity, the process for resolving the issue is usually through a court of law proceeding, which has many stages and can take a considerable number of years to reach its final and irrevocable ruling. For an entity to engage in this process, a minimum down payment of 50% of the total tax and surcharges assessed is required.

All of the above result in inherent difficulties in the determination and accounting of tax liabilities. As a result, management aims to determine its policy based on specific legislation available at the time of accounting for a transaction, obtain specialist legal and tax advice on individual cases, if required, and utilize prior tax audits experience and rulings, including relevant court decisions. This process ensures that the financial statements reflect Management's best estimates for any material tax and customs liabilities.

(i) Open tax years – Litigation tax cases

As disclosed in Note 30, tax audits for the Group's most important Greek legal entities have been completed by the Tax Authorities as follows:

- HELLENIC PETROLEUM's financial years up to and including the year ended 31 December 2015 are time-barred. The Tax audit reports for years ended 31 December 2010 and 31 December 2011 were received in December 2017 and they are subject to legal dispute by the Company. In summary, the reports assess additional taxes of € 22,5 million and penalties of €23,5 million, for items relating to stamp duty, various non-deductible expenses and other income tax adjustments. Following a detailed review of the Tax Audit Report, the Company has disputed the additional taxes imposed (which are over and above the amounts already included in the Companies' normal tax returns) and proceeded with all possible legal means and actions to appeal against these additional taxes and surcharges imposed.

  Even though the Company disputed the additional taxes and surcharges imposed, it was obliged to pay 50% of the assessed amounts (taxes and surcharges) to the Tax Authorities in order to appeal the results of the tax audits. This was paid within the applicable deadline, while the remaining amounts have been fully offset by the Authorities, with tax and other State receivables of the Company, within 2018. These amounts are included in the Income Tax Receivable balance if they relate to income tax, or in Trade and Other Receivables balance if they relate to other taxes, as the Company assesses that it will succeed in its appeals. As far as surcharges are concerned, the report has assessed amounts at 120% of the original tax instead of the applicable 50%; this is also being legally challenged by the Company.

  The relevant decisions of the Athens Administrative Court of Appeals were issued in March 2021, according to which: various non-deductible expenses and additional charges are annulled and the amount of € 18,2 million is returned to the Company, whereas, with regards to the stamp duty, the relevant appeals are partially accepted and the amount of € 3,8 million is also returned to the Company.

  The Company has filed cassation recourses to the extent that its appeals are not accepted and believes that the final outcome will be in its favor.

  Notification for audit has been received for the year ended 31 December 2012, which according to the general provisions is time-barred.

  During March 2020, a notification for audit was received, for the years 2014 up to and inclusive 2017. The audit is related to specific tax subjects and the final Tax Audit Report was received in February

2021 without findings. Moreover, during July 2020, a new notification for full audit was received for the year 2014 regarding all tax subjects. The audit is finalized and the Tax audit Reports were received in December 2020. The reports assess additional amounts of € 16,2 million, penalties of € 8,1 million and surcharges of € 9,5 million for alleged stamp duty, while various non-deductible expenses and other income tax adjustments have no payment impact, since in 2014 the Company has tax losses. Following a detailed review of the Tax Audit Reports, the Company disputes the additional amounts imposed. In January 2021 the Company followed the relevant administrative procedure against the tax assessment paying the minimum required amount of 50% of the total tax and surcharges, amounting to € 16,9 million while the remaining 50% was offset in April 2021, therefore the full charged amount is now paid. After the implicit rejection of the administrative appeals, the company has filed judicial appeals in November 2021.

The Company expects that it will succeed in its appeals and the relevant amounts will be fully recovered.

The two main retail subsidiaries in Greece, which merged during 2016, have been audited as follows:

- Former Hellenic Fuels S.A. has been audited up to and including the financial year ended 31 December 2011, while notifications for audit have been received for subsequent years up to and including 31 December 2013, which according to the general provisions are time–barred. The most recent Tax audit reports for 2010 and 2011 were delivered in December 2017, and assess additional taxes of € 1,6 million and surcharges of € 1,9 million for similar reasons as HELLENIC PETROLEUM. The process followed is identical to the one described above for HELLENIC PETROLEUM and the subsidiary has already proceeded with the relevant legal actions.

  Following the court hearing, the relevant Decisions were issued during the third quarter of 2019. With regards to the Stamp duty cases amounting to € 3,4 million, the decisions were in favor of the company and the relevant amounts were refunded to the company, whereas for the Real Estate tax dispute of 2010 amounting to € 0,1 million, which was not in favor, the company continues the legal procedure. With regards to the Income Tax, Real Estate and VAT cases of 2011, the Athens First Instance Court issued decisions in favor of the company and the relevant amounts of €0,4 mil plus the equivalent interest, are expected to be refunded to the company.

- EKO S.A. has been audited up to and including 31 December 2010, while notification for audit has been received for the fiscal year 2012, which according to the general provisions is time-barred. The most recent Tax audit reports for 2008, 2009 and 2010 were delivered in February 2018 and assess additional stamp duty of € 4,1 million and surcharges of € 3,5 million. The process followed is identical to the one described above for HELLENIC PETROLEUM and the subsidiary has already proceeded with the relevant legal actions.

  Following the court hearing, the relevant Decisions were issued during the first quarter of 2020, the decisions were in favor of the company and the relevant amounts are refunded to the company.

  As indicated above, even though the Companies dispute the additional taxes and surcharges imposed, they were obliged to pay 50% of the assessed amounts (taxes and surcharges) to the Tax Authorities in order to appeal the results of the tax audits. These were paid within the applicable deadlines, while the remaining amounts have been fully offset by the Authorities, with tax and other State receivables of the Companies, within 2018. The amounts paid and/or offset are included in the consolidated statement of financial position as Income Tax Receivable balance if they relate to income tax or in the Trade and Other Receivable balance if they relate to other taxes, as the Group assesses that it will succeed in its appeals.

Management believes that no additional material liability will arise either as a result of open tax years or from the outcome of current litigation cases over and above the tax liabilities and provisions already recognized in the consolidated financial statements for the year ended 31 December 2021. The Group has recorded down payments made for taxes and penalties assessed in previous disputes with the tax authorities in income tax receivable, to the extent that the Group has assessed that the amounts will be ultimately recoverable.

It is noted that for financial years ending 31 December 2011 up to and including 31 December 2020, the Group's Greek legal entities obtained unqualified "Annual Tax Compliance Reports" from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013. The management expects that the same will also apply for the year ended 31 December 2021.

(ii) Assessments of customs, duties and fines

Customs and stock shortages

In 2008, Customs authorities assessed additional customs duties and penalties amounting to approximately €40 million for alleged "stock shortages" during the years 2001-2005. The Group has duly filed contestations before the Administrative Court of First Instance, and Management believes that this case will have a positive outcome when the legal procedure will be concluded.

Notwithstanding the filing of the above contestations, the Customs office withheld an amount of €54 million (full payment plus surcharges) of established VAT refunds (Note 12), an action against which the Company filed two Contestations before the Administrative Courts of Athens and Piraeus. The Administrative Court of Athens ruled that the withholding effected by the Tax Office was unlawful. The appeal against the Customs Act No 935/2008 amounting at € 3,5 million, was heard at first instance, was dismissed and the Company has appealed to the Supreme Administrative Court against the decision, the hearing was set for 9 June 2021 and is postponed to 15 December 2021. In November 2020 the hearing of the Customs Act No 989/2008, amounting at €35,7 million, took place before the Administrative Court of Piraeus, the relevant decision is pending.

The Company considers that the above amounts will be recovered.

Customs – other

As at 31 December 2021 there are pending appeals against court decisions that have been filed against the Group by the State, concerning customs violations that have been carried out by petrol stations dealers and whereby the Group is considered to be jointly liable. Furthermore, a number of decisions have been issued by the Supreme Administrative Court in similar cases, which either reject the Group's appeals, or accept the State's appeals and redirect them to the Administrative Appeals Court. The total amounts imposed were €13,9 million of which €13,3 million have been paid and recognized in Other Receivables in the consolidated Financial Statements (31 December 2020: €13,3 million).

With regards to EKO S.A.'s cases, the Group has filed an appeal to the European Court of Human Rights as it assesses that the above Court decisions contradict the provisions of the European Convention on Human Rights. The European Court has notified EKO that its appeal is admissible and will be heard. In this context, Group Management assesses that the probability of a favorable outcome from the European Courts is more likely than not, which may as a result change the Supreme Administrative Court's position, which will subsequently result in a favorable outcome for the Group. For the reasons mentioned above, the Group has not raised a provision with regards to these cases.

In 2019, the customs authorities in North Macedonia, conducted an audit in OKTA, with regards to excise duties of eurodiesel imports, for the fiscal years 2014 - 2018. They are of the opinion that, excise duties related to these imports, were not correctly calculated and they issued relevant decisions for the fiscal year 2014, imposing additional amounts of € 380 thousands, which were paid in 2020. OKTA filed lawsuits within 2019, initiating administrative disputes, seeking full annulment, on grounds of substantial violations of procedural rules from the customs authorities' side, their failure to completely and correctly establish the facts of the case and to correctly apply substantive laws. From July 2020 until December 2021, the customs authorities issued new decisions for the fiscal years 2015, 2016, 2017 and 2018, imposing additional amounts of € 13,5 million. OKTA is filing lawsuits, within the relevant deadlines, seeking full annulment, for the same reasons. As at 31 December 2021, the respective provision included in the consolidated statement of financial position was € 15,9 million (31 December 2020: €12,7 million), representing the Group's best estimate of potential future cash outflows, against its exposure for these uncertain tax position. The maximum amount, which can potentially be imposed by the customs, is estimated at € 17.8 million, comprising of excise duty, interest and VAT. The Group expects that the VAT element will be fully recovered. The Group retains its position that it has acted in full compliance with all relevant laws, also as per expert's opinions received and intents to contest such decision to the ultimate judicial level, in both local and if possible, international level.

35 Commitments

(a) Capital commitments

Significant contractual commitments of the Group amount to €61 million as at 31 December 2021 which mainly relate to the photovoltaic project in the wider Kozani region as well as improvements in refining assets (31 December 2020: €154 million mainly for the photovoltaic project in the wider Kozani region and improvements in refining assets).

(b) Exploration costs

Contractual commitments of the Group for exploration costs amount to €4,3 million as at 31 December 2021 (31 December 2020: €24,5 million). The Group intends not to proceed with further exploration activities in certain onshore areas and to return the respective hydrocarbon exploration and production rights to the Hellenic Republic (Note 8). The Group has obtained legal opinion that confirms that the return of these certain licenses is in line with the contractual terms and no additional obligations arise, thus these amounts are not included in the contractual commitments disclosed above as of 31 December 2021.

(c) Letters of credit

The Group may be requested to provide bank letters of credit to suppliers in order to obtain better commercial and credit terms. To the extent that such items are already recorded as liabilities in the financial statements there is no additional commitment to be disclosed. In cases where the underlying transaction occurs after the year end, the Group is not liable to settle the letter of credit and hence no such liability exists as at the year end.

(d) Put and call option

HELLENIC PETROLEUM is counterparty to outstanding put and call option agreements to purchase oil stock from its associate OTSM. The put and call options may be exercised by either counterparty at any time before maturity under certain conditions. The fair value of these options is immaterial due to the fact that the terms of the agreements are such that the transactions will be market priced resulting in zero payoff at any time of exercise.

36 Related-party transactions

Included in the statement of comprehensive income are proceeds, costs and expenses, which arise from transactions between the Group and related parties. Such transactions are mainly comprised of sales and purchases of goods and services in the ordinary course of business.

Transactions have been carried out with the following related parties:

a) Associates and joint ventures of the Group which are consolidated under the equity method:
- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- DEPA Commercial S.A. (ex Public Gas Corporation of Greece S.A. – DEPA S.A)
- DEPA Infrastructure S.A.
- DEPA International Projects S.A.
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A. (Liquidated on April 2020)
- D.M.E.P. HOLDCO
- VLPG Plant LTD

(All amounts in Euro thousands unless otherwise stated)

	For the year ended	
	31 December 2021	31 December 2020
Sales of goods and services to related parties		
Associates	124.683	985.957
Joint ventures	63.187	1.151
Total	187.870	987.108
Purchases of goods and services from related parties		
Associates	559.802	751.131
Joint ventures	129.888	49.843
Total	689.690	800.974

	As at	
	31 December 2021	31 December 2020
Balances due to related parties		
Associates	15.768	8.146
Joint ventures	134	17.584
Total	15.902	25.730
Balances due from related parties		
Associates	9.609	52.313
Joint ventures	48.349	614
Total	57.958	52.927

HELLENIC PETROLEUM has provided letters of comfort and guarantees in favour of third parties as well as banks as security for loans granted by them to Elpedison S.A., a 100% subsidiary of Elpedison B.V., the outstanding amount of which as at 31 December 2021 was €106 million (31 December 2020: €111 million).

b) Government related entities which are under common control with the Group due to the shareholding and control rights of the Hellenic State and with which the Group has material transactions or balances:

- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Road Transport S.A.
- Lignitiki Megalopolis S.A.
- Lignitiki Melitis S.A
- Hellenic Distribution Network Operator SA (HEDNO)
- Hellenic Gas Transmission System Operator S.A. (DESFA)

During the year ended 31 December 2021, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €231 million (31 December 2020: €220 million);

(All amounts in Euro thousands unless otherwise stated)

- Purchases of goods and services amounted to €35 million (31 December 2020: €49 million);
- Receivable balances of 37 million (31 December 2020: €38 million);
- No payable balances as at 31 December 2021 (31 December 2020: €16 million).

c) Key management includes Directors (Executive and Non-Executive Members of the board of HELLENIC PETROLEUM) and General Managers. The compensation paid or payable to the aforementioned key management is as follows:

	For the year ended	
	31 December 2021	31 December 2020
Short-term employee benefits	5.633	4.667
Post-employment benefits	185	149
Total	**5.818**	**4.816**

d) The Group participates in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece:

- Energean International E&P SpA (Greece, Patraikos Gulf).
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Energean Hellas LTD, Energean International E&P SpA (Greece, Block 2).
- Total Energies E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block West Crete).
- Total Energies E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block South West Crete).
- Repsol Greece Ionian, S.L. SUC (Greece, Block Ionian)

The Group has a 50% working interest, as Operator, through its wholy owned subsidiary HELPE Patraikos in a Joint Venture with Energean International E&P S.p.A. (50%) in the offshore block of 'Patraikos Gulf (West). In November 2021, the Group submitted a Notice of Withdrawal, due to external factors causing inability to execute the project.

Also, in December 2021, a Withdrawal Agreement was executed with Repsol Greece Ionian S.L. according to which the Spanish company transfers 50% of the rights and obligations of the Lease Agreement for the Ionian Block as well as the Operatorship to HELPE Ionian. Following the Consent of the Minister of Environment and Energy on 31 December 2021 for the transfer of 50% working interest and the Consent of HHRM (Hellenic Hydrocarbon Resources Management) for the change in the Operatorship (on 31 December 2021), HELPE Ionian with effective date of 10 January 2022 is the Lessee with 100% interest in the block.

(All amounts in Euro thousands unless otherwise stated)

37 Principal subsidiaries, associates and joint ventures included in the consolidated financial statements

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	EFFECTIVE PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
HELLENIC FUELS AND LUBRICANTS INDUSTRIAL AND COMMERCIAL S.A	Marketing	GREECE	100,00%	FULL
EKOTA KO S.A.	Marketing	GREECE	49,00%	FULL
EKO KALYPSO M.E.P.E.	Marketing	GREECE	100,00%	FULL
EKO IRA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO AFRODITI MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO BULGARIA EAD	Marketing	BULGARIA	100,00%	FULL
EKO SERBIA AD	Marketing	SERBIA	100,00%	FULL
HELLENIC PETROLEUM INTERNATIONAL GmbH	Holding	AUSTRIA	100,00%	FULL
HELLENIC PETROLEUM CYPRUS LTD	Marketing	U.K	100,00%	FULL
R.A.M.OIL Cyprus LTD	Marketing	CYPRUS	100,00%	FULL
EKO LOGISTICS LTD (ex YUGEN LTD)	Marketing	CYPRUS	100,00%	FULL
HELPE COMPANY HOLDING LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
JUGOPETROL AD	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	100,00%	FULL
VARDAX S.A	Pipeline	GREECE	80,00%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	81,51%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
HELPE DIGITAL S.A.	IT Services	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
APOLLON MARITIME COMPANY (under Liquidation)	Vessel owning / Refining	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
HELLENIC PETROLEUM R.E.S S.A.	Energy	GREECE	100,00%	FULL
HELPE-LARCO ENERGIAKI SERVION S.A.	Energy	GREECE	51,00%	FULL
ENERGIAKI PYLOY METHONIS S.A.	Energy	GREECE	100,00%	FULL
HELPE RENEWABLE WIND FARMS OF EVIA S.A	Energy	GREECE	100,00%	FULL
AIOLIKI ENERGEIAKI EVOIAS S.A.	Energy	GREECE	100,00%	FULL
AIOLIKI ENERGEIAKI ACHLADOTOPOS S.A.	Energy	GREECE	100,00%	FULL
ATEN ENERGY S.A.	Energy	GREECE	100,00%	FULL
KOZILIO 1	Energy	GREECE	100,00%	FULL
KOZILIO 2	Energy	GREECE	100,00%	FULL
CHRONUS 2	Energy	GREECE	100,00%	FULL
CHRONUS 3	Energy	GREECE	100,00%	FULL
CHRONUS 4	Energy	GREECE	100,00%	FULL
CHRONUS 5	Energy	GREECE	100,00%	FULL
CHRONUS 6	Energy	GREECE	100,00%	FULL
CHRONUS 7	Energy	GREECE	100,00%	FULL
CHRONUS 8	Energy	GREECE	100,00%	FULL
CHRONUS 9	Energy	GREECE	100,00%	FULL
CHRONUS 10	Energy	GREECE	100,00%	FULL
CHRONUS 11	Energy	GREECE	100,00%	FULL
CHRONUS 12	Energy	GREECE	100,00%	FULL
CHRONUS 13	Energy	GREECE	100,00%	FULL
CHRONUS 14	Energy	GREECE	100,00%	FULL
CHRONUS 15	Energy	GREECE	100,00%	FULL
CHRONUS 16	Energy	GREECE	100,00%	FULL
CHRONUS 17	Energy	GREECE	100,00%	FULL
CHRONUS 18	Energy	GREECE	100,00%	FULL
CHRONUS 19	Energy	GREECE	100,00%	FULL
HELPE E&P HOLDINGS S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE ARTA PREVEZA SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE NW PELOPONISSOS SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE WEST KERKYRA SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE SEA OF THRACE SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE IONIO SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE KIPARISSIAKOS GULF SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE WEST CRETE SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE SW CRETE SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE PATRAIKOS S.A.	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE UPSTREAM S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
SUPERLUBE LTD	Lubricants	CYPRUS	100,00%	FULL
BLUE CIRCLE ENGINEERING LIMITED	Marketing	CYPRUS	100,00%	FULL
ELPEFUTURE	Energy	GREECE	100,00%	FULL
HELLENIC PETROLEUM (UK) LIMITED	Dormant	UK	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	33,33%	EQUITY
DEPA COMMERCIAL S.A. (ex DEPA S.A.)	Natural Gas	GREECE	35,00%	EQUITY
DEPA INTERNATIONAL PROJECTS S.A.	Natural Gas	GREECE	35,00%	EQUITY
E.A.K.A.A S.A.	Pipeline	GREECE	50,00%	EQUITY
DMEP HOLDCO LTD	Trade of crude/products	U.K	48,00%	EQUITY
VLPG PLANT LTD	Logistics & Distribution of LPG	CYPRUS	32,00%	EQUITY

- In November 2021, HELLENIC PETROLEUM RES S.A. established HELPE Renewable Wind Parks of Evoia S.A. (100% subsidiary). The share capital injected into the new company amounts to €100 thousand.

- In November 2021, HELLENIC PETROLEUM established HELPE Digital S.A. (100% subsidiary). The share capital injected into the new company amounts to €21,3 million.

- On 30 November 2021, DEPA Infrastructure S.A. (Associate) was transferred to "Assets held for sale" (Note 14).

- In December 2021, EKO Logistics LTD (former Yugen) purchased a 32% share on VLPG Plant Ltd in Cyprus. VLPG JV's share cost was €2,4 million and is accounted for as an associate.

  - In December 2021, the newly established company, HELPE Renewable Wind Parks of Evoia S.A., completed the acquisition of two wind parks companies, in Evoia region, Greece, from EREN Hellas S.A., Aioliki Energeiaki Evoias S.A. and Aioliki Energeiaki Achladotopos S.A., with a total planned installed capacity of 37,2 MW. Total consideration net of cash acquired was €79 million.\

- During 2021, five companies of the Group were dissolved by management:

  - HELPE Poseidon maritime company (100% subsidiary)
  - EKO ATHINA maritime company (100% subsidiary)
  - EKO Artemis maritime company (100% subsidiary)
  - EKO Dimitra maritime company (100% subsidiary)
  - HELPE-LARCO Energiaki Kokkinou (51% subsidiary)

38 Events after the end of the reporting period

In the context of the corporate transformation of the HELLENIC PETROLEUM Group and following the decisions of the Extraordinary General Meeting of Shareholders of 10.12.2021, on January 3, 2022, it was approved -by virtue of the decision of the Ministry of Development and Investments No 142903/03.01.2022 and registered on 03.01.2022 in GEMI with Registration Number 2767913-, the demerger by way of hive-down of its refining, supply and trading of oil products and petrochemicals sector and the establishment of a new company, pursuant to the provisions of articles 57 and 59-74 of Law 4601/2019 and Law 4548/2018.

As a result, a new entity was incorporated under the name "HELLENIC PETROLEUM SINGLE MEMBER SOCIETE ANONYME REFINING, SUPPLY AND SALES OF OIL PRODUCTS AND PETROCHEMICALS" with the trade name "HELLENIC PETROLEUM R.S.S.O.P.P. S.A." and its Articles of Association were approved.

HELLENIC PETROLEUM SA became the sole Shareholder of the Beneficiary Entity "HELLENIC PETROLEUM R.S.S.O.P.P. S.A.", by acquiring all 130.100.000 common, registered shares issued by the Beneficiary Entity, with a nominal value of €10 each.

Finally, Articles 1 (Name), 4 (Scope) and 19/paragraph 4 (Board of Directors) of the Articles of Association of the Demerged Entity were amended in accordance with the resolution of the EGM held on 10.12.2021. The new corporate name of the Demerged Entity is "HELLENIC PETROLEUM HOLDINGS SOCIETE ANONYME" and its trade name: "HELLENIC PETROLEUM HOLDINGS SA", while its shares will remain listed on the Main Market of the Athens Stock Exchange.

Other than the events already disclosed either above or in Note 32 no material events took place after the end of the reporting period and up to the date of the publication of the financial statement.

The recent geopolitical events in Ukraine, the military actions from Russia and the potential response from European countries and the United States in the form of economic sanctions could affect global energy markets and economic developments in general and specifically to the Group. Although the Group sources crude feed from Russia, Group's refineries feed can be replaced with other grades if required without affecting the refineries' operation. Furthermore, over the last few months and following increase in natural gas prices, the Group's refineries have minimized natural gas use as a feed, substituting with oil products to a significant extend. The Group is following developments around the crisis in Ukraine and is planning accordingly.

The Group regards these events as non-adjusting events after the reporting period, the potential effect of which cannot be estimated at the moment.

1.2 Parent Company Financial Statements

HELLENIC PETROLEUM HOLDINGS S.A.

(former HELLENIC PETROLEUM S.A.)

Financial Statements

in accordance with IFRS as endorsed by the European Union for the year ended 31 December 2021

GENERAL COMMERCIAL REGISTRY: 000269901000

COMPANY REGISTRATION NUMBER: 2443/06/B/86/23

REGISTERED OFFICE: 8A CHIMARRAS STR, 15125 MAROUSSI, GREECE

Index to the financial statements

(All amounts in Euro thousands unless otherwise stated

Company Information

Directors	Ioannis Papathanasiou – Chairman of the Board Andreas Shiamishis – Chief Executive Officer Georgios Alexopoulos – Member Theodoros–Achilleas Vardas – Member Alexandros Metaxas – Member Iordanis Aivazis – Member Alkiviadis-Konstantinos Psarras – Member Anastasia Martseki – Member (From 17/05/2021) Nikolaos Vrettos – Member (From 30/06/2021) Lorraine Scaramanga – Member (From 30/06/2021) Panagiotis Tridimas – Member (From 30/06/2021)
Other Board Members during the period	Michail Kefalogiannis – Member (Until 17/05/2021) Loukas Papazoglou – Member (Until 17/05/2021) Theodoros Pantalakis – Member (Until 30/06/2021) Spiridon Pantelias – Member (Until 30/06/2021) Georgios Papakonstantinou – Member (Until 30/06/2021) Konstantinos Papagiannopoulos – Member (Until 30/06/2021) Anastasia Makarigaki – Member (From 17/05/2021 until 30/06/2021)
Registered Office	8A Chimarras Str, GR 15121 - Maroussi
Auditors:	ERNST & YOUNG (HELLAS) Certified Auditors – Accountants S.A. 8B Chimarras Str 151 25 Maroussi Greece

These financial statements constitute an integral part of the Group Annual Financial Report which can be found at https://www.helpe.gr/en/investor-relations/quarterly-results/annual-interim-financial-reports/ and which incorporates the Independent Auditor’s Report.

(All amounts in Euro thousands unless otherwise stated

Statement of Financial Position

	Note	As at 31 December 2021	31 December 2020
ASSETS			
Property, plant and equipment	6	2.707.520	2.766.635
Right-of-use assets	7	26.547	32.157
Intangible assets	8	1.111	8.094
Investments in subsidiaries, associates and joint ventures	9	933.596	1.064.566
Investment in equity instruments	3	37	587
Loans, advances and long-term assets	10	143.172	42.956
Non-current assets		3.811.983	3.914.995
Inventories	11	1.240.774	599.613
Trade and other receivables	12	569.077	489.979
Income tax receivable	30	13.898	33.830
Derivative financial instruments	24	92.143	9.945
Cash and cash equivalents	13	843.493	992.748
Current assets		2.759.385	2.126.115
Assets held for sale	14	122.301	-
Total assets		6.693.669	6.041.110
EQUITY			
Share capital and share premium	15	1.020.081	1.020.081
Reserves	16	260.642	279.576
Retained Earnings		714.744	520.475
Total equity		1.995.467	1.820.132
LIABILITIES			
Interest bearing loans and borrowings	18	1.149.696	2.064.808
Lease liabilities	19	16.532	21.279
Deferred income tax liabilities	20	60.807	2.773
Retirement benefit obligations	21	174.211	159.782
Provisions	22	22.248	22.287
Other non-current liabilities	20	11.956	12.685
Non-current liabilities		1.435.450	2.283.614
Trade and other payables	17	1.901.339	1.427.067
Derivative financial instruments	24	2.214	4.635
Income tax payable	30	416	450
Interest bearing loans and borrowings	18	1.349.300	494.675
Lease liabilities	19	8.216	9.284
Dividends payable		1.267	1.253
Current liabilities		3.262.752	1.937.364
Total liabilities		4.698.202	4.220.978
Total equity and liabilities		6.693.669	6.041.110

The Notes on pages 9 to 71 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 24 February 2022.

A. Shiamishis	V. Tsaitas	S. Papadimitriou
Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated

Statement of total Comprehensive Income / (Loss)

	Note	For the year ended 31 December 2021	31 December 2020
Revenue from contracts with customers	5	8.425.535	5.114.813
Cost of sales	25	(7.863.097)	(5.417.177)
Gross profit/(loss)		562.438	(302.364)
Selling and distribution expenses	25	(104.996)	(95.983)
Administrative expenses	25	(92.548)	(78.536)
Exploration and development expenses	26	(124)	(1.123)
Other operating income and other gains	27	25.723	38.444
Other operating expense and other losses	27	(50.126)	(37.715)
Operating profit/(loss)		340.367	(477.277)
Finance income	28	7.719	9.727
Finance expense	28	(92.775)	(102.724)
Lease finance cost	19,28	(1.110)	(1.388)
Dividend income	9	22.809	51.533
Currency exchange gains/(losses)	29	16.007	4.988
Profit/(Loss) before income tax		293.017	(515.141)
Income tax	30	(63.336)	176.377
Profit/(Loss) for the year		229.681	(338.764)
Other comprehensive income/(loss):			
Other comprehensive income/(loss), that will not be reclassified to profit or loss (net of tax):			
Actuarial losses on defined benefit pension plans	16	(12.940)	(6.311)
Changes in the fair value of equity instruments	16	(345)	(288)
		(13.285)	(6.599)
Other comprehensive income/(loss), that may be reclassified subsequently to profit or loss (net of tax):			
Fair value gains/(losses) on cash flow hedges	16	25.472	(22.008)
Recycling of (gains)/losses on hedges through comprehensive income	16	(31.794)	25.077
Other Comprehensive income/(loss) for the year, net of tax		(19.607)	(3.530)
Total comprehensive income/(loss) for the year		210.074	(342.294)
Earnings/(Losses) per share (expressed in Euro per share)	31	0,75	(1,11)

(All amounts in Euro thousands unless otherwise stated

Statement of Changes in Equity

	Note	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at 1 January 2020		1.020.081	283.106	935.648	2.238.835
Actuarial losses on defined benefit pension plans	16	-	(6.311)	-	(6.311)
Changes in the fair value of equity instruments	16		(288)		(288)
Fair value gains/(losses) on cash flow hedges	16	-	(22.008)	-	(22.008)
Recycling of gains/(losses) on hedges through comprehensive income	16	-	25.077	-	25.077
Other comprehensive income/(loss)		-	(3.530)	-	(3.530)
Profit/(Loss) for the year		-	-	(338.764)	(338.764)
Total comprehensive income/(loss) for the year		-	(3.530)	(338.764)	(342.294)
Dividends	32	-	-	(76.409)	(76.409)
Balance at 31 December 2020		1.020.081	279.576	520.475	1.820.132
Balance at 1 January 2021		1.020.081	279.576	520.475	1.820.132
Effect of changes in accounting policy (IAS 19)	2	-	-	(4.175)	(4.175)
Restated total equity at 1 January 2021		1.020.081	279.576	516.300	1.815.957
Actuarial losses on defined benefit pension plans	16	-	(12.940)	-	(12.940)
Changes in the fair value of equity instruments	16		328	(673)	(345)
Fair value gains/(losses) on cash flow hedges	16	-	25.472	-	25.472
Recycling of gains/(losses) on hedges through comprehensive income	16	-	(31.794)	-	(31.794)
Other comprehensive income/(loss)		-	(18.934)	(673)	(19.607)
Profit/(Loss) for the year		-	-	229.681	229.681
Total comprehensive income/(loss) for the year		-	(18.934)	229.008	210.074
Dividends	32	-	-	(30.564)	(30.564)
Balance at 31 December 2021		1.020.081	260.642	714.744	1.995.467

The Notes on pages 9 to 86 are an integral part of these financial statements.

(All amounts in Euro thousands unless otherwise stated

Statement of Cash flows

	Note	For the year ended 31 December 2021	31 December 2020
Cash flows from operating activities			
Cash generated from operations	33	98.032	312.109
Income tax received / (paid)		13.145	33.170
Net cash generated from operating activities		111.177	345.279
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	6,8	(112.261)	(208.118)
Proceeds from disposal of property, plant and equipment & intangible assets		43	4.846
Loans to affiliated companies		(22.252)	-
Dividends received		54.809	161.533
Interest received	28	7.719	9.727
Participation in share capital increase of subsidiaries and joint ventures	9	(9.465)	(12.043)
Net cash used in investing activities		(81.408)	(44.055)
Cash flows from financing activities			
Interest paid		(87.728)	(98.323)
Dividends paid	32	(30.320)	(152.647)
Proceeds from borrowings		470.647	1.412.971
Repayments of borrowings		(537.249)	(1.342.771)
Payment of lease liabilities - principal	19	(9.271)	(10.393)
Payment of lease liabilities - interest	19	(1.110)	(1.388)
Net cash used in financing activities		(195.031)	(192.551)
Net (decrease) / increase in cash and cash equivalents		(165.262)	108.673
Cash and cash equivalents at the beginning of the year	13	992.748	888.564
Exchange (losses)/gains on cash and cash equivalents		16.007	(4.489)
Net (decrease) / increase in cash and cash equivalents		(165.262)	108.673
Cash and cash equivalents at the end of the year	13	843.493	992.748

The Notes on pages 9 to 86 are an integral part of these financial statements.

Notes to the financial statements

1 General information

HELLENIC PETROLEUM Holdings S.A. ("the Company or "HELLENIC PETROLEUM") is the parent company of HELLENIC PETROLEUM Group (the "Group"). On 3rd January 2022, a new corporate structure was completed by way of a hive-down of its refining, supply and trading of oil products and petrochemicals sector from HELLENIC PETROLEUM to a new established company (Note 37). As part of the hive-down, the parent company changed its name from "HELLENIC PETROLEUM S.A." to "HELLENIC PETROLEUM Holdings S.A.". The Company operates in the energy sector in Greece and its activities include refining and marketing of oil products and production and marketing of petrochemical products.

The Company is incorporated in Greece, with an indefinite corporate life and the address of its registered office is 8^{A} Chimarras Str. Maroussi, 15125 Greece. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDRs.

The financial statements of HELLENIC PETROLEUM Holdings S.A. for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 24 February 2022. The shareholders of the Company have the power to amend the financial statements after their issuance.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements are separate financial statements. The financial statements are available on the Company's website and also include a list of significant investments in subsidiaries, joint ventures and associates.

The financial statements of HELLENIC PETROLEUM Holdings S.A. for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as endorsed by the European Union ("EU") and present the financial position, results of operations and cash flows on a going concern basis.

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The Company'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. The material financial and operational risks and uncertainties that may have an impact upon the Company's performance and their mitigation are outlined in note 3, including liquidity risk, market risk, credit risk and capital risk to these financial statements.

At 31 December 2021, the Company held cash of €843 million and has a positive operating working capital position. Its total loans and borrowings amount to €2.499 million, €1.999 million relate to committed term facilities and €500 million to uncommitted revolving facilities on demand. Of its total borrowings, an amount of €882 million of term loans and €467 million to uncommitted short-term revolving facilities fall due within the next 12 months. Details of these balances and their maturities are presented in Note 18.

Management expects that all committed borrowings maturing within the next 12 months will be refinanced with similar terms and will commence discussions in the near term with the respective lenders to extend or refinance the maturing facilities and is confident that such discussions will conclude successfully. Moreover, as part of its long-term funding strategy, Management is able to raise funds from debt capital markets through the issuance of listed bonds. Should further funding be required, the Company can draw from committed term facilities limits of €150 million without further approvals as well as from uncommitted facilities €264 million, subject to approvals from the respective financial institutions. Based on their assessment, taking into account the above and also their financial forecasts over the next 18 months, Management is satisfied that the Company has sufficient liquidity to meet its current liabilities and working capital requirements.

The future financial performance of the Company is dependent upon the wider economic environment in which it operates. The factors that particularly affect the performance of the Company include economic growth and pace of recovery post pandemic, energy transition and associated compliance costs, which together will affect the demand for fuels and benchmark refining margins which is a key determinant of profitability as well as operating expenditure.

Covid-19 continues to heighten the inherent uncertainty in the Company’s assessment of these factors. In particular, risks to economic growth persist principally from the potential impact that potential Covid-19 Variants may have on economic activity. Further risks to economic recovery may inter-alia arise from, rising inflation and monetary policies implemented by central banks impacting interest and exchange rates expectations, prolongation of global supply issues and the European energy crisis. Nevertheless, the roll out of the mass vaccination schemes launched by governments during 2021 positively affected the severity of infections in terms of hospitalizations and symptoms experienced; consequently, worldwide restrictions to mobility have been relaxed to a large extent with some governments lifting the entirety of restrictions in the early 2022. Equally, worldwide economic recovery accelerated particularly in the second half of 2021 and is forecasted to continue in 2022. The increase in economic activity positively impacted demand for fuels and benchmark margins. Conversely, the higher demand for energy, particularly in Europe, is considered a key factor for the increase in the price of natural gas, electricity and the cost of CO_2 emissions rights which are significant cost components in the refining process.

The Company’s financial forecasts were modelled over an 18-month period, ending on 30 June 2023 and reflect the outcomes that the Directors consider most likely, based on the information available at the date of approval of these financial statements. This includes the expectation of demand evolution and benchmark refining margins applicable to the Company. The Company's financial forecasts have been prepared with consideration to independent third-party data, which inter-alia include forecasted international commodity prices used in the calculation of benchmarks refining margins, demand evolution and operating costs. In the 18-month period assessed and considering successful refinancing of maturing debt obligations, the Company expects to generate sufficient cash from operations to meet all its operating liabilities as they fall due and planned investments. Further details on the Company's actions for financing of operations are included in Note 3.

Taking into account the above in their assessment, Management has exercised judgement and concluded that, at the time of approving the financial statements there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

The financial statements have been prepared in accordance with the historical cost basis, except for the following:

- Financial instruments – some of which are measured at fair value (Notes 3.3 and 24);
- Defined benefit pension plans – plan assets measured at fair value (Note 21);
- Assets held for sale – measured at the lower of carrying value and fair value, less cost to sell (Note 14).

The preparation of financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's 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". Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

2.1.1 New standards, amendments to standards and interpretations

New and amended standards adopted by the Company.

The accounting principles and calculations used in the preparation of the financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2021 and have been consistently applied in all periods presented in this report, except for the following IFRSs, which have been adopted by the Company as of 1 January 2021. The Company applied, the IFRS Interpretation Committee's Agenda Decision issued on May 2021 for IAS 19 Employee benefits - Attributing Benefit to Periods of Service and disclosed below (Note 21), the nature and effect of these changes. Several other amendments and interpretations applied for the first time in 2021 but did not have a significant impact on the financial statements of the Company for the year ended 31 December 2021.

- *IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'.* In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods.

- *IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions':* The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

  - The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
  - Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
  - There is no substantive change to other terms and conditions of the lease.

- *Attributing Benefit to Periods of Service (IAS 19 Employee Benefits) – IFRS Interpretation Committee (IFRS IC or IFRIC) Agenda Decision issued May 2021:* The International Financial Reporting Standards Interpretations Committee issued a final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the attribution of benefits in periods of service regarding a specific defined benefit plan analogous to that defined in Article 8 of Greek Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the aforementioned decision is implemented as a change in accounting policy. The impact of the change is disclosed in detail in Note 21.

Standards issued but not yet effective and not early adopted

The Company has not early adopted any other of the following standard, interpretation or amendment that has been issued but is not yet effective. In addition, the Company is in the process of assessing the impact of all standards, interpretations and amendments issued but not yet effective on the financial statements.

- *IFRS 10 (Amendment) Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture:* The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU

- *IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments):* The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

    - IFRS 3 Business Combinations (Amendments) update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
    - IAS 16 Property, Plant and Equipment (Amendments) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
    - IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
    - Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

- *IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2, Disclosure of Accounting policies (Amendments):* The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Amendments have not yet been endorsed by the EU.

- *IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments):* The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU.

- *IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments):* The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The Amendments have not yet been endorsed by the EU.

- *IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments):* The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU.

- *IFRS 16 'Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)':* The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

2.2 Investments in subsidiaries, associates and joint ventures

Investments are presented at the cost of the interest acquired in the subsidiaries, associates, and joint ventures less any provisions for impairment.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The executive committee is the chief operating decision-maker, who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. The executive committee is comprised of the Chief Executive Officer and the General Managers of the Company. The Company's key operating segments are disclosed in Note 5.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Euro, which is the Company's functional and presentation currency. Given that the Company's primary activities are in oil refining and trading, in line with industry practices, most crude oil and oil product trading transactions are based on the international reference prices of crude oil and oil products in US Dollars. The Company translates this value to Euro at the time of any transaction.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates 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 exchange rates are recognised in the statement of comprehensive income. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges.

For transactions that include the receipt or payment of advance consideration in a foreign currency the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.

Foreign exchange gains and losses are presented in the same line as the transaction they relate to, in the statement of comprehensive income, except those that relate to borrowings and cash and cash equivalents, which are presented in a separate line ("Currency exchange gains/ (losses)").

(All amounts in Euro thousands unless otherwise stated

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.5 Property, plant and equipment

Property, plant and equipment is comprised mainly of land, buildings, plant and machinery, motor vehicles and transportation means and furniture and fixtures. Property, plant and equipment are shown at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss of the statement of comprehensive income as incurred. Refinery turnaround costs that take place periodically are capitalised and charged to profit or loss on a straight-line basis until the next scheduled turnaround, to the extent that such costs either extend the useful economic life of the equipment or improve the capacity of its production.

Assets under construction are assets (mainly related to the refinery units) that are in the process of construction or development, and are carried at cost. Cost includes cost of construction, professional fees and other direct costs. Assets under construction are not depreciated, as the corresponding assets are not yet available for use.

Land is also not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful economic life, as shown on the table below for the main classes of assets:

– Buildings	10 – 40 years
– Plant & Machinery	
▪ Specialised industrial installations and Machinery	10 – 35 years
▪ Pipelines	30 – 40 years
▪ Other equipment	4 – 25 years
– Vehicles and means of transportation	5 – 25 years
– Furniture and fixtures	
▪ Computer hardware	3 – 5 years
▪ Other furniture and fixtures	4 – 10 years

Specialised industrial installations include refinery units, petrochemical plants and tank facilities.

The assets' residual values and estimated useful economic lives are reviewed at the end of each reporting period and adjusted prospectively if appropriate.

If the asset's carrying amount is greater than its estimated recoverable amount then it is written down immediately to its recoverable amount (Note 2.11).

The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss, which is determined by comparing the proceeds with the carrying amount, is included in the statement of comprehensive income, within "other operating income/(expenses) and other gains/(losses)".

2.6 Assets held for sale

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets held for sale and their related liabilities are presented separately as current items in the statement of financial position

2.7 Leases

2.7.1 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment on their own, or together with the cash generating unit to which they belong.

2.7.2 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this re-measurement is disclosed in a line of the right-of-use assets note as modifications.

(a) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value (i.e., below five thousand Euros). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(b) Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (as a change in business strategy).

The IFRS Interpretations Committee (the “Committee”) issued, among others, a summary of decisions reached in its public meetings to clarify interpretations in respect to IFRS 16 on the following topics:

(c) Subsurface rights

The Committee concluded that the arrangement, presented in its decision, where a pipeline operator obtains the right to place a pipeline in an underground space constitutes a lease and therefore this arrangement as presented in this decision should be in scope of IFRS 16. As disclosed in Note 7, the Company operates a number of subsurface pipelines within the boundaries of various municipalities, in accordance with relevant laws, without the requirement to pay any compensation for them. As described in Note 34 of these financial statements, certain municipalities have proceeded with the imposition of duties and fines relating to the rights of way. The Company has appealed against such amounts imposed as described in the note and believes the outcome will be favourable. The Company considers these do not fall within the scope of IFRS 16 as there is no requirement to pay compensation.

(d) Lease term

The Committee issued a decision that in assessing the notion of no more than an insignificant penalty, when establishing the lease term, the analysis should not only capture the termination penalty payment specified in the contract, but use a broader economic consideration of penalty and thus include all kinds of possible economic outflows related to termination of the contract. The Company applies this decision and uses judgment in estimating the lease term, especially in cases, where the agreements do not provide for a predetermined term, such as rights of use of coastal zones as described in Note 7. The Company considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

(e) Lessor accounting

The Company enters into certain sublease agreements with third parties and therefore, acts as an intermediate lessor. In classifying a sublease, the Company acting as the intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows:

- if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying paragraph 6 of the standard, the sublease shall be classified as an operating lease.
- otherwise, the sublease shall be classified by reference to the right-of- use asset arising from the head lease, rather than by reference to the underlying asset.

The Company has assessed all subleases it enters into based on the above criteria and classifies these as either operating or finance. As at 31 December 2021, all leases where the Company acts as an intermediate lessor were assessed and evaluated as operating.

2.8 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are added to the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed as incurred.

2.9 Intangible assets

(a) Licences and rights

Licenses and rights have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is being calculated using the straight-line method to allocate their cost over their estimated useful lives, which usually range from 3 to 25 years.

(b) Computer software

The category computer software includes primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (1 to 5 years).

2.10 Exploration for and evaluation of mineral resources

(a) Exploration and evaluation assets

During the exploration period and before a commercially viable discovery, oil and natural gas exploration and evaluation expenditures are expensed. Geological and geophysical costs as well as costs directly associated with an exploration are expensed as incurred. Exploration property leasehold acquisition costs are capitalised within intangible assets and amortised over the period of the licence or in relation to the progress of the activities if there is a substantial difference. Upstream exploration rights are included in licenses and rights in intangible assets.

(b) Development of tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells is capitalised within tangible and intangible assets according to their nature. When development is completed on a specific field, it is transferred to production assets. No depreciation and / or amortisation is charged during development.

(c) Oil and gas production assets

Oil and gas production assets are aggregated exploration and evaluation tangible assets, and development expenditures associated with the production of proved reserves. The Company has not recognised any such assets, as it is currently in the first stages of exploration and evaluation.

(d) Depreciation/amortisation

Oil and gas properties/intangible assets are depreciated/amortised using the unit-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

(e) Impairment – exploration and evaluation assets

The exploration property leasehold acquisition costs are tested for impairment whenever facts and circumstances indicate impairment. For the purposes of assessing impairment, the exploration property leasehold acquisition costs subject to testing are grouped with existing cash-generating units (CGUs) of production fields that are located in the same geographical region corresponding to each licence.

(f) Impairment – proven oil and gas properties and intangible assets

Proven oil and gas properties and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.11 Impairment of non-financial assets

The Company assesses, at each reporting date, whether an indication of impairment exists. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Assets that have an indefinite useful life are not subject to amortisation and, are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's, or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.12 Financial assets

2.12.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized 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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.25 “Revenue recognition”.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company’s business model for managing financial assets refers to how it 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.

Purchases or sales of financial assets that require delivery of assets within (a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at fair value through profit or loss
- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also categorised as ‘held for trading’ unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period, otherwise they are classified as non-current.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

(b) Financial assets at amortized 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.

(c) Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the profit or loss of the statement of comprehensive income, when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its listed equity investments under this category.

2.12.2 Derecognition and impairment

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company’s statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant estimates and assumptions, Note 4
- Trade receivables, Note 12

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.12.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13 Derivative financial instruments and hedging activities

As part of its risk management policy, the Company utilises currency and commodity derivatives to mitigate the impact of volatility in commodity prices and foreign exchange rates. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in fair values of the derivative financial instruments are recognised at each reporting date either in the statement of comprehensive income or in other comprehensive income, depending on whether the derivative is designated as a hedging instrument. If so, the nature of the item being hedged is also disclosed. The Company designates certain derivatives as either:

(a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge) and
(b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.

The documentation also includes both at hedge inception and on an ongoing basis how it will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The instruments used for this risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

Cash flow hedges

The effective portion of changes in the fair value of these derivatives is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within "Other operating income/ (expenses) and other gains/ (losses)". Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects profit or loss (i.e. when the forecast transaction being hedged takes place) within cost of sales.

When a hedging instrument expires or is sold, or a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the derivative is de-designated and the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income within "Other operating income/(expenses) and other gains/(losses)".

Derivatives at fair value through profit or loss

Derivatives that do not qualify for hedge accounting are classified as fair value through profit or loss. Changes in the fair value of the derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

2.14 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants related to Property, Plant and Equipment received by the Company are initially recorded as deferred government grants and included in "Other non-current liabilities". Subsequently, they are credited to the statement of comprehensive income over the useful lives of the related assets in direct relationship to the depreciation charged on such assets.

2.15 Inventories

Inventories comprise crude oil and other raw materials, refined and semi-finished products, petrochemicals, merchandise, consumables and other spare parts.

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the monthly weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It does not include borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, where applicable. Spare parts consumed within a year are carried as inventory and recognised in cost of sales, in the statement of comprehensive income when consumed.

2.16 Trade receivables

Trade receivables, which generally have 20-90-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables include bills of exchange and promissory notes from customers.

For trade receivables, which are not in default the Company applies the simplified approach, in accordance with IFRS 9 and calculates ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. On the other hand, trade receivables in default are assessed on a case-by-case basis. The amount of the provision is recognised in the statement of comprehensive income and is included in "Selling and distribution expenses".

2.17 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.

Cash pledged as collateral is included in "Trade and other receivables".

2.18 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.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

2.19 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. In this case, the fee is deferred until the draw-down occurs. To the extent 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 the balance sheet 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 the statement of comprehensive income as finance cost or other operating income.

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.

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 the recognition of a new liability; any difference in the respective carrying amount is recognised in the statement of comprehensive income.

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.

2.20 Current and deferred income tax

The tax expense or credit for the period comprises current and deferred tax.

The income tax expense or credit for the period is the tax estimated on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, as well as additional taxes for prior years. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

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 that generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Any interest and penalties arising on uncertain tax positions are considered as part of income tax.

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 recognised if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction does not affect either accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those deductible temporary differences and losses.

Deferred income tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

2.21 Employee benefits

(a) Pension obligations

The Company has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate State pension fund. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Defined benefit pension plans

Under Greek labour laws, employees and workers are entitled to post employment payments in the event of retirement with the amount of payment varying in relation to the employee’s or worker’s compensation and length of service. This program is considered as a defined benefit plan.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense (except where included in the cost of an asset), reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss in the statement of comprehensive income.

Defined contribution plans

The Company's employees are covered by one of several Greek State sponsored pension funds which relates to the private sector and provides pension and pharmaceutical benefits. Each employee is required to contribute a portion of their monthly salary to the funds, with the Company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. As such, the Company has no legal or constructive obligation to pay future benefits under this plan.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Share-based compensation

Employees may receive remuneration in the form of share-based payments as part of a share option plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

At each reporting period end, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company may issue new shares. In that case, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The Company has no share-based compensation schemes in force for 2020 and for 2021.

(d) Short-term paid absences

The Company recognises the expected cost of short-term employee benefits in the form of paid absences in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences.

2.22 Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost, using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.23 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

No provisions are recognized for possible future obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company or for present obligations, if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. For such cases the Company discloses a contingent liability.

2.24 Environmental liabilities

The Company has an environmental policy which complies with existing legislation and any obligations resulting from its environmental and operational licences. In order to comply with all rules and regulations, the Company has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements. The above mentioned expenses are estimated based on the relevant environmental requirements.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognised is the best estimate of the expenditure required, based on the relevant environmental studies. If the effect of the time value of money is material, the amount recognised is the present value of the estimated future expenditure.

The obligation of the Company to meet its CO2 emission targets is treated as follows: European ETS register allocates emission rights to refineries annually. Allowances received or purchased are recognised at cost. A provision is recognised for the net obligation payable for the emission quantities that exceed the pre-allocated allowances, after taking into account any purchases of emission certifications. The provision recognised is measured at the amount that it is expected to cost the entity to settle the obligation, net of any certificates purchased. This will be the market price at the balance sheet date of the allowances required to cover any emissions deficit made to date.

2.25 Revenue recognition

(a) Revenue from contracts with customers

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Control over goods sold and services rendered is transferred to the customer upon delivery of the respective products or service respectively. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Payment terms vary in line with the type of sales transaction and depend mainly on the products sold or services rendered, the distribution channels, as well as each customer’s specifics.

The Company assesses whether it acts as a principal or agent in each of its revenue arrangements. The Company has concluded that in all sales transactions it acts as a principal.

Revenue is recognised as follows:

Sales of goods – wholesale

Revenue is recognised when a contractual promise to a customer (performance obligation) is fulfilled by transferring the promised goods (which is when the customer obtains control over the promised goods). If a contract contains more than one performance obligation, the total transaction price of the contract is allocated among the individual, separate performance obligations based on their relative standalone selling prices. The amount of revenue recognized is the amount allocated to the satisfied performance obligation based on the consideration that the Company expects to receive in accordance with the terms of the contracts with the customers.

Provision of services

For sales of services, revenue is recognised in the accounting period in which the services are rendered, as the customer obtains control over the promised services, by reference to stage of completion of each specific performance obligation and assessed on the basis of the actual service provided (using appraisals of the results achieved and milestones reached), as a proportion of the total services to be provided.

Variable consideration

If the consideration in a contract includes a variable amount, the Company recognizes this amount as revenue only to the extent that it is highly probable that a significant reversal will not occur in the future.

Volume discounts

The Company provides volume discounts to customers based on thresholds specified in the respective contracts. Options for volume related discounts are assessed by the Company to determine whether they constitute a material right that the customer would not receive without entering into that contract. For all such options that are considered as material rights, the Company assesses the likelihood of its exercise and then the portion of the transaction price allocated to the option is deferred and recognized when it is either exercised or lapsed.

The Company has concluded that volume discounts constitute a material right which should be recognized over time up to the point it is either exercised or lapsed. All such discounts are accrued within the financial year.

(b) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared and appropriately authorised, or approved by the Company's Shareholders' General Meeting. Interim dividends proposed by the Board of Directors are recognized as liabilities upon proposal and are subject to the usual legal procedures until it becomes certain that they will be paid.

2.27 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of the loss allowance determined in accordance with IFRS 9 requirements and the amount initially recognised less, when appropriate, the cumulative amount of income.

2.28 Changes in accounting policies

The Company adopted the amendments described in paragraph 2.1.1, (the more significant of which is the application of the IFRIC Agenda Decision for IAS 19 - Note 21), for the for the first time for the annual reporting period commencing 1 January 2021.

2.29 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year (Note 21).

3 Financial risk management

3.1 Financial risk factors

The Company's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products. As such, the Company is exposed to a variety of financial and commodity markets' risks including foreign exchange and commodity price risk, credit risk, liquidity risk, cash flow risk and interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Company'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 Company to the extent possible. In general, the key factors that impact the Company's operations are summarised as follows:

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

However, despite the aforementioned uncertainties, the real GDP growth rate in 2021 was stronger and higher than previous expectations. The normalization of mobility indicators affected significantly the economic recovery and boosted economic sentiment expectations and international trade, the significant vaccination rates in Europe weakened the pandemic dynamics and encouraged international travel and the prolonged tourist period until November, resulting in a sizeable output expansion as shown by an estimated 8,5% increase in GDP (2020: -9%).

Total domestic fuels consumption for the year increased by 1,5% compared to 2020 (total demand for motor fuels increased by 7%, partially offset by weaker heating gasoil consumption) since the gradual normalization of the economic activity and the relaxation of the mobility restrictions imposed during the previous year, led to an increase in transport fuels demand.

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

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

The Company immediately responded to the outbreak of the pandemic and already from March 2020, took various initiatives to this end primarily focusing on ensuring the health and safety of its employees and all of its stakeholders operating or visiting the Company's premises, as well as the smooth operation of its activities and uninterrupted supply of our markets.

These initiatives include:

- Adopting a timely and successful new remote working model (teleworking) where possible, remotely supporting information systems and modifying shift programs.
- Utilizing digital technology and upgrading teleworking infrastructures.
- Drafting a Policy with frequent revisions based on developments and instructions from the State, addressing how to prevent and manage issues arising from the Covid-19 pandemic, including detailed prevention guidelines and testing response under various scenarios, planning for and implementing procedures for handling any suspected Covid-19 cases.
- Continuously keeping employees up to date, along with ongoing health support (increase of its medical network, participation of an infectious disease specialist, psychological support line, regular publication of special newsletter).
- Conducting in total over 206.000 PCR and rapid tests on the Company's employees and associates in 2021.
- Regular disinfection in all workplaces and appropriate disposal of personal protection equipment (PPE).

Management will continue to monitor the situation closely and will assess any potential further impact on the Company's financial position and performance, including the recoverable amount of its investments, in case the period of disruption becomes prolonged.

Currency: The Company's business is naturally hedged against a functional currency risk at a 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. As a result, the Company's operations are mainly exposed to the risk of fluctuating the dollar exchange rate against the euro. The strengthening of the US Dollar against the Euro has a positive effect on the

Company's financial results while in the opposite event, both the financial results and balance sheet items (inventory, investments, receivables, liabilities in US dollar) would be valued at lower levels.

Prices: The Company 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. The Finance Department identifies and evaluates financial risks in close co-operation with the Company's operating units. During the year ended on 31 December 2021, the Company entered into certain derivatives to hedge cash flows related to purchases and sales of crude oil and petroleum products. The Company has also entered into derivative transactions to hedge the cash flow risk arising from the fluctuation in EUA (CO2 certificates) pricing, in order to fulfill its obligation as part of the EUA scheme (Notes 17 & 24).

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

Financing of operations: The key priorities of the Company 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 Company's borrowings are committed credit facilities with financial institutions and debt capital markets. As of 31 December 2021, approximately 80% of total debt (about 88% as at 31 December 2020) is financed by committed credit lines, while the remaining debt is being financed by short term credit facilities (bilateral lines).

Term loans

In October 2021 HELLENIC PETROLEUM. fully repaid the outstanding balance of a €100 million bond loan facility upon maturity, issued a new €100 million revolving bond loan facility with a tenor of 3 years as well as a new €150 million revolving bond loan facility with a tenor of 2 years.

During 2021 HELLENIC PETROLEUM fully repaid the outstanding balance of two loan agreements with the European Investment Bank amounting to €66 million (of which €44 million upon maturity and €22 million as a voluntary prepayment).

In October 2021 HELLENIC PETROLEUM. fully repaid the outstanding balance of its €201 million loan from HELLENIC PETROLEUM Finance PLC.

In December 2021, HELLENIC PETROLEUM increased the principal amount of one of its short-term bilateral facilities by €50 million to €200 million.

Additional information is disclosed in paragraph (c) Liquidity risk below and Note 18.

Capital management: Another key priority of the Company has been the management of its Assets. Overall the Company has approximately €3.7 billion of capital employed which is driven from investment in fixed assets, working capital and its investment in its subsidiaries, associates and joint ventures. Current assets are mainly funded with current liabilities (incl. short term bank debt) and the net operating working capital position of the Company as of 31 December 2021 was positive. 45% of total capital employed is financed through net debt excluding leases, while the remaining is financed through shareholders' equity.

(a) Market risk

(i) Foreign exchange risk

As explained in note 2.4, the functional currency and presentation currency of the Company is the Euro. However, in line with industry practice in all international crude oil and oil trading transactions, underlying commodity prices are based on international reference prices quoted in US dollars.

Foreign currency exchange risk arises on three types of exposure:

- Financial position translation risk: Most of the inventory held by the Company is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the statement of financial position. In order to manage this risk, a significant part of the Company's payables (sourcing of crude oil and petroleum products) is denominated in USD resulting to an offsetting impact to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark-to-market valuation of USD-denominated trade liabilities leads to a reported foreign exchange loss with no compensating benefit as inventories continue to be included in the statement of financial position at cost. It is estimated, that at 31 December 2021 a 5% appreciation of the USD against the Euro, with all other variables held constant, pre-tax results would have been approximately €44 million lower, as a result of foreign exchange losses on translation of US dollar denominated receivables, payables, cash and borrowings.

- Gross Margin transactions and translation risk: The fact that most of the transactions in crude oil and oil products are based on international Platt's USD prices leads to exposure in terms of the Gross Margin translated in Euro. Market volatility had an adverse impact on the cost of mitigating this exposure; as a result, the Company did not actively hedge material amounts of the Gross margin exposure. This exposure is linearly related to the Gross margin of the Company in that the appreciation/ depreciation of USD vs. Euro leads to a respective translation loss/ (gain) on the period results.

- Local subsidiaries exposure: Where the Company operates in non-Euro markets there is an additional exposure in terms of cross currency translation between USD (price base), Euro reporting currency and local currency. Where possible the Company seeks to manage this risk by matching its financial exposure to assets and liabilities held at the same currency and by transferring the exposure for pooling at Group levels. Although material for local subsidiaries' operations, the overall exposure is not considered material for the Company.

(ii) Commodity price risk

The Company's primary activity as a refiner involves exposure to commodity prices. Changes in current or forward absolute price levels vs acquisition costs affect the value of inventory while exposure to refining margins (combination of crude oil and product prices) affect the future cash flows of the business.

In the case of price risk, the level of exposure is determined by the amount of priced inventory carried at the end of the reporting period. In periods of sharp price decline, as Company policy is to report its inventory at the lower of historical cost and net realisable value, results are affected by the reduction in the carrying value of the inventory. The extent of the exposure relates directly to the level of stocks and price decrease.

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; a change in the refinery margin has a proportionate impact on the profitability of the refining segment and ultimately on the Company's profitability.

Where possible, the Company aims to hedge part of its exposure associated with price changes of crude oil, products and refinery margins, depending on the prevailing market conditions.

(iii) Cash flow and fair value interest rate risk

The Company's operating income and cash flows are not materially affected by changes in market interest rates, given the low level of prevailing reference rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, while borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's borrowings are at variable rates of interest. Depending on the levels of net debt at any given period of time, any change in the base interest rates (EURIBOR or LIBOR), has a proportionate impact on the Company results. At 31 December 2021, if interest rates on Euro denominated borrowings had been 0,5% higher with all other variables held constant, pre-tax gains for the year would have been €13 million lower.

(b) Credit risk

(i) Risk Management

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

(ii) Credit quality

The credit quality of cash and cash equivalents is assessed by reference to external credit ratings obtained from S&P, in the table below:

Bank rating (in €million)	31 December 2021	31 December 2020
A+	23	87
BBB+	5	85
B+	796	-
B	-	709
B-	19	74
No rating	-	38
Total	843	993

Due to market conditions, the approval of credit risk is subject to a more strict process involving all levels of senior management. A credit committee also monitors material credit exposures arising from trade receivables. See Note 12 for further disclosures on credit risk.

(c) Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash reserves and financial headroom, through committed credit facilities. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in its funding operations through the use of cash and committed credit facilities.

Where deemed beneficial to the Company, and in order to achieve better commercial terms (e.g. better pricing, higher credit limits, longer payment terms), the Company provides for the issuance of short term letters of credit or guarantee for the payment of liabilities arising from trade creditors. These instruments are issued using the Company's existing credit lines with local and international banks, and are subject to the approved terms and conditions of each bank, regarding the amount, currency, maximum tenor, collateral etc.

The Company's plans with respect to term facilities expiring within the next 12 months are presented below, in million Euros.

(€ million)	1H22	2H22	2022	Scheduled for repayment	Scheduled for refinancing
Contractual Term Facility Repayments					
Bond loan €400 million	-	385	385	-	385
Bond loan €400 million	-	400	400	-	400
Bond loan €100 million	-	100	100	-	100
Total	-	885	885	-	885

(All amounts in Euro thousands unless otherwise stated

In October 2021, the Company refinanced the €100 million bond loan on maturity and repaid its €201 million loan from HPF (Note 18). The €400 million bond loan maturing on December 2022 and the €400 million bond loan maturing on November 2022 with carrying amounts of €385 and €400 million respectively as of 31 December 2021, scheduled for refinancing in 2022, include a one year extension option at the discretion of the lender and such options are expected to be exercised. With respect to the Company's bilateral lines, the used balance of which as of 31 December 2021 was €500 million, these are uncommitted credit facilities with various banks to finance general corporate needs, which have been consistently renewed in the last 20 years in accordance with the Company's finance needs. The Company expects it will be able to continue to renew these in the future or will refinance part of them with committed facilities.

The table below analyses the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period from the year-end to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows.

	Note	Less than 1 year	Between 1 and 5 years	Over 5 years
31 December 2021				
Borrowings	18	1.352.044	1.121.694	33.000
Lease liabilities	19	9.074	15.075	3.332
Derivative financial instruments	24	2.214	-	-
Trade and other payables		1.870.150	-	-
31 December 2020				
Borrowings	18	571.687	2.148.873	36.691
Lease liabilities	19	10.147	19.876	4.331
Derivative financial instruments	24	4.635	-	-
Trade and other payables		1.396.283	-	-

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

Trade and other payables do not correspond to the balance sheet amounts as they include only financial liabilities.

3.2 Capital risk management

The Company's objective with respect to capital structure, which includes both equity and debt funding, is to safeguard its ability to continue as a going concern and to have in place an optimal capital structure from a cost perspective.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the industry convention, the Company 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 "Investments in equity instruments". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

(All amounts in Euro thousands unless otherwise stated

The long-term objective of the Company is to maintain the gearing ratio between 35% and 45%, as significant fluctuations of crude oil prices may affect total debt respectively. Given the Company's new strategy and its transition to activities that are subject to reduced volatility due to the business environment as well as the significant de-escalation of financial cost, the capital structure by sector will be reviewed and is expected to affect the relevant objectives. It is noted that the Company has significantly reduced its financial cost by about 50% in the last five years.

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

		As at	
	Note	31 December 2021	31 December 2020
Total Borrowings	18	2.498.996	2.559.483
Less: Cash and cash equivalents	13	(843.493)	(992.748)
Less: Investment in equity instruments	3.3	(37)	(587)
Net debt (excl. lease liabilities)		**1.655.466**	**1.566.148**
Total Equity		1.995.467	1.820.132
Total Capital Employed (excl. lease liabilities)		**3.650.933**	**3.386.280**
Gearing ratio (excl. lease liabilities)		**45%**	**46%**
Lease liabilities	19	24.748	30.563
Net debt (incl. lease liabilities)		**1.680.214**	**1.596.711**
Total Capital Employed (incl. lease liabilities)		**3.675.681**	**3.416.843**
Gearing ratio (incl. lease liabilities)		**46%**	**47%**

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2021:

(All amounts in Euro thousands unless otherwise stated

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2021:

Year ended 31 December 2021	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives at fair value through the income statement	-	92.143	-	92.143
Derivatives used for hedging	-	-	-	-
Investment in equity instruments	37	-	-	37
Assets Held for sale	122.301	-	-	122.301
	122.338	92.143	-	214.481
Liabilities				
Derivatives held for trading	-	1.428	-	1.428
Derivatives used for hedging	-	786	-	786
	-	2.214	-	2.214

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2020:

Year ended 31 December 2020	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives held for trading	-	2.433	-	2.433
Derivatives used for hedging	-	7.512	-	7.512
Investment in equity instruments	587	-	-	587
	587	9.945	-	10.532
Liabilities				
Derivatives held for trading	-	4.635	-	4.635
	-	4.635	-	4.635

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.

- The fair value of commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

There were no changes in valuation techniques during the year. For the years ended 31 December 2021 and 31 December 2020, there were no transfers between levels.

The fair value of the following financial assets and liabilities approximate their carrying amount, due to their short-term nature:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowings

4 Critical accounting estimates and judgements

Estimates and judgements are continuously evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Critical accounting estimates and assumptions

(a) Income taxes

The Company is subject to periodic audits by tax authorities and the assessment process for determining the company's current and deferred tax balances is complex and involves high degree of estimation and judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. Where tax positions are not settled with the tax authorities, Management takes into account past experience with similar cases, as well as the advice of tax and legal experts in order to analyse the specific facts and circumstances, interpret the relevant tax legislation, assess other similar positions taken by the tax authorities to form a view about whether its tax treatments will be accepted by the tax authorities, or whether a provision is needed. Where the Company is required to make payments in order to appeal against positions of tax authorities and the Company assesses that it is more probable than not to win its appeal, the respective payments are recorded as assets, as these advance payments will be returned to the Company, if the Company's position is upheld. In case the Company determines a provision is needed for the outcome of the uncertain tax position, any amounts already paid are deducted from the said provision.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Recoverability of deferred tax assets

Deferred tax assets include certain amounts which relate to carried forward tax losses. Such tax losses are available for set off for a limited period of time since they are incurred. The Company makes assumptions on whether these deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

(c) Provision for environmental restoration

The Company operates in the oil industry with its principal activities being that of refining of crude oil and sale of oil products, and the production and trading of petrochemical products. Environmental damage caused by such substances may require the Company to incur restoration costs to comply with the regulations in the various jurisdictions in which the Company operates, and to settle any legal or constructive obligation. Analysis and estimates are performed by the Company together with its technical and legal advisers, in order to determine the probability, timing and amount involved with probable required outflow of resources. Estimated restoration costs, for which disbursements are determined to be probable, are recognised as a provision in long-term liabilities and as part of the respective fixed asset cost in the Company's statement of financial position. Subsequently, the effect of the unwinding the discounting on the provision is charged in the finance cost and the fixed asset is depreciated in the statement of comprehensive income. In case there are changes in estimates or the final determination of such obligation amounts differ from the recognised provisions, the Company's statement of comprehensive income is impacted.

(d) Estimates in value-in-use calculations

The Company assesses, at each reporting date, whether there is an indication that a non-current asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Among others, the impact of Covid-19 has been assessed and when appropriate, has been considered an impairment indicator. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount of a cash- generating unit (CGU) is determined for impairment tests purposes based on value-in-use calculations which require the use of assumptions. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The calculations use cash flow projections based on financial budgets approved by management with consideration to independent third-party data which inter-alia include forecasted international commodity prices used in the calculation of benchmarks refining margins, demand evolution and operating costs. These budgets and forecast calculations generally cover a period of five years. Cash flows beyond the period over which projections are available are extrapolated using estimated growth rates. These growth rates are consistent with forecasts included in country or industry reports specific to the country and industry in which each CGU operates and where appropriate are further calibrated to the Company's long-term objectives in relation to climate related matters. Further, The Company constantly monitors the latest government legislation in relation to climate related matters. At the current time, no legislation has been passed that will impact the Company. The Company will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required. The key assumptions used to determine the recoverable amount for the different CGUs, or assets, including a sensitivity analysis, are disclosed and further explained in Note 6, for Property, Plant and Equipment, Note 7 for Right of use asset and Note 9 for Investments in Subsidiaries, Associates and Joint Ventures.

(e) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives and certain investments in equity instruments) is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(f) Provision for expected credit losses of receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on the Company's historical credit loss experience, calibrated to adjust the historical credit loss experience with forward-looking information specific to the debtors and the economic environment. At each year end, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed credit losses, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For the year ended 31 December 2021 and 2020, management assessed forward-looking information specific to its trade debtors and the economic environment taking into account the impact of Covid-19 and recorded additional losses in line with its policies, when needed (Note 12).

(g) Retirement benefit obligations

The present value of the pension obligations for the Company's defined benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate and salary rate increases. Any changes in these assumptions will impact the carrying amount of pension obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency and jurisdiction in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 21.

(h) Depreciation of property, plant and equipment

The Company periodically assesses the useful lives of its property, plant and equipment to determine whether the original estimated lives continue to be appropriate. To this respect, the Company may obtain technical studies and use external sources to determine the lives of its assets, which can vary depending on a variety of factors such as technological innovation and maintenance programs.

The Company also constantly monitors the latest government legislation in relation to climate related matters. At the current time, no legislation has been passed that will impact the useful economic life of the Company's property, plant and equipment. The Company will adjust the useful economic life of its assets, should a change be required.

(ii) Critical judgements in applying the Company's accounting policies

(a) Impairment of non-current assets and investments in subsidiaries, associates and joint ventures

The Company assesses at each reporting date, whether indicators for impairment exist, for its non-financial assets (Note 2.11) and its investments in subsidiaries, associates and joint ventures. The assessment includes both external and internal factors which include inter-alia, significant changes with an adverse effect in the regulatory or technological environment or evidence available from internal reporting that indicates that the economic performance of the asset is, or will be worse than expected. If any indication exists, the Company estimates the asset's, or cash generating unit's recoverable amount. Judgment is involved to some extent in determining whether indicators exist and also for the determination of the cash generating units at which the respective assets are tested for impairment. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(b) Provisions for legal claims

The Company has a number of legal claims pending against it (Note 34). Management uses its judgement, as well as the available information from the legal department and external counsellors when deemed necessary, in order to assess the likely outcome of these claims and if it is more likely than not that the Company will lose a claim, then a provision is recognised. Provisions for legal claims, if required, are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(c) Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant: If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate). If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate). Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption. The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5 Segment information

The Company's Executive Committee ("the Committee") reviews the Company's internal reporting in order to assess performance of the different segments and allocate resources. Management has determined the reportable operating segments based on these reports. The Committee considers the business using a number of measures which may vary depending on the nature and evolution of a business segment by taking into account the risk profile, cash flow, product and market considerations. Information provided to the Committee is measured in a manner consistent with that of the financial statements.

The Company's key operating segments are:

a) Refining, Supply and Trading (Refining)

Activities revolve around the operation of the Company's three refineries located in Aspropyrgos, Elefsina and Thessaloniki, which account for approximately 65% of the country's total refining capacity. The three refineries combine a storage capacity of 6,65 million m^3 of crude oil and petroleum products.

b) Petrochemicals

Petrochemical activities mainly focus on the production and marketing of polypropylene, BOPP films and solvents, as well as the trading of imported plastics and chemicals. The polypropylene production plant in Thessaloniki mainly receives propylene produced in the Aspropyrgos refinery. Part of the production of the produced polypropylene is the raw material used in the BOPP film production unit in Komotini.

More information about the activities of the Company's key operating segments can be found in the consolidated Annual Report of the HELLENIC PETROLEUM Group.

(All amounts in Euro thousands unless otherwise stated

Financial information regarding the Company's operating segments for the years ended 31 December 2021 and 2020 are presented below:

Year ended 31 December 2021	Note	Refining	Petro-chemicals	Other	Total
Revenue from contracts with customers		8.046.777	378.757	-	8.425.535
EBITDA *		**418.830**	**128.693**	**(32.220)**	**515.303**
Depreciation and amortisation (PPE & Intangibles)	6,8	(160.885)	(4.668)	(89)	(165.642)
Depreciation of right-of-use assets	7	(6.131)	(3.147)	(16)	(9.294)
Operating profit/(loss)		**251.814**	**120.878**	**(32.325)**	**340.367**
Finance (expense)/income	28	(54.366)	(1.840)	(28.850)	(85.056)
Lease finance cost	28	(1.066)	(44)	-	(1.110)
Dividend income		-	-	22.809	22.809
Currency exchange gains/(losses)	29	16.007	-	-	16.007
Profit/(Loss) before income tax		**212.389**	**118.994**	**(38.366)**	**293.017**
Income tax	30				(63.336)
Profit/(Loss) for the year					**229.681**

**EBITDA is calculated as Operating profit(loss) per the statement of comprehensive income plus depreciation and amortisation*

Year ended 31 December 2020	Note	Refining	Petro-chemicals	Other	Total
Revenue from contracts with customers		4.866.618	248.195	-	5.114.813
EBITDA *		**(372.936)**	**55.249**	**7.020**	**(310.666)**
Depreciation and amortisation (PPE & Intangibles)	6,8	(152.175)	(3.923)	(226)	(156.324)
Depreciation of right-of-use assets		(6.482)	(3.784)	(21)	(10.287)
Operating profit/(loss)		**(531.593)**	**47.542**	**6.773**	**(477.277)**
Finance (expense)/income	28	(56.558)	(1.845)	(34.594)	(92.997)
Lease finance cost	28	(1.330)	(58)	-	(1.388)
Dividend income		-	-	51.533	51.533
Currency exchange gains/(losses)	29	4.988	-	-	4.988
Profit/(Loss) before income tax		**(584.493)**	**45.639**	**23.712**	**(515.141)**
Income tax	30				176.377
Profit for the year					**(338.764)**

**EBITDA is calculated as Operating profit(loss) per the statement of comprehensive income plus depreciation and amortisation*

Costs relating to the exploration & production of hydrocarbons were transferred to other Group entities in previous years and are included in "Other" segment for the comparative year. There were no other changes in the basis of segmentation or in the basis of measurement of segmental profit or loss, as compared to the annual financial statements for the year ended 31 December 2020.

(All amounts in Euro thousands unless otherwise stated

"Other" segment includes mainly income from dividends and part of corporate costs, not directly related to the Company's principal operating segments.

An analysis of the Company's revenue from contracts with customers by type of market (domestic, aviation & bunkering and exports), is presented below:

Year ended 31 December 2021	Note	Refining	Petro-chemicals	Other	Total
Domestic		2.570.316	129.861	-	2.700.177
Aviation & Bunkering		956.730	-	-	956.730
Exports		4.519.731	248.896	-	4.768.627
Revenue from contracts with customers		8.046.777	378.757	-	8.425.534

Year ended 31 December 2020	Refining	Petro-chemicals	Other	Total
Domestic	1.587.345	89.796	-	1.677.141
Aviation & Bunkering	495.243	-	-	495.243
Exports	2.784.030	158.399	-	2.942.429
Revenue from contracts with customers	4.866.618	248.195	-	5.114.813

The segment assets and liabilities at 31 December 2021 and 2020 are as follows:

Year ended 31 December 2021	Refining	Petro-chemicals	Other	Total
Total Assets	5.072.499	556.002	1.065.168	**6.693.669**
Total Liabilities	3.500.970	47.277	1.149.955	**4.698.202**

Year ended 31 December 2020	Refining	Petro-chemicals	Other	Total
Total Assets	4.484.165	451.119	1.105.826	**6.041.110**
Total Liabilities	2.991.835	35.209	1.193.934	**4.220.978**

There has been no material change in the definition of segments or the segmental analysis of total assets or total liabilities from the amounts disclosed in the annual financial statements for the year ended 31 December 2020.

(All amounts in Euro thousands unless otherwise stated

6 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Means of transport	Furniture and fixtures	Assets Under Cons-truction	Total
Cost							
As at 1 January 2020	**142.850**	**546.816**	**4.105.313**	**15.699**	**94.480**	**115.448**	**5.020.606**
Additions	-	-	1.812	105	2.832	221.110	225.859
Capitalised projects	-	3.328	197.721	-	87	(201.136)	-
Disposals	-	-	-	-	(29)	-	(29)
Transfers and other movements	-	-	1.103	-	-	(3.457)	(2.354)
As at 31 December 2020	**142.850**	**550.144**	**4.305.949**	**15.804**	**97.370**	**131.965**	**5.244.082**
Accumulated Depreciation							
As at 1 January 2020	**-**	**247.468**	**1.983.400**	**11.615**	**83.074**	**1.255**	**2.326.812**
Charge for the year	-	14.759	132.540	417	2.736	-	150.452
Disposals	-	-	-	-	(28)	-	(28)
Impairment	-	-	-	-	-	211	211
As at 31 December 2020	**-**	**262.227**	**2.115.940**	**12.032**	**85.782**	**1.466**	**2.477.447**
Net Book Value at 31 December 2020	**142.850**	**287.917**	**2.190.009**	**3.772**	**11.588**	**130.499**	**2.766.635**
Cost							
As at 1 January 2021	**142.850**	**550.144**	**4.305.949**	**15.804**	**97.370**	**131.965**	**5.244.082**
Additions	-	131	1.048	88	2.302	107.656	111.227
Capitalised projects	-	5.621	51.276	-	191	(57.088)	-
Disposals	-	-	(2.658)	(691)	(33.055)	(3.942)	(40.345)
Transfers and other movements	(221)	221	3.807	-	-	(6.987)	(3.181)
As at 31 December 2021	**142.629**	**556.118**	**4.359.422**	**15.202**	**66.808**	**171.603**	**5.311.782**
Accumulated Depreciation							
As at 1 January 2021	**-**	**262.227**	**2.115.940**	**12.032**	**85.782**	**1.466**	**2.477.447**
Charge for the year	-	14.949	141.742	423	2.951	-	160.066
Disposals	-	-	(2.658)	(691)	(29.902)	-	(33.250)
As at 31 December 2021	**-**	**277.176**	**2.255.024**	**11.764**	**58.832**	**1.466**	**2.604.263**
Net Book Value at 31 December 2021	**142.629**	**278.942**	**2.104.398**	**3.437**	**7.977**	**170.137**	**2.707.520**

(1) The Company has not pledged any property, plant and equipment as security for borrowings.

(2) Additions are mainly comprised of capital expenditure in the refining segment that relate to projects of long-term maintenance and upgrades of the refining units. These amounts are mainly included in assets under construction and are reclassified into the relevant asset class when the projects are completed.

(3) ‘Disposals’ primarily relate to property, plant and equipment assets contributed to HELLENIC PETROLEUM Digital (HELPE Digital). In the context of the implementation of its strategic planning, the Company transferred to its newly incorporated 100% subsidiary, "HELLENIC PETROLEUM Digital", assets that, under the previous organisational structure, served the functions of the Information Technology department, in order to strengthen the subsidiary in the provision of digital services to the companies of the HELLENIC PETROLEUM Group and to third parties. The net book value of the property, plant and equipment assets contributed to HELPE Digital during 2021 was €7 million.

(4) During 2021 an amount of €3,7 million (2020: €3,1 million) in respect of interest has been capitalised within Assets under construction relating to the refining segment, at an average borrowing rate of 3,23% (2020: 3,53%).

(5) Gains or losses from disposals are included within "Other income/(expenses) and other gains/(losses) (Note 28).

(6) 'Transfers and other movements' include the transfer of computer software development costs to intangible assets and the transfer of spare parts for the refinery units between inventories and fixed assets.

(7) The Company constantly monitors the developments in the sector with respect to energy transition as well as the latest legislation in relation to climate related matters. The significant accounting estimates made by management incorporate the future effects of the Company's own strategic decisions and commitments on having its portfolio adhered to the energy transition targets, short and long-term impacts of climate-related matters and energy transition to lower carbon energy sources together with management's best estimate on global supply and demand, including forecasted commodities prices. At the current time, no legislation has been passed that will impact the Company. The Company will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required. Management considers the existence of indicators for impairment and performs an assessment for significant CGUs (Notes 2.1, 4).

    Volatility in refining margins caused by Covid-19 pandemic and the ensuing influence in demand for oil products, as well as the impact on cost base primarily due to CO2 and electricity cost, were considered by management as indicators of potential impairment. Management proceeded with an impairment test for the fixed assets of the Company's main segments of Refining and Petrochemicals, which have been considered as one CGU for the purposes of IAS 36 impairment testing, based on the synergies and interdependence between them. The method used is the Value in Use which can be shortly defined as future cash inflows and outflows from continuing use of the asset, which are then discounted to reflect time value for money and risk. CGU's carrying value of total fixed assets as at 31 December 2021 is 2,7 billion and represent 99,96% of the total Company's carrying value of property, plant and equipment and intangible assets. The Company's approved business plan over the next 5 years was used as starting point with extrapolation over the useful life of the main refinery assets. The impairment test was carried out using the following main assumptions as of 31 December 2021:

    Discount rate: Discount rates are based on an appropriate weighted average cost of capital ("WACC"), calculated using the Capital Asset Pricing Model. The WACC calculation considers not only the Company's WACC, but also the cost of equity and the cost of debt of entities with a portfolio of assets, of similar tenure, and comparable debt to equity ratios, with appropriate adjustments made to determine the pre-tax discount rate. Risks specific to the assets or CGUs under review are reflected in the WACC only where they are not reflected in the cash flows. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Post-tax WACC used is calculated at 4,91% (31 December 2020 4,44%).

    Benchmark margins used are in line with Company's business plan and range from $/bbl 3,9 to $/bbl 4,3 within the 5-year period (31 December 2020: $/bbl 1,7 to $/bbl 3,9). Benchmark Forecast margins are based on management's estimates and available market data over a period of two to three years, for which there is a liquid market, thereafter remaining in levels observed over a five year period prior to Covid-19 and having considered the expected peak of oil products demand by the end of this decade.

(All amounts in Euro thousands unless otherwise stated

Long-term maintenance capital expenses are in line with historical capex of the last 5 years, required for the standard operation of the fixed assets and was calculated at €107 million annually, over the useful life of the CGU.

Based on this impairment test, the Company concluded that the carrying amount of the CGU is recoverable and consequently no impairment charge was recorded.

The Company estimated the impact on the recoverable amount if certain key assumptions used in the application of the discounted cash flow valuation method varied with all other variables held constant as follows:

Key assumption tested	Change in assumption	Impact on value-in-use
WACC	+ 1,0%	(9,33%)
Long-term maintenance capital expenses	+ 5,0%	(1,53%)
Benchmark margins yrs 1-5	-$0,50	(14,47%)

Based on this impairment test, the Group concluded that the carrying amount of the CGU is recoverable and consequently no impairment charge was recorded.

(8) Depreciation of property, plant and equipment of €160,1 million (2020: €150,4 million), depreciation of right-of-use assets of €9,3 million (2020: €10,3 million) and amortisation expense of €5,6 million (2020: €5,9 million) are allocated in the following lines of the statement of comprehensive income:

- Cost of Sales €152,3 million (2020: €147,3 million),
- Selling and distribution expenses €9,7 million (2020: €8,8 million),
- Administration expenses €12,9 million (2020: €10,5 million).

(All amounts in Euro thousands unless otherwise stated

7 Right-of-use assets

	Commercial Properties	Plant & Machinery	Motor vehicles	Total
Cost				
As at 1 January 2020	**23.363**	**8.869**	**6.645**	**38.877**
Additions	-	6.696	4.789	11.485
Impairment / Write off	-	(1.770)	-	(1.770)
Modification	18	(23)	(94)	(99)
As at 31 December 2020	**23.381**	**13.772**	**11.340**	**48.493**
Accumulated Depreciation				
As at 1 January 2020	**4.644**	**1.134**	**1.015**	**6.793**
Charge for the period	3.355	2.531	4.401	10.287
Impairment / Write off	-	(744)	-	(744)
As at 31 December 2020	**7.999**	**2.921**	**5.416**	**16.336**
Net Book Value at 31 December 2020	**15.382**	**10.851**	**5.924**	**32.157**
Cost				
As at 1 January 2021	**23.381**	**13.772**	**11.340**	**48.493**
Additions	-	-	3.955	3.955
Modification	35	1	(307)	(272)
As at 31 December 2021	**23.416**	**13.773**	**14.988**	**52.176**
Accumulated Depreciation				
As at 1 January 2021	**7.999**	**2.921**	**5.416**	**16.336**
Charge for the period	3.247	1.997	4.050	9.294
As at 31 December 2021	**11.246**	**4.918**	**9.466**	**25.630**
Net Book Value at 31 December 2021	**12.170**	**8.855**	**5.522**	**26.547**

The Company leases a variety of assets in the course of its activities, such as office space, tanks and catalysts, as well as vehicles.

Part of the Company's operations require the use of coastal zones. The Company has entered into an agreement with the State for the use of coastal zones in certain areas. There are, however other areas, where the Company uses coastal zones and for which no agreement exists. The State may periodically issue a notice for compensation for the use of the coastal zones for these areas. Upon adoption of IFRS 16, the Company concluded that the use of coastal zones could meet the criteria of an identified asset under IFRS 16, where an agreement exists. Where the terms of use by the Greek state, are determinable from the agreement, the Company recognizes a right of use asset within commercial properties and a lease liability representing its obligation to make payments. For instances, where the Company uses coastal zones without an agreement, the Company considers that the arrangement does not constitute a lease and provides for compensation for the use of the coast based on the most recently received notice. For the year ended 31 December 2021, this is estimated at €670 thousand (2020: €670 thousand) and is included in current liabilities.

Furthermore, the Company operates a number of underground pipelines within the boundaries of various municipalities, in accordance with relevant laws. As described in Note 34, certain municipalities have proceeded with the imposition of duties and fines relating to the rights of way. The Company has appealed against such amounts imposed as described in the note and does not consider that any of these fall within the scope of IFRS 16.

(All amounts in Euro thousands unless otherwise stated

8 Intangible assets

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2020	105.334	25.536	130.870
Additions	2.688	444	3.132
Disposals	-	(1.681)	(1.681)
Transfers & other movements	3.457	-	3.457
As at 31 December 2020	111.479	24.299	135.778
Accumulated Amortisation			
As at 1 January 2020	97.602	24.564	122.166
Charge for the year	5.786	86	5.872
Disposals	-	(354)	(354)
As at 31 December 2020	103.388	24.296	127.684
Net Book Value 31 December 2020	8.091	3	8.094
Cost			
As at 1 January 2021	111.479	24.299	135.778
Additions	1.034	-	1.034
Disposals	(74.987)	-	(74.987)
Transfers & other movements	6.987	-	6.987
As at 31 December 2021	44.514	24.299	68.813
Accumulated Amortisation			
As at 1 January 2021	103.388	24.296	127.684
Charge for the year	5.576	1	5.577
Disposals	(65.558)	-	(65.558)
As at 31 December 2021	43.406	24.297	67.702
Net Book Value 31 December 2021	1.109	2	1.111

(1) 'Licenses and rights' include net exploration license costs, relating to the new exploration & production of hydrocarbons' concessions in Greece. During April 2020 they were transferred to other group entities.

(2) 'Transfers and other movements' in computer software mainly relate to completed IT software projects capitalised during the year and thus transferred from assets under construction. These projects are monitored within assets-under-construction as implementation of the relevant software takes place over a period of time. They are transferred to Intangible Assets when the implementation of the software has been completed and tested as being ready for use (Note 6).

(3) 'Disposals' primarily relate to intangible assets contributed to HELLENIC PETROLEUM Digital (HELPE Digital). In the context of the implementation of its strategic planning, the Company transferred to its newly incorporated 100% subsidiary, "HELLENIC PETROLEUM Digital", assets that, under the previous organisational structure, served the functions of the Information Technology department, in order to strengthen the subsidiary in the provision of digital services to the companies of the HELLENIC PETROLEUM Group and to third parties. The net book value of the intangible assets contributed to HELPE Digital during 2021 was €9,4 million.

(All amounts in Euro thousands unless otherwise stated

9 Investment in subsidiaries, associates and joint ventures

		As at	
	Note	31 December 2021	31 December 2020
Beginning of the year		**1.064.566**	**1.045.138**
Increase / (Decrease) in share capital of subsidiaries and JV		22.656	13.542
(Impairment) of investments / Reversal of impairment	27	(31.325)	5.886
Transfers from investments to "Assets held for sale"	14	(122.301)	-
End of the year		**933.596**	**1.064.566**

A list of the Company's direct investments is as follows:

Name	Participating interest	Country of Incorporation	Classification
ASPROFOS S.A.	100,0%	Greece	Subsidiary
DIAXON S.A.	100,0%	Greece	Subsidiary
HELLENIC FUELS AND LUBRICANTS S.A. (HFL)	100,0%	Greece	Subsidiary
ELPET BALKANIKI S.A.	100,0%	Greece	Subsidiary
HELPE DIGITAL S.A.	100,0%	Greece	Subsidiary
HELLENIC PETROLEUM INTERNATIONAL AG (HPI)	100,0%	Austria	Subsidiary
HELPE APOLLON MARITIME Co	100,0%	Greece	Subsidiary
HELPE POSEIDON MARITIME Co	0,0%	Greece	Subsidiary
HELLENIC PETROLEUM FINANCE PLC	100,0%	United Kingdom	Subsidiary
HELPE RENEWABLE ENERGY SOURCES S.A.	100,0%	Greece	Subsidiary
HELPE E&P HOLDING S.A.	100,0%	Greece	Subsidiary
HELPE FUTURE S.A.	100,0%	Greece	Subsidiary
GLOBAL ALBANIA S.A.	99,9%	Albania	Subsidiary
DEPA COMMERCIAL S.A. (ex DEPA S.A.)	35,0%	Greece	Associate
DEPA INFRASTRUCTURE S.A.	35,0%	Greece	Associate
DEPA INTERNATIONAL PROJECTS S.A.	35,0%	Greece	Associate
ATHENS AIRPORT FUEL PIPELINE COMPANY S.A.	50,0%	Greece	Associate
HELPE THRAKI S.A. (Liquidated in April 2020)	25,0%	Greece	Associate
ELPEDISON B.V.	5,0%	Netherlands	Joint Venture

a) In November 2021, HELLENIC PETROLEUM established HELPE Digital S.A. (100% subsidiary). The total share capital of the new company amounts to €21,3 million. As at 31 December 2021, the Company has contributed an amount of €16,4 million in kind (assets) and €1 million in cash. The outstanding amount payable as at 31 December 2021 was €3,9 million (Notes 6, 8).

b) On 12 November 2021 HELPE Poseidon Maritime Co was dissolved and the carrying value of the investment, amounting to € 1,3 million, was transferred to the results.

c) Impairment of investments relates to ASPROFOS S.A., HELPE E&P Holdings S.A. and ELPEDISON B.V.

- *Asprofos*

As at 31 December 2021 Management carried out an impairment test according to the requirements of IAS 36, based on the post-tax cash flows produced by Asprofos S.A. The company's continuing losses and the anticipated future developments in the engineering market in which the company operates, were considered as indicators of impairment. The valuation analysis considered Asprofos S.A. as a single cash generation unit (CGU). The analysis was carried out by identifying the recoverable value ("value in use") of the CGU.

Based on this impairment test, the Company recognised an additional impairment provision of €1,5 million in the carrying value of the investment in Asprofos S.A. in the statement of financial position as at 31 December 2021 and a respective impairment loss in the statement of comprehensive income, which was included in other income and expenses (Note 27).

- *HELPE E&P Holdings S.A.*

HELPE E&P Holdings S.A intends not to proceed with further exploration activities in certain onshore areas and to return the respective hydrocarbon exploration and production rights to the Hellenic Republic. The Company has obtained legal opinion that confirms that the return of these certain licenses is in line with the contractual terms and no obligations arise. Consequently, the Company recognized an impairment provision of €27 million for its investment in this subsidiary through the statement of total comprehensive income which was included in other income and expenses (Note 27.)

- *ELPEDISON B.V.*

The Company owns a 5% shareholding in Elpedison B.V., a joint venture entity of the Group, in which HPI also participates (45%) and EDISON SpA (50%).

As at 31 December 2021 Elpedison B.V. management carried out an impairment test according to the requirements of IAS 36, based on the post-tax cash flows produced by the company. Changes in the regulatory environment were considered as a probable indicator of impairment, as they could impact the future cash flows of its assets.

The valuation analysis considered Elpedison S.A.'s two gas fired power plants and the supply business unit as a single cash generation unit (CGU). The analysis was carried out by identifying the recoverable value ("value in use") of the CGU. The estimation of the value in use was performed through the application of the Discounted Cash Flow Valuation Method. The discount rate applied was 4,8% and was estimated as the post-tax Weighted Average Cost of Capital (WACC) of the company. The long-term growth rate applied on terminal value was estimated at 1,5%. Based on this impairment, the recoverable amount determined was lower than the carrying amount. Therefore, the Company recognised an impairment provision of €5,7 million in the carrying value of the investment in ELPEDISON B.V. in the statement of financial position as at 31 December 2021 and a respective impairment loss in the Statement of total Comprehensive Income / (Loss) and specifically in "Other operating expense and other losses" (Note 27).

d) Impairment testing at Hellenic Fuels S.A.

As at 31 December 2021 Hellenic Fuels S.A. ("HFL") management carried out an impairment test according to the requirements of IAS 36, based on the post-tax cash flows produced by the entity. The impact of Covid19 and anticipated future developments in the market in which the company operates, were considered as indicators of impairment, as they could impact the future cash flows of its assets.

The valuation analysis considered HFL S.A. as a single cash generation unit (CGU). The analysis was carried out by identifying the recoverable value (Fair Value) of the CGU through the application of the Discounted Cash Flow Valuation Method, starting from the entity's approved 5-year business plan. The discount rate applied was 4,12% (31 December 2020: 5%) and was estimated as the post-tax WACC of the company. Based on this impairment test, the Group concluded that the carrying amount of the net assets of its marketing activities in Greece is recoverable and consequently no impairment charge was recorded.

It should be noted that the assumptions and scenarios used could further change in the future, particularly in an environment characterized by high volatility. Relevant changes in the assumptions used e.g. EBITDA generation and discount rates, could have an impact on the recoverable value of the assets. It is estimated that, if the EBITDA generation was lower by 10% for the period of detailed forecasts (2022-2026) the recoverable amount would have been lower by 9%. In addition, if the WACC used in the impairment test was higher by 0,5% with all other variables held constant, the recoverable amount would have been lower by 15%. In both sensitivity analysis' scenarios, representing reasonably possible changes in assumptions, the carrying amount of the investment in HFL S.A. is recoverable

e) Further increases / (decreases) in the share capital of investments mainly relate to HELPE E&P Holding S.A. and HELPE Digital S.A.

f) DEPA Commercial and DEPA Infrastructure groups

In January 2020, the HRADF launched an international public tender process for the sale of its 65% in the share capital of DEPA Commercial S.A. HELLENIC PETROLEUM, in a joint venture with EDISON S.p.A., is among the interested parties. In June 2020, Phase A of the tender process was completed, with seven interested parties meeting the criteria to participate in Phase B (Binding Offers Phase). The Fund and HELPE have entered into a Memorandum of Understanding (MoU) in the event that HELPE is not selected as preferred bidder, the granting by HELPE to the preferred bidder of a call option and the granting by the preferred bidder to HELLENIC PETROLEUM of a put option respectively, regarding HELLENIC PETROLEUM's shareholding in DEPA Commercial, which will enable HELLENIC PETROLEUM exit from a minority participation. The privatisation procedure was suspended during the second quarter of 2021. As such, DEPA Commercial continues to be accounted for and included in these financial statements as an investment in associates.

DEPA Commercial group operates in the wholesale, trading, transmission, distribution and supply of natural gas.

DEPA Commercial group fully consolidates its 100% shareholding in EPA Attica S.A. (gas Supply Company for the Attica region.

On 11 May 2020, DEPA Commercial S.A. established DEPA International Projects S.A. a 100% subsidiary in order to transfer and then demerge the international business sector through its 50% shareholding in IGI Poseidon S.A. (Joint Venture between DEPA Commercial S.A. and Edison S.p.A.), which is engaged in the development of gas infrastructure projects in South East Europe.

On 12 November 2020, DEPA Commercial S.A. concluded the partial demerger of its international sector. The official legal procedure of transfer of 35% of shares of DEPA International Projects S.A. to the Company was completed on 29 January 2021 when the Company commenced accounting for the new associate "DEPA International group".

(All amounts in Euro thousands unless otherwise stated

The table below shows the Company's carrying value of its investment in DEPA Commercial S.A. as at 31 January 2021 and the subsequent allocation between the two new groups.

	DEPA Commerial SA	DEPA International Projects SA
Investment as at 31 January 2021	168.630	-
Investment as at 1 February 2021, after the demerger	143.463	25.167

The cost of investment in the financial statements of the Company is €122 million.

Following the signing of the sale and purchase agreement for the shares of DEPA Infrastructure, the investment is classified in assets held for sale (Note 14).

In 2021 the Company received cash dividends of €4,2 million and €2,3 million from DEPA Infrastructure and DEPA Commercial respectively (2020: €8 million).

g) The Company participates, directly or indirectly through its subsidiaries, in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece and abroad:

- Energean International E&P S.p.A. (Greece, Patraikos Gulf).
- Energean Hellas LTD, Energean International E&P SpA (Greece, Block 2, West of Corfu Island).
- Total Energies E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block West Crete).
- Total Energies E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block South West Crete).
- Repsol Greece Ionian, S.L. SUC (Greece, Block Ionian).
- Calfrac Well Services Ltd, HELPE Sea of Thrace S.A., a Group company – Greece, Sea of Thrace concession

The jointly controlled operations are still on a research phase and do not contribute to revenues.

10 Loans, advances & long term assets

	As at 31 December 2021	31 December 2020
Loans and advances	139.529	40.777
Other long term assets	3.643	2.179
Total	**143.172**	**42.956**

Loans and advances as at 31 December 2021 include long-term bond loans extended to subsidiaries of the HELPE Group, amounting to €101,5 million (2020: €4,3 million) (Note 36)

They also include trade receivables due in more than one year as a result of settlement arrangements. These are discounted at an average rate of 4,22% as at 31 December 2021 (2020: 4,39%) over their respective duration. The increase relates to new long-term arrangements contracted in 2021.

(All amounts in Euro thousands unless otherwise stated

11 Inventories

	As at	
	31 December 2021	31 December 2020
Crude oil	546.746	84.514
Refined products and semi-finished products	592.800	437.025
Petrochemicals	35.221	17.412
Consumable materials and spare parts	98.973	92.688
- Less: Provision for consumables and spare parts	(32.966)	(32.026)
Total	1.240.774	599.613

Under IEA and EU regulations Greece is obliged to hold crude oil and refined product stocks in order to fulfil the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002. This responsibility is passed on to all companies, including HELLENIC PETROLEUM Holdings S.A., which import and sell in the domestic market who have the obligation to maintain and finance the appropriate stock levels. Such stocks are part of the operating stocks and are valued on the same basis.

The cost of inventories recognised as an expense and included in “Cost of sales” for 2021 amounted to €7,3 billion (2020: €5,2 billion). The Company has reported a loss of €0,6 million as at 31 December 2021 arising from inventory valuation which is reflected in a write-down of the year-end values (2020: €6,1 million). This was recognised as an expense in the year ended 31 December 2021 and included in ‘Cost of Sales’ in the statement of total comprehensive income. Overall for 2021, management has estimated that the impact on the results of the Company from the fluctuations of crude oil and product prices during the year was positive and equal to approx. €302 million (2020: negative impact of €514 million).

In addition, as at 31 December 2021, an amount of €3,8 million (2020: €1,1 million) relating to spare parts for the refinery units, has been transferred from inventories to plant and machinery (Note 6).

12 Trade and other receivables

	As at	
	31 December 2021	31 December 2020
Trade receivables	441.834	279.982
- Less: Provision for impairment of receivables	(100.850)	(100.590)
Trade receivables net	340.984	179.392
Other receivables	220.938	308.871
- Less: Provision for impairment of receivables	(6.691)	(14.171)
Other receivables net	214.247	294.700
Prepaid expenses and accrued income	13.846	15.887
Total	569.077	489.979

As part of its working capital management, the Company utilises factoring facilities to accelerate the collection of cash from its customers in Greece. Non-recourse factoring, is excluded from balances shown above, since all risks and rewards of the relevant invoices have been transferred to the factoring institution. Further details regarding factoring with recourse are included in Note 18.

(All amounts in Euro thousands unless otherwise stated

'Other receivables' generally include balances in respect of advances to suppliers, advances to personnel, VAT, withholding taxes and taxes paid, other than amounts related to income tax, as a result of tax audit assessments during previous years from the tax authorities, where the Company has commenced legal proceedings and disputed the relevant amounts (see Note 30).

More specifically, other receivables as at 31 December 2021 include, among others, the following:

(a) €54m of VAT approved refunds (31 December 2020: €54 million), which had been withheld in previous years by the customs authorities due to a dispute relating to stock shortages. The Company has filed a specific legal objection and claim against this action and expects to fully recover this amount, following the conclusion of the relevant legal proceedings (Note 34).
(b) €8 million dividends receivable from HPI, a Group company (2020: €40 million)
(c) An outstanding balance of €25 million (2020: €100 million) regarding a bond loan to EKO ABEE, a Group company (Note 36).
(d) Restricted cash amounting to €9 million (31 December 2020: €18 million).

The table below analyses total trade receivables:

	As at	
	31 December 2021	31 December 2020
Not past due	258.750	119.110
Past due	183.084	160.872
Total trade receivables	**441.834**	**279.982**

The overdue days of trade receivables that were past due are as follows:

	As at	
	31 December 2021	31 December 2020
Up to 30 days	72.059	29.395
30 - 90 days	1.173	22.305
Over 90 days	109.852	109.172
Total past due trade receivables	**183.084**	**160.872**

Regarding trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECLs). The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. Collaterals held by the Company include primarily first or second class pre-notices over properties of the debtor, personal and bank guarantees.

(All amounts in Euro thousands unless otherwise stated

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Not past due	Days past due			
		< 30 days	31-90 days	> 90 days	Total
31 December 2021					
Expected credit loss rate	0,05%	0,09%	2,10%	91,60%	22,83%
Total gross carrying amount	258.750	72.059	1.173	109.852	441.834
Expected credit loss	(139)	(64)	(25)	(100.622)	(100.850)
31 December 2020					
Expected credit loss rate	0,01%	0,01%	0,16%	92,10%	35,93%
Total gross carrying amount	119.110	29.395	22.305	109.172	279.982
Expected credit loss	(7)	(3)	(35)	(100.546)	(100.590)

The movement in the provision for impairment of trade receivables is set out below:

	As at	
	31 December 2021	31 December 2020
Balance at 1 January 2020	100.590	100.543
Charged/(credited) to the statement of comprehensive income:		
- Additional provisions	65	1.092
- Receivables written off during the year as uncollectible	194	(1.040)
- Unused amounts reversed	-	(5)
Balance at 31 December 2021	100.850	100.590

The movement in the provision for impairment has been included in the selling and distribution costs in the statement of comprehensive income.

The movement in the provision for impairment of other receivables is set out below:

	As at	
	31 December 2021	31 December 2020
Balance at 1 January 2020	14.171	14.438
Charged/(credited) to the statement of comprehensive income:		
- Additional provisions	30	17
- Receivables written off during the year as uncollectible	(7.263)	(243)
- Unused amounts reversed	(247)	(41)
Balance at 31 December 2021	6.691	14.171

(All amounts in Euro thousands unless otherwise stated

13 Cash and cash equivalents

	As at	
	31 December 2021	31 December 2020
Cash at bank and in hand	843.493	943.562
Short term bank deposits	-	49.186
Total cash and cash equivalents	843.493	992.748

The balance of US Dollars included in Cash at bank as at 31 December 2021 was US$354 million (Euro equivalent €313 million). The respective amount for the year ended 31 December 2020 was US$704 million (Euro equivalent €573 million).

The weighted average effective interest rate as at the reporting date on cash and cash equivalents was:

	As at	
	31 December 2021	31 December 2020
Euro	0,01%	0,06%
USD	0,01%	0,01%

14 Assets held for sale

On 10 December 2021, Hellenic Petroleum S.A. and Hellenic Republic Asset Development Fund S.A. (HRADF) signed the sale and purchase agreement for the shares of DEPA Infrastructure, a Company's associate, to Italgas SpA, for a total price of €733 million, with the 35% share of HELLENIC PETROLEUM participation corresponding to €256 million. The transaction is expected to be completed within the first half of 2022, following the approval by the local regulatory authorities.

From the date of classification as held for sale, the investment is held at the lower of carrying value and fair value less cost to sell.

Accordingly, as at 31 December 2021, DEPA Infrastructure investment is classified as an asset held for sale at its carrying value (€122 million), which is lower than the fair value, being the consideration of the buyer mentioned above, less cost to sell.

15 Share capital

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January & 31 December 2020	305.635.185	666.285	353.796	1.020.081
As at 31 December 2021	305.635.185	666.285	353.796	1.020.081

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2.18 (31 December 2020: €2,18).

(All amounts in Euro thousands unless otherwise stated

16 Reserves

		Statutory reserve	Special reserves	Tax-free & Incentive law reserves	Hedging reserve	Actuarial gains/ (losses)	Equity instrum. FVOCI gains/ (losses)	Total
Balance at 1 January 2020		160.656	86.495	71.255	2.640	(37.900)	(40)	283.106
Cash flow hedges:								
- Fair value gains/(losses) on cash flow hedges	24	-	-	-	(22.008)	-	-	(22.008)
- Recycling of (gains)/losses on hedges through comprehensive income	24	-	-	-	25.077	-	-	25.077
Actuarial losses on defined benefit pension plans	21	-	-	-	-	(6.311)	-	(6.311)
Changes in the fair value of equity instruments	13	-	-	-	-	-	(288)	(288)
Balance at 31 December 2020		160.656	86.495	71.255	5.709	(44.211)	(328)	279.576
Balance at 1 January 2021		160.656	86.495	71.255	5.709	(44.211)	(328)	279.576
Cash flow hedges:								
- Fair value gains/(losses) on cash flow hedges	24	-	-	-	25.472	-	-	25.472
- Recycling of (gains)/losses on hedges through comprehensive income	24	-	-	-	(31.794)	-	-	(31.794)
Actuarial losses on defined benefit pension plans	21	-	-	-	-	(12.940)	-	(12.940)
Changes in the fair value of equity instruments	13	-	-	-	-	-	328	328
Balance at 31 December 2021		160.656	86.495	71.255	(613)	(57.151)	-	260.642

Statutory reserve

Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until this reserve is equal to one third of the outstanding share capital. This reserve cannot be distributed during the existence of the entity, but can be used to offset accumulated losses.

Special reserves

Special reserves primarily relate to reserves arising from tax revaluations in accordance with the relevant legislation in prior years.

Tax-free and incentive law reserves

These reserves relate to retained earnings, which have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes and reserves relating to investments under incentive laws. These reserves will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital under certain conditions.

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income, as described in Note 24. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

(All amounts in Euro thousands unless otherwise stated

Other reserves

These include:

Actuarial gains / (losses) on defined benefit plans resulting from a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

Changes in the fair value of investments that are classified as investments in equity instruments.

17 Trade and other payables

	As at	
	31 December 2021	31 December 2020
Trade payables	1.562.331	1.223.902
Accrued Expenses	290.526	157.673
Other payables	48.482	45.492
Total	**1.901.339**	**1.427.067**

Trade payables are comprised of amounts payable or accrued in respect of supplies of crude oil, products and services, as well as fixed assets.

Trade payables, as at 31 December 2021 and 31 December 2020, include amounts in respect of crude oil imports from Iran, which were received between December 2011 and March 2012 as part of a long-term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes through the international banking system between January and June 2012, it was not possible to do so. In the period from 16 January 2016 up to 8 May 2018, when sanctions were suspended, the Company successfully made several payments against a significant part of these amounts. Following the re-imposition of relevant sanctions by the United States, no deliveries of Iranian crude oil or payments have taken place since 8 May 2018.

Accrued expenses as of 31 December 2021, include an amount of €227 million relating to the estimated cost of the CO_2 emission rights, necessary to meet the Company's deficit as of 31 December 2021, following also the monetization of CO_2 certificates disposed by the Company in July 2021. The estimated cost of the CO_2 emission rights as of 31 December 2020 was €104 million.

Accrued expenses also relate to accrued interest, payroll-related accruals and accruals for operating expenses not yet invoiced.

Other payables include amounts in respect of payroll-related liabilities, social security obligations and sundry taxes.

(All amounts in Euro thousands unless otherwise stated

18 Interest bearing loans and borrowings

	As at	
	31 December 2021	31 December 2020
Non-current interest bearing loans and borrowings		
Bank borrowings	-	22.222
Intercompany borrowings	255.098	546.500
Bond loans	894.598	1.496.086
Total non-current interest bearing loans and borrowings	1.149.696	2.064.808
Current interest bearing loans and borrowings		
Short term bank borrowings	467.042	376.231
Bond loans	882.258	-
Intercompany borrowings	-	74.000
Current portion of long-term bank borrowings	-	44.444
Total current interest bearing loans and borrowings	1.349.300	494.675
Total interest bearing loans and borrowings	2.498.996	2.559.483

Non-current interest-bearing loans and borrowings mature as follows:

	As at	
	31 December 2021	31 December 2020
Between 1 and 2 years	794.877	845.848
Between 2 and 5 years	321.819	1.185.961
Over 5 years	33.000	33.000
Total non-current interest bearing loans and borrowings	1.149.696	2.064.808

The respective amounts of contractual (undiscounted) cash flows, which include capital and interest are disclosed in Note 3.1.

The weighted average effective interest rates are as follows:

Bank Borrowings	Currency	31 December 2021	31 December 2020
- Floating Euribor + margin	Euro	2,46%	2,71%
- Floating Libor + margin	USD	2,40%	2,40%
Long-term			
- Floating Euribor + margin	Euro	2,92%	2,76%
- Floating Libor + margin	USD	-	-

The carrying amounts of borrowings are denominated in Euro and US Dollars:

	As at	
	31 December 2021	31 December 2020
Euro	2.489.212	2.547.551
US dollar	9.786	11.932
Total interest bearing loans and borrowings	2.498.996	2.559.483

HELLENIC PETROLEUM and its subsidiaries (the “Group”) has centralised treasury operations which coordinate and control the funding and cash management activities of all Group companies. Within this framework, HELLENIC PETROLEUM Finance plc ("HPF") was established in November 2005 in the U.K. as a wholly-owned subsidiary of HELLENIC PETROLEUM to act as the central treasury vehicle of the HELLENIC PETROLEUM Group.

Borrowings by maturity as at 31 December 2021 and 31 December 2020 are summarised in the table below (amounts in € million):

		As at	
	Maturity	31 December 2021 (€ million)	31 December 2020 (€ million)
Bond loan €400 million	Dec 2022	384	384
Bond loan €400 million	Nov 2022	399	340
Bond loan €300 million	Dec 2023	398	277
Bond loan €100 million	Oct 2021	-	100
Bond loan €100 million	Sep 2022	100	99
Bond loan €100 million	Oct 2024	100	-
Bond loan €400 million	Jun 2023	397	395
European Investment Bank ("EIB") Term loan	Jun 2022	-	67
HPF Loan, October 2016	Oct 2021	-	74
HPF Loan, October 2019	Oct 2024	222	514
Bilateral lines	Various	500	309
Total		**2.499**	**2.559**

Refer to 'Liquidity Risk Management' (Note 3.1) for an analysis of the Company's refinancing plans regarding the facilities falling due in 2021.

No loans were in default as at 31 December 2021 (none as at 31 December 2020).

Significant movement in borrowings for the year ended 31 December 2021 are as follows:

Bond loan €400 million maturing in December 2023

In January 2015, HELLENIC PETROLEUM issued a €200 million revolving bond loan facility with a tenor of 3 years. The facility was refinanced in February 2018 for an increased amount of €300 million and a tenor of 3 years. The facility was refinanced prior to its maturity date in December 2020 for an increased principal amount of €400 million and a tenor of 3 years, in accordance with the Company's liquidity risk management strategy to convert part of its short-term uncommitted credit facilities to committed medium term facilities. The outstanding amount of the loan as at 31 December 2021 was €400 million.

Bond loan €400 million maturing in November 2022

In November 2020, HELLENIC PETROLEUM issued a €400 million revolving bond loan facility with a tenor of 2 years and a 1-year extension option. The facility was used to finance the voluntary early prepayment of the $250 million Bond Loan facility maturing in June 2021 and to refinance part of short-term uncommitted credit facilities by medium term committed facilities, in line with the Company's liquidity risk management strategy. The outstanding amount of the loan as at 31 December 2021 was €400 million.

Bond Loan €100 million matured in October 2021

In April 2020, in line with the Company's liquidity risk management strategy to increase the amount of its committed medium-term credit term facilities in view of the Covid-19 crisis, HELLENIC PETROLEUM issued a new €100 million bond loan facility, with a tenor of 18 months. In October 2021 HELLENIC PETROLEUM fully repaid the outstanding balance of €100 million upon maturity.

Bond Loan €100 million maturing in October 2024

In October 2021 HELLENIC PETROLEUM issued a new €100 million revolving bond loan facility with a tenor of 3 years. The outstanding balance as at 31 December 2021 was €100 million.

Bond Loan €150 million maturing in October 2023

In October 2021 HELLENIC PETROLEUM issued a new €150 million revolving bond loan facility with a tenor of 2 years. The Company did not proceed to drawdown as at 31 December 2021.

EIB Term loans maturing in June 2022

In May 2010, HELLENIC PETROLEUM signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment program related to the upgrade of the Elefsina Refinery. Both loans had a maturity of twelve years and a 3-year grace period as well as similar terms and conditions. Facility B was credit enhanced by a commercial bank guarantee until February 2018 (this is normal lending practice for EIB particularly during the construction phase of large projects). Total repayments on both loans up to 31 December 2021 amounted to €333 million (€44 million paid during 2020). In 2021 HELLENIC PETROLEUM fully repaid the outstanding balance of €66 million (of which €44 million upon maturity and €22 million as a voluntary prepayment).

HPF Loan, maturing in October 2021 (Eurobond €201m)

In October 2016 HPF issued a €375 million five-year 4.875% Eurobond guaranteed by HELLENIC PETROLEUM, with the issue price being 99.453 per cent of the principal amount, maturing in October 2021. The proceeds of the issue were used to repay existing financial indebtedness, including the partial prepayment of the €500 million Eurobond maturing in May 2017. The latter was effected via a tender offer process where notes of nominal value of €225 million were accepted. Subsequently the Company utilised €367 million of the issue, to prepay existing indebtedness and for general corporate purposes. In July 2017, HPF issued a notional amount of €74,5 million of notes guaranteed by HELLENIC PETROLEUM, maturing in October 2021, which were consolidated and form a single series with HPF's €375 million 4.875% guaranteed notes, as per above. Subsequently the Company increased its existing loan agreement with HPF.HPF prepaid part of the notes in October 2019, with the proceeds of another 5-year Eurobond issue of €500 million, as detailed below. The remaining outstanding balance of the notes as at 31 December 2020 was €74,5 million. In October 2021 HELLENIC PETROLEUM PLC fully repaid the outstanding balance of €201 million upon maturity.

Bilateral facilities

The Company maintain committed and uncommitted credit facilities with various banks to finance general corporate needs which are renewed in accordance with the Company's finance needs. The facilities mainly comprise of short-term loans of the parent company. During 2021, the Company achieved further improvements in the cost base of the facilities.

In December 2021, HELLENIC PETROLEUM increased the credit line of one of its short-term bilateral facilities by €50 million to €200 million. The outstanding balance as at 31 December 2021 was €150 million.

Bilateral facilities also include factoring facilities with recourse amounting to €54 million (31 December 2020: €38 million).

The table below presents the changes in Borrowings arising from financing activities:

	1 January 2021	Cash flows - borrowings (inflows)	Cash flows - borrowings (outflows)	Cash flows - fees	Foreign exchange movement	Non cash movements	31 December 2021
	€000	€000	€000	€000	€000	€000	€000
Current interest-bearing loans and borrowings	494.675	250.647	(367.756)	(4.432)	-	976.165	1.349.300
Non-current interest-bearing loans and borrowings	2.064.808	220.000	(164.313)	(750)	-	(970.049)	1.149.696
Total	2.559.483	470.647	(532.069)	(5.182)	-	6.115	2.498.995

	1 January 2020	Cash flows - borrowings (inflows)	Cash flows - borrowings (outflows)	Cash flows - fees	Foreign exchange movement	Non cash movements	31 December 2020
	€000	€000	€000	€000	€000	€000	€000
Current interest-bearing loans and borrowings	875.576	210.000	(581.728)	(300)	-	(8.873)	494.675
Non-current interest-bearing loans and borrowings	1.607.838	1.202.971	(750.415)	(4.500)	(5.828)	14.742	2.064.808
Total	2.483.414	1.412.971	(1.332.143)	(4.800)	(5.828)	5.869	2.559.482

(All amounts in Euro thousands unless otherwise stated

19 Lease liabilities

	Note	As at 31 December 2021	31 December 2020
Long-term lease liabilities		16.532	21.279
Short-term lease liabilities		8.216	9.284
Total		24.748	30.563

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Note	
As at 1 January 2020		31.183
Additions		11.485
Modification		(99)
Interest Cost	28	1.388
Repayment		(11.781)
Other movements		(1.613)
At 31 December 2020		30.563
As at 1 January 2021		30.563
Additions		3.955
Modification		(272)
Interest Cost	28	1.110
Repayment		(10.381)
Other movements		(227)
At 31 December 2021		24.748
Current		8.216
Non-current		16.532

The following are the amounts recognized in the statement of comprehensive income:

	Note	For the year ended 31 December 2021	31 December 2020
Depreciation expense for right-of-use assets	7	9.293	10.287
Interest expense on lease liabilities	28	1.110	1.388
Expense relating to short-term leases		59	536
Total amount recognised in statement of comprehensive income		10.462	12.211

The maturity table of the undiscounted cash flows of the lease liabilities is presented below:

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
31 December 2021				
Lease liability	9.074	15.075	3.332	27.481
31 December 2020				
Lease liability	9.265	17.652	3.646	30.563

(All amounts in Euro thousands unless otherwise stated

20 Deferred income tax

Deferred income 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 taxes relate to the same fiscal authority. The gross movement on the deferred income tax liability is as follows:

		As at	
	Note	31 December 2021	31 December 2020
Beginning of the year		(2.773)	(182.065)
Income statement charge/(credit)	30	(63.331)	178.177
Charged / (released) to equity	30	3.979	1.115
Restatement of equity (IAS 19 - Note 21)		1.318	-
End of year		(60.807)	(2.773)

Deferred tax relates to the following types of temporary differences:

	As at	
	31 December 2021	31 December 2020
Intangible and tangible fixed assets	(225.683)	(228.665)
Inventory valuation	10.831	11.474
Environmental provision	46.841	3.600
Unrealised exchange gains	(5.062)	707
Employee benefits provision	38.348	38.309
Provision for bad debts	5.674	6.179
Derivative financial instruments at fair value	(20.099)	(1.274)
Net interest cost carried forward (thin capitalisation)	33.514	19.860
Net operating losses carried forward	39.488	132.218
Provision for write-down in investments of associates	16.834	11.514
Lease contracts	(396)	(383)
Other temporary differences relating to provisions and accruals	(1.097)	3.688
Net deferred income tax asset/(liability)	(60.807)	(2.773)

Deferred tax assets relating to tax loss carry-forwards are recognised if it is probable that they can be offset against future taxable profits. As at 31 December 2021, the Company recognised deferred tax assets on tax loss carry-forwards totaling €39 million since, on the basis of the approved business plan, the Company considers it probable that these can be offset against future taxable profits.

As at 31 December 2021, thin capitalization rules as per art. 49 of law 4172/2013, whereby the net interest expense is deductible up to 30% of tax EBITDA resulted in a deferred tax asset of €33 million, which can be offset against future taxable profits without any time constraints.

(All amounts in Euro thousands unless otherwise stated

21 Retirement benefit obligations

The table below outlines where the Company's retirement benefit amounts and activity are included in the financial statements.

	As at	
	31 December 2021	31 December 2020
Statement of Financial position obligations for:		
Pension benefits	174.211	159.782
Liability in the Statement of Financial position	174.211	159.782

	For the year ended	
	31 December 2021	31 December 2020
Statement of Comprehensive Income charge for:		
Pension benefits	16.220	9.837
Total in the statement of comprehensive income	16.220	9.837

	For the year ended	
	31 December 2021	31 December 2020
Remeasurements for:		
Pension benefits	15.099	8.304
Income tax	(2.159)	(1.993)
Total as per Statement of Other Comprehensive Income	12.940	6.311

The amounts recognised in the statement of financial position are as follows:

	As at	
	31 December 2021	31 December 2020
Present value of funded obligations	14.078	12.749
Fair value of plan assets	(2.444)	(2.641)
Deficit of funded plans	11.634	10.108
Present value of unfunded obligations	162.577	149.674
Liability in the Statement of Financial Position	174.211	159.782

Impact of change in accounting policy following IFRIC AD for IAS 19

The IFRS Interpretations Committee (IFRIC) issued in May 2021 the final Decision on the agenda entitled "Attributing Benefits to Periods of Service in accordance with International Accounting Standard (IAS) 19", which includes guidance on how to attribute benefits in periods of service on a specific program of defined benefits.

Based on the above Decision, the way in which the basic principles of IAS 19 were generally applied for similar plans in Greece in the past changed and consequently, in accordance with IASB Due Process Handbook (par. 8.6) entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies accordingly.

(All amounts in Euro thousands unless otherwise stated

Until the issuance of the IFRIC Decision, the Company applied IAS 19 distributing the benefits defined by the respective law (L.2112 / 1920, and where applicable, its amendment L.4093 / 2012) in the period from recruitment until the date of retirement of employees.

The application of this final Decision by the Company, has as a result the attribution of the retirement benefits in the final 28 years before the date of retirement of employees in accordance with the applicable legal framework and taking into account the additional contractual obligations of the Company in accordance with its collective labor agreements.

As a result, the application, by the Company, of the above Decision led to a change in accounting policy. Management having considered the guidance provided by IASB's "IFRS Practice Statement 2 Making Materiality Judgements", have determined that the impact of the application of the above IFRIC Decision in the comparative period in not material for any of the line items of the statement of financial position affected (Retirement benefit obligation, Retained earnings, Deferred income tax liabilities) and therefore applied it prospectively from the beginning of the carrying period and not retrospectively, showing the cumulative effect for the periods before January 1, 2021 in the opening retained earnings of the current year.

The effect of the application of the IFRIC Agenda Decision is presented in the below table:

<u>Extract from the statement of financial position</u>

	As at 31 December 2020 as published	Effect of change in IAS 19	As at 1 January 2021 after the effect oF IAS 19
Equity			
Retained earnings	520.475	(4.175)	516.300
Non current liabilities			
Deferred income tax liabilities	2.773	(1.318)	1.455
Retirement benefit obligations	159.782	5.493	165.275

The table below presents an extract of the statement of financial position assuming that the change in IAS 19 had been applied as of 1 January 2020:

	As at 31 December 2019 as published	Effect of change in IAS 19	As at 1 January 2020 after the effect oF IAS 19
Equity			
Retained earnings	935.648	(3.949)	931.699
Non current liabilities			
Deferred income tax liabilities	182.065	(1.247)	180.818
Retirement benefit obligations	147.074	5.196	152.270

If the change in IAS 19 had been applied as of 1 January 2020, this would have resulted in an additional loss before tax of 0,2 million as well as additional 0,1 million actuarial losses in other comprehensive income.

(All amounts in Euro thousands unless otherwise stated

The movement in the defined benefit obligation is as follows:

	Present Value of Obligation	Fair Value of Plan Assets	Total
As at 1 January 2020	149.731	(2.657)	147.074
Current service cost	7.778	-	7.778
Interest expense/(income)	1.470	(29)	1.441
Past service costs and (gains)/losses on settlements	618	-	618
Statement of comprehensive income charge	9.866	(29)	9.837
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest expense/(income)	-	-	-
- (Gain)/loss from change in financial assumptions	5.134	-	5.134
- Experience (gains)/losses	3.176	(6)	3.170
Statement of other comprehensive income charge	8.310	(6)	8.304
Benefits paid directly by the Company/Contributions paid by the Company	(4.768)	(665)	(5.433)
Benefit payments from the plan	(716)	716	-
Settlement payments from the plan	-	-	
As at 31 December 2020	162.423	(2.641)	159.782
Effect of changes in accounting policy (IAS 19)	5.493	-	5.493
As at 1 January 2021	167.916	(2.641)	165.275
Current service cost	8.387	-	8.387
Interest expense/(income)	1.304	(21)	1.283
(Gains)/losses on settlements	6.550	-	6.550
Statement of comprehensive income charge	16.241	(21)	16.220
Remeasurements:			
- (Gain)/loss from change in financial assumptions	11.469	-	11.469
- Experience (gains)/losses	3.646	(16)	3.630
Statement of other comprehensive income charge	15.115	(16)	15.099
Benefits paid directly by the Company/Contributions paid by the Company	(22.023)	(360)	(22.383)
Benefit payments from the plan	(594)	594	-
As at 31 December 2021	176.655	(2.444)	174.211

The expected maturity analysis of undiscounted pension benefits is as follows:

Balance at 31 December 2021	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Pension Benefits	11.988	19.566	31.378	126.700	**189.632**

Plan assets are comprised as follows:

	31 December 2021				31 December 2020			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Equity Instruments	95	-	95	*4%*	90	-	90	*3%*
Debt Instruments:								
- Government bonds	1.030	-	1.030	*42%*	1.120	-	1.120	*42%*
- Corporate bonds	1.028	-	1.028	*42%*	1.088	-	1.088	*41%*
Investment funds	237	-	237	*10%*	253	-	253	*10%*
Cash and cash equivalents	54	-	54	2%	90	-	90	*3%*
Total	**2.444**	**-**	**2.444**		**2.641**	**-**	**2.641**	

(All amounts in Euro thousands unless otherwise stated

The principal actuarial assumptions used were as follows:

	As at 31 December 2021	31 December 2020
Discount Rate	0,84%	0,80%
Future Salary Increases	2,05% - 2,50%	1,20% - 2,50%
Inflation	2,05%	1,20%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on Defined Benefit Obligation	
	Change in assumption	Increase in DBO	Decrease in DBO
Discount Rate	0,50%	(4,74)%	5,14%
Future Salary Increases	0,50%	5,05%	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

Expected contributions to defined benefit plans for the following year amount to €0,3 million. The weighted average duration of the defined benefit obligation is 10 years (2020: 10 years).

22 Provisions

The movement for provisions for 2021 and 2020 is as follows:

	Litigation povisions	Provisions for environmental costs	Provisions for other liabilities and charges
At 1 January 2020	7.797	15.000	22.797
Charged/(credited) to the statement of comprehensive income:			
Utilised during year	(510)	-	(510)
At 31 December 2020	7.287	15.000	22.287
Other movements / reclassifications	70	(70)	-
Utilised during year	(39)	-	(39)
At 31 December 2021	7.318	14.930	22.248

Long-term provisions as at 31 December 2021 comprise of amounts for pending legal claims and environmental restoration costs.

(All amounts in Euro thousands unless otherwise stated

23 Other non-current liabilities

	As at	
	31 December 2021	31 December 2020
Government grants	6.471	7.063
Trade and other payables	5.485	5.622
Total	11.956	12.685

Government grants

Government grants relate to grants for the purchase of property, plant and equipment. Amortisation for 2021 amounted to €0,7 million (2020: €0,7 million).

Trade and other payables

Trade and other payables, non-current generally include sundry operating items and risks arising from the Company's ordinary activities.

24 Derivative financial instruments

Commodity Derivative type	Assets	Liabilities	Assets	Liabilities
	€	€	€	€
Commodity Swaps - Crude & oil products	-	1.428	-	4.635
Commodity Swaps - EUA	92.143		2.433	-
	92.143	1.428	2.433	4.635

Derivatives designated as Cash Flow Hedges

Commodity Derivative type	Assets	Liabilities	Assets	Liabilities
	€	€	€	€
Commodity Swaps - Crude & oil products	-	786	7.512	-
Total	92.143	2.214	9.945	4.635
Current portion				
Commodity swaps	92.143	2.214	9.945	4.635
Total	92.143	2.214	9.945	4.635

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the accounting hedging criteria, they are classified as 'derivatives at fair value through the income statement' for accounting purposes.

Derivatives held for trading include commodity swaps for EUAs (Note 3 and 17).

Derivatives designated as cash flow hedges

During the year ended 31 December 2021 amounts transferred to the statement of comprehensive income, relating to contracts that were settled during the year, amounted to €31,8 million gain, net of tax (2020: €25,1 million loss, net of tax).

(All amounts in Euro thousands unless otherwise stated

The remaining cash flow hedges are highly effective and the movement in their fair value, amounting to a gain of €25,5 million net of tax as at 31 December 2021 (2020: €22 million loss, net of tax), is included in the hedging reserve (see Note 16).

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

25 Expenses by nature

	For the year ended	
	31 December 2021	31 December 2020
Raw materials and consumables used	7.267.763	4.905.525
Employee costs	223.418	216.383
Depreciation of property, plant and equipment and right-of-use assets	169.359	160.739
Amortization of intangible assets	5.577	5.872
Transportation and warehouse costs	51.760	51.760
Production overheads	332.840	170.768
Swaps (gains)/losses	(37.312)	40.559
Stock devaluations	574	6.088
Other expenses	53.921	55.003
Total expenses	**8.067.899**	**5.612.696**
Expenses capitalised in assets under construction	(7.258)	(21.000)
Total cost of sales, distribution cost and administrative expenses	**8.060.641**	**5.591.696**

Other expenses mainly comprise items relating to maintenance & site expenses, insurance costs, provision for impairment of receivables, corporate social responsibility costs, third party services (consultancy & legal) expenses, IT costs and advertising and promotion costs.

SWAPS gains/(losses) comprise the total amounts included in comprehensive income for derivatives at fair value through the income statement, whether realized or unrealized and the effect of recycling for derivatives held for hedging (Note 3 and 24).

The fees of Ernst & Young concerning the permissible non-audit services which have been preapproved from the Audit Committee of the Company during 2021, amounts to €13 thousands.

Employee costs

Employee costs are set out in the table below:

	For the year ended	
	31 December 2021	31 December 2020
Wages and salaries	150.993	150.988
Social security costs	34.057	36.568
Defined benefit plans	9.992	9.434
Defined contribution plans	12.093	11.166
Other benefits - emoluments	16.283	8.227
Total	**223.418**	**216.383**

(All amounts in Euro thousands unless otherwise stated

Other employment benefits include medical insurance, catering and transportation expenses, as well as voluntary retirement scheme costs of €6,5 million for the year ended 31 December 2021.

26 Exploration and development expenses

Geological and geophysical costs are expensed as incurred and relate mainly to exploration operations including environmental and geological studies.

27 Other operating income / (expenses) and other gains / (losses)

Other operating income/(expenses) and other gains / (losses) are analysed as follows:

		For the year ended	
	Note	31 December 2021	31 December 2020
Other operating income and other gains			
Income from grants	33	662	797
Services to third parties		11.958	5.493
Rental income		1.607	1.581
Insurance compensation		152	153
Gains on disposal of non-current assets		17	3.518
Discounting of long-term receivables and liabilities		1.912	-
Reverse impairment charge on investments	9	-	13.261
Gains on sale of investments		1.618	-
Other		7.796	13.642
Total		**25.723**	**38.444**
Other operating expenses and other losses			
Covid-19 related expenses		(10.524)	(18.025)
Voluntary retirement scheme cost		-	-
Discounting of long-term receivables		-	(6.488)
Impairment of investments	9	(37.342)	(7.373)
Impairment of fixed assets	6	-	(211)
Other		(2.260)	(5.619)
Total		**(50.126)**	**(37.715)**

Other operating income / (expenses) and other gains / (losses), include amounts which do not relate to the trading activities of the Company (e.g. rental income and sales of personnel services to subsidiaries). Impairment of investments includes the impairment in ASPROFOS S.A., HELPE E&P Holdings S.A. and ELPEDISON B.V. (Note 9).

Covid-19 related expenses of €10,5 million (31 December 2020: €18 million) comprise of €6 million payroll costs (31 December 2020: €6,5 million) payroll costs mainly related to required modifications in the working shifts in the refineries, €4,3 million (31 December 2020: €2,4 million) for protective measures in all Company's premises and €0,2 million (31 December 2020: €1,1 million) for marketing, consulting services and other related expenses. Additionally, during 2020 the Company made donations to the health-care system amounting to €8 million.

(All amounts in Euro thousands unless otherwise stated

28 Finance income / (expense)

	As at	
	31 December 2021	31 December 2020
Interest income	7.719	9.727
Interest expense	(71.070)	(82.588)
Other finance costs	(21.705)	(20.136)
Lease finance cost	(1.110)	(1.388)
Finance costs - net	**(86.166)**	**(94.385)**

Finance costs amounting to €3,7 million (2020: €3,1 million) have been capitalised (Note 6).

29 Currency exchange gains / (losses)

Foreign currency exchange gains of €16 million for the year ended 31 December 2021 mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly US$). The corresponding amount for the year ended 31 December 2020 was a gain of €5 million.

30 Income tax expense

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

	For the year ended	
	31 December 2021	31 December 2020
Current tax	-	-
Prior year tax	(5)	(1.800)
Deferred tax (Note 20)	(63.331)	178.177
Total	**(63.336)**	**176.377**

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

	For the year ended					
	31 December 2021			31 December 2020		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Investment in equity instruments	(189)	(156)	(345)	(379)	91	(288)
Cash flow hedges	(8.298)	1.976	(6.322)	4.038	(969)	3.069
Actuarial gains/ (losses) on defined benefit pension plans	(15.099)	2.159	(12.940)	(8.304)	1.993	(6.311)
Other comprehensive income	**(23.586)**	**3.979**	**(19.607)**	**(4.645)**	**1.115**	**(3.530)**

The corporate income tax rate of legal entities in Greece for 2021 is 22% (31 December 2020: 24%). This was enforced according to the provisions of Law 4799/2021, issued in May 2021, where the corporation income tax rate was amended to 22%, effective from tax year 2021 onwards.

The deferred tax charge of €63,3 million included within income taxes mainly relates to the utilization of tax losses that arose during the year ended 31 December 2020 and utilized during the current year.

(All amounts in Euro thousands unless otherwise stated

The deferred tax credit within income taxes mainly relates to tax losses arising in the year ended 31 December 2021 and carried forward, amounting to €39 million and are expected to be fully utilised during a period of five years. In accordance with thin capitalization rules the net interest expense is deductible up to a certain percentage of tax EBITDA. This resulted in a deferred tax asset of €33 million as at 31 December 2021 (31 December 2020: deferred tax asset of €20 million), which can be offset against future taxable profits without any time constraints (Note 20).

In accordance with the applicable tax provisions, tax audits are conducted as follows:

Audits by Certified Auditors – Tax Compliance Report

Effective from fiscal years ending 31 December 2011 onwards, Greek companies meeting certain criteria can obtain an "Annual Tax Compliance Report" as provided for by par.5, article 82 of L.2238/1994 and article 65A of L.4174/2013, from their statutory auditor in respect of compliance with tax law. The issuance of a Tax Compliance Report, under certain conditions, substitutes the full tax audit by the tax authorities; however, the tax authorities reserve the right of future tax audit, taking into consideration the statute of limitation provisions.

The Company has received unqualified Tax Compliance Reports, for fiscal years up to 2020 (inclusive). Management expects that the same will also apply for the year ended 31 December 2021.

Audits by Tax Authorities

The Company has undergone full tax audits for the financial years ended 31 December 2014.

Notwithstanding the possibility of future tax audits, Management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognised in the financial statements as of 31 December 2021 (Note 34).

As of 31 December 2021, the income tax receivables include amounts of €13,9 million advanced by the Company, relating to uncertain tax positions (as explained in Notes 2.19, 4 and 33) relating to income taxes and related interest and penalties (2020: €32,1 million). The timing of the finalization of these disputes cannot be estimated and the Company has classified these amounts as current assets.

Numerical reconciliation of income tax expense to prima facie tax payable:

	For the year ended	
	31 December 2021	31 December 2020
Profit before Tax	293.017	(515.141)
Tax calculated at corporation tax rate 22% (2020: 24%)	(64.464)	123.634
Tax on income not subject to tax	5.018	12.368
Tax on expenses not deductible for tax purposes	(5.605)	(4.878)
Adjustments to deferred tax due to changes in tax rate	1.257	-
Adjustments for tax of prior periods	(5)	(1.800)
Non-deductible tax on distribution of DESFA shares by DEPA	-	46.556
Other movements	463	497
Tax (Charge) / Credit	(63.336)	176.377
Effective tax rate	*(23,4)%*	*(31,1)%*

31 Earnings/(Losses) per share

Basic earnings/(losses) per share are calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding the weighted average number of treasury shares. As of 31 December 2021 and 2020, all share options have either been exercised or lapsed and there are no treasury shares. Diluted earnings / (losses) per ordinary share equal basic earnings/(losses) per share.

	As at	
	31 December 2021	31 December 2020
Earnings/(Losses) per share attributable to the Company Shareholders (expressed in Euro per share):	0,75	(1,11)
Net income/(loss) attributable to ordinary shares (Euro in thousands)	229.681	(338.764)
Weighted average number of ordinary shares	305.635.185	305.635.185

32 Dividends per share

On 27 February 2020, the Board of Directors proposed to the AGM the distribution of a final dividend of €0,25 per share for the year ended 2019, which was approved by the AGM on 24 June 2020. The total final dividend for 2019, amounts to €76,4 million and was paid in July 2020.

At its meeting held on 25 February 2021, the Board of Directors decided to propose to the AGM a final dividend €0,10 per share for the financial year 2020. The dividend amounts to €30,6 million and was paid in July 2021.

At its meeting held on 24 February 2022, the Board of Directors decided to propose an amount of €0,30 per share from prior year retained earnings as well as to propose to the AGM a final dividend of €0,1 per share for the financial year 2021. The total dividend amounts to €122,3 million. The final dividend for the financial year 2021 is subject to approval by the AGM on 9 June 2022.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend or an additional special dividend during 2022.

(All amounts in Euro thousands unless otherwise stated

33 Cash generated from operations

	Note	For the year ended 31 December 2021	31 December 2020
Profit/(Loss) before tax		**293.017**	**(515.141)**
Adjustments for:			
Depreciation and impairment of property, plant & equipment and right of use assets	6,7	169.359	161.976
Amortisation and impairment of intangible assets	8	5.577	5.872
Amortisation of grants	27	(662)	(797)
Financial expenses/(income) - net	28	86.166	94.385
Provisions for expenses and valuation changes	17	238.677	119.937
Amortisation of long-term contracts costs	27	(1.912)	6.488
(Gains)/Losses on disposal of non-current assets		7	(3.518)
Foreign exchange (gains)/losses	29	(16.007)	(4.988)
Dividend income		(22.809)	(51.533)
		751.413	**(187.319)**
Changes in working capital			
(Increase) / Decrease in inventories		(642.101)	298.461
(Increase) / Decrease in trade and other receivables		(174.616)	178.198
Increase / (Decrease) in trade and other payables		163.336	22.769
		(653.381)	**499.428**
Net cash generated from operating activities		**98.032**	**312.109**

34 Contingencies and litigation

The Company has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business, the most significant of which are disclosed below:

Business Issues

(i) Unresolved legal claims

The Company is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information and the opinion of legal counsel, management believes that the final outcome will not have a significant effect on the Company’s operating results or financial position and that no additional provisions, over and above provisions already reflected in the financial statements, are required.

During the current and preceding year, a number of Municipalities proceeded with the imposition of duties and fines relating to the rights of way occupied by underground pipelines operated by the Company within the boundaries of each respective municipality. As at 31 December 2021, the total amounts imposed amount to €53,3 million (2020: €39,4 million). In order to appeal against these, and in accordance with legislation, the Company has paid an amount of €19,4 million (2020: €14 million) which is included in other receivables in the financial statements.

The Company has exercised all available legal recourse relating to these cases and Management have assessed that it is most probable that the outcome of all appeals will be favourable.

During the year ended 31 December 2020, the Company received credit notes from DEPA S.A., amounting to €7,3 million, following a court decision on its action against Botas Petroleum Pipeline Corporation ("Botas") and subject to the condition that if the outcome of Botas appeal against the above decision is favourable for the counterparty the above amount will be recalled by DEPA S.A. Management believes that the likelihood of such an event is less than probable and therefore has not raised a respective provision.

(ii) Guarantees

The Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group. The outstanding amount of these as at 31 December 2021 was the equivalent of €783 million (31 December 2020: €1.006 million).

As at 31 December 2021, the Company has also provided bank guarantees in favour of subsidiaries and associates of the Group amounting to €19 million (31 December 2020: €20,3 million) and €15,6 million (31 December 2020: €8,5 million) respectively, and corporate guarantees amounting to €7,9 million (31 December 2020: €11,3 million). Also, as at 31 December 2021, the intragroup corporate guarantees provided to the Custom Authorities for the transportation of energy products within the bonded warehouse regime amounted to €46,6 million (31 December 2020: €46,6 million).

<u>Taxation and customs</u>

The tax framework and practices in Greece, which determine the tax base for the Company's transactions, entail in inherent uncertainties, due to its complexity and it being subject to changes and alternative interpretation by relevant authorities at different points in time and across different entities. As a result, there may be types of expenses or treatments for which a company may be assessed on a different basis than the one adopted during the preparation of its tax return and the financial statements. Based on past experience tax audits were carried out by tax authorities on average 5-7 years after the filing of the tax return. In addition, where a tax audit results in a different view to that adopted by the Company, the process for resolving the issue is usually through a court of law proceeding, which has many stages and can take a considerable number of years to reach its final and irrevocable ruling. For an entity to engage in this process, a minimum down payment of 50% of the total tax and surcharges assessed is required.

All of the above result in inherent difficulties in the determination and accounting of tax liabilities. As a result, management aims to determine its policy based on specific legislation available at the time of accounting for a transaction, obtain specialist legal and tax advice on individual cases and utilise prior tax audits experience and rulings, including relevant court decisions. This process ensures that the financial statements reflect any material tax and customs liabilities as accurately and completely as possible.

(i) Open tax years – litigation tax cases:

As disclosed in Note 30, tax audits for the Company have been completed by the Tax Authorities as follows:

HELLENIC PETROLEUM's financial years up to and including the year ended 31 December 2015 are time-barred. The Tax audit reports for years ended 31 December 2010 and 31 December 2011 were received in December 2017 and they are subject to legal dispute by the Company. In summary, the reports assess additional taxes of € 22.5 million and penalties of €23.5 million, for items relating to stamp duty, various non-deductible expenses and other income tax adjustments. Following a detailed review of the Tax Audit Report, the Company has disputed the additional taxes imposed (which are over and above the amounts already included in the Companies' normal tax returns) and proceeded with all possible legal means and actions to appeal against these additional taxes and surcharges imposed.

Even though the Company disputed the additional taxes and surcharges imposed, it was obliged to pay 50% of the assessed amounts (taxes and surcharges) to the Tax Authorities in order to appeal the results of the tax audits. This was paid within the applicable deadline, while the remaining amounts have been fully offset by the Authorities, with tax and other State receivables of the Company, within 2018. These amounts are included in the Income Tax Receivable balance if they relate to income tax, or in Trade and Other Receivables balance if they relate to other taxes, as the Company assesses that it will succeed in its appeals. As far as surcharges are concerned, the report has assessed amounts at 120% of the original tax instead of the applicable 50%; this is also being legally challenged by the Company.

The relevant decisions of the Athens Administrative Court of Appeals were issued in March 2021, according to which: various non-deductible expenses and additional charges are annulled and the amount of € 18.2 million is returned to the Company, whereas, with regards to the stamp duty, the relevant appeals are partially accepted and the amount of € 3.8 million is also returned to the Company.

The Company has filed cassation recourses to the extent that its appeals are not accepted and believes that the final outcome will be in its favor.

Notification for audit has been received for the year ended 31 December 2012, which according to the general provisions is time-barred.

During March 2020, a notification for audit was received, for the years 2014 up to and inclusive 2017. The audit is related to specific tax subjects and the final Tax Audit Report was received in February 2021 without findings. Moreover, during July 2020, a new notification for full audit was received for the year 2014 regarding all tax subjects. The audit is finalized and the Tax audit Reports were received in December 2020. The reports assess additional amounts of € 16.2 million, penalties of € 8.1 million and surcharges of € 9.5 million for alleged stamp duty, while various non-deductible expenses and other income tax adjustments have no payment impact, since in 2014 the Company has tax losses. Following a detailed review of the Tax Audit Reports, the Company disputes the additional amounts imposed. In January 2021 the Company followed the relevant administrative procedure against the tax assessment paying the minimum required amount of 50% of the total tax and surcharges, amounting to € 16.9 million while the remaining 50% was offset in April 2021, therefore the full charged amount is now paid. After the implicit rejection of the administrative appeals, the company has filed judicial appeals in November 2021.

The Company expects that it will succeed in its appeals and the relevant amounts will be fully recovered.

It is noted that for financial years ending 31 December 2011 up to and including 31 December 2020, the Company obtained unqualified "Annual Tax Compliance Reports" from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013.

(ii) Assessments of customs, duties and fines

In 2008, Customs authorities assessed additional customs duties and penalties amounting to approximately €40 million for alleged "stock shortages" during the years 2001-2005. The Company has duly filed contestations before the Administrative Court of First Instance and Management believes that this case will have a positive outcome when the legal procedure will be concluded.

Notwithstanding the filing of the above contestations, the Customs office withheld an amount of €54 million (full payment plus surcharges) of established VAT refunds (Note 12), an action against which the Company filed two Contestations before the Administrative Courts of Athens and Piraeus. The Administrative Court of Athens ruled that the withholding effected by the Tax Office was unlawful. The appeal against the Customs Act No 935/2008 amounting to €3,5 million, was heard at first instance, was dismissed and the Company has appealed to the Supreme Administrative Court against the decision, whereby the hearing is set for 9 June 2021 and is postponed to 9 February 2022. In November 2020 the hearing of the Customs Act No 989/2008, amounting at € 35.7 million, took place before the Administrative Court of Piraeus, the relevant decision is pending.

The Company considers that the above amounts will be recovered.

35 Commitments

(a) Capital commitments

Significant contractual commitments amount to €52 million as at 31 December 2021 (31 December 2020: €41 million), which mainly relate to improvements in refining assets.

(b) Letters of Credit

The Company is requested to provide bank letters of credit to suppliers in order to obtain better commercial and credit terms. To the extent that such items are already recorded as liabilities in the financial statements, there is no additional commitment to be disclosed. In cases where the underlying transaction occurs after the year end, the Company is not liable to settle the letter of credit and hence no such liability exists as at the year end.

(c) Put and call option

HELLENIC PETROLEUM is counterparty to outstanding put and call option agreements to purchase oil stock from its associate OTSM. The put and call options may be exercised by either counterparty at any time before maturity under certain conditions. The value of these two options (put and call) is immaterial due to the fact that the terms of the agreements are such that the transactions will be market priced resulting in zero payoff at any time of exercise.

(All amounts in Euro thousands unless otherwise stated

36 Related party transactions

Included in the statement of comprehensive income are proceeds, costs and expenses, which arise from transactions between the Company and related parties. Such transactions are mainly comprised of sales and purchases of goods and services in the ordinary course of business.

	For the year ended	
	31 December 2021	31 December 2020
Sales of goods and services to related parties		
Group entities	2.546.111	1.565.689
Associates	123.959	984.367
Joint ventures	62.622	698
Total	**2.732.692**	**2.550.754**
Purchases of goods and services from related parties		
Group entities	38.885	43.643
Associates	553.592	747.755
Joint ventures	126.849	47.536
Total	**719.326**	**838.934**

Other operating income/(expenses) & other gains/(losses)-net for 2021 include income from subsidiaries, amounting to €10,1 million (2020: €4,3 million).

The statement of financial position includes balances, which derive from sales / purchases of goods and services in the ordinary course of business.

	As at	
	31 December 2021	31 December 2020
Balances due to related parties		
Group entities	11.925	23.086
Associates	15.329	8.049
Joint ventures	-	17.301
Total	**27.254**	**48.436**
Balances due from related parties		
Group entities	170.802	101.433
Associates	5.284	48.286
Joint ventures	48.069	394
Total	**224.155**	**150.113**

Transactions have been carried out with the following related parties:

(a) HELLENIC PETROLEUM Group companies. Interests in subsidiaries are set out in Note 9.

(b) Associates and joint ventures of the Group, which are consolidated under the equity method:
- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- DEPA Commercial S.A. (previously Public Gas Corporation of Greece S.A. – DEPA S.A.)
- DEPA Infrastructure S.A.
- DEPA International Projects S.A.
- Elpedison B.V.

(All amounts in Euro thousands unless otherwise stated

- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A. (Liquidated on April 2020)
- D.M.E.P. HOLDCO

The Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to Elpedison B.V., The outstanding amount of which as at 31 December 2021 was €106 million (31 December 2020: €102 million).

(c) Government related entities which are under common control with the Company due to the shareholding and control rights of the Hellenic State and with which the Company has material transactions or balances:

- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Hellenic Distribution Network Operator SA (HEDNO)
- Hellenic Gas Transmission System Operator S.A. (DESFA)

During the year ended 31 December 2021, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €96 million (2020: €111 million);
- Purchases of goods and services amounted to €35 million (2020: €49 million);
- Receivable balances of €9 million (31 December 2020: €8 million); and
- No payable balances as at 31 December 2021 (31 December 2020: €16 million).

(d) Key management includes Directors (Executive and Non-Executive Members of the Board of HELLENIC PETROLEUM Holdings S.A.) and General Managers. The compensation paid or payable to the aforementioned key management amounted as follows:

	For the year ended	
	31 December 2021	31 December 2020
Short-term employee benefits	5.539	4.576
Post-employment benefits	185	149
Total	5.724	4.725

(e) The Company has extended loans to its subsidiaries (Notes 10 and 12). The outstanding balance of these loans as at 31 December 2021 was €127 million (31 December 2020: €104 million). Interest income for the year was 3 million (2020: €5 million). All loans are at variable interest rates. The average interest rate on inter-company loans due was 3,56% (2020: 3,64%).

The Company has also received loans from its subsidiaries. The outstanding balance of these loans as at 31 December 2021 was €255 million (31 December 2020: €620 million). Interest expense for the year was €20 million (2020: €23 million). All loans are at variable interest rates. The average interest rate on inter-company loans was 3,72% (2020: 4,05%).

37 Events after the end of the reporting period

In the context of the corporate transformation of the HELLENIC PETROLEUM Group and following the decisions of the Extraordinary General Meeting of Shareholders of 10.12.2021, on January 3, 2022, it was approved -by virtue of the decision of the Ministry of Development and Investments No 142903/03.01.2022 and registered on 03.01.2022 in GEMI with Registration Number 2767913-, the demerger by way of hive-down of its refining, supply and trading of oil products and petrochemicals sector and the establishment of a new company, pursuant to the provisions of articles 57 and 59-74 of Law 4601/2019 and Law 4548/2018.

As a result, a new entity was incorporated under the name “HELLENIC PETROLEUM SINGLE MEMBER SOCIETE ANONYME REFINING, SUPPLY AND SALES OF OIL PRODUCTS AND PETROCHEMICALS” with the trade name “HELLENIC PETROLEUM R.S.S.O.P.P. S.A.” and its Articles of Association were approved

HELLENIC PETROLEUM S.A. became the sole Shareholder of the Beneficiary Entity “HELLENIC PETROLEUM R.S.S.O.P.P. S.A.”, by acquiring all 130.100.000 common, registered shares issued by the Beneficiary Entity, with a nominal value of €10 each.

Finally, Articles 1 (Name), 4 (Scope) and 19/paragraph 4 (Board of Directors) of the Articles of Association of the Demerged Entity were amended in accordance with the resolution of the EGM held on 10.12.2021. The new corporate name of the Demerged Entity is "HELLENIC PETROLEUM HOLDINGS SOCIETE ANONYME” and its trade name: "HELLENIC PETROLEUM HOLDINGS SA", while the shares of the Demerged Entity will remain listed on the Main Market of the Athens Stock Exchange.

Other than the events already disclosed either above or in Notes 9 and 32 no material events took place after the end of the reporting period and up to the date of the publication of the financial statements.

The recent geopolitical events in Ukraine, the military actions from Russia and the potential response from European countries and the United States in the form of economic sanctions could affect global energy markets and economic developments in general and specifically to the Company. Although the Company sources crude feed from Russia, Company’s refineries feed can be replaced with other grades if required without affecting the refineries’ operation. Furthermore, over the last few months and following increase in natural gas prices, the Company’s refineries have minimized natural gas use as a feed, substituting with oil products to a significant extend. The Company is following developments around the crisis in Ukraine and is planning accordingly.

The Company regards these events as non-adjusting events after the reporting period, the potential effect of which cannot be estimated at the moment

2. Board of Directors' Consolidated Annual Report for 2021

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Annual Report of the Board of Directors of HELLENIC PETROLEUM Holdings SA on the Consolidated and Parent Company Financial Statements for the Financial Year from January 1st to December 31st, 2021

Introduction

Dear Shareholders,

This Board of Directors' report covers the twelve-month period ending 31.12.2021. The report has been prepared in accordance with the relevant provisions of Law 4548/2018, articles 150-154, Law 3556/2007, article 4 and decision 8/754/14.4.2016 of the Hellenic Capital Markets Commission. The Consolidated and Parent Company Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

This report includes a summary of the financial position and results of the Group (HELLENIC PETROLEUM) and the parent company HELLENIC PETROLEUM Holdings SA (former HELLENIC PETROLEUM SA, hereinafter "HELLENIC PETROLEUM" or "Company"), description of significant events that took place during the current financial year, a description of anticipated significant risks and uncertainties for the following financial year, a disclosure of material transactions that took place between the Company and the Group and their related parties, presentation of qualitative information and estimates relating to the development of operations of the Company and the Group for the following financial year, as well as presentation of the most significant non-financial information that have an impact on the Company and the Group.

A. The Company and the Group

The Group is comprised of 72 companies, including the Parent Company, which is listed on the Athens and London Stock Exchanges (through GDRs). The list of subsidiaries and associate companies, the nature of their business, the percentage of ownership and consolidation method for each one of them, are included in the Appendix Group Structure to this report. The present legal form of the Group is the result of the initial merger that took place in 1998 when the parent company was initially listed, as well as subsequent corporate transactions (acquisitions and mergers, as well as the recent corporate restructure of the Parent Company).

The Group has a business structure in place for the management and monitoring of its activities. Specifically, all Group activities are categorized in the following key segments (Strategic Business Units) as below:

- Refining, Supply and Trading
- Marketing (Domestic and International)
- Production and Trading of Petrochemicals
- Electricity Generation (from conventional and renewable energy) & Trading and Natural Gas
- Exploration and Production of Hydrocarbons

The Group is also involved in other activities, which, despite their strategic importance (e.g. Engineering Services), do not form a significant part of the Group's financial position.

A.1 HELLENIC PETROLEUM (Parent Company)

The Parent Company is listed on the Athens Exchange, while its shares are also traded in the form of GDRs (Global Depository Receipts) on the London Stock Exchange and its bonds, issued by its subsidiary HPF plc, on the Luxemburg Stock Exchange. Its shareholder structure on 31.12.2021 was:

- Paneuropean Oil and Industrial Holdings SA: 47,12%
- Greek State: 35,48%
- Institutional and private investors: 17,04%

A.2 Main Group Activities

The main activities of the Group cover a wide spectrum of the energy sector, making HELLENIC PETROLEUM one of the most important energy groups in South-Eastern Europe.

Key points per activity are summarised below:

a) Refining, Supply and Trading

The Refining, Supply and Trading segment is the Group's core business and main source of revenues and profitability.

Activities in Greece

Activities in Greece revolve around the operation of the Group's three refineries located in Aspropyrgos, Elefsina and Thessaloniki, which account for approximately 65% of the country's total refining capacity. The three refineries combine a storage capacity of 6,65 million m³ of crude oil and petroleum products.

Each refinery has distinct technical characteristics, as outlined in the table below, which determine their financial performance and profitability.

Refinery	Daily Refining Capacity (Kbpd)	Annual Refining Capacity (mil. MT)	Configuration Type	Nelson Complexity Index
Aspropyrgos	148	7,5	Cracking (FCC)	9,7
Elefsina	106	5,3	Hydrocracking	12
Thessaloniki	90	4,5	Hydroskimming	5,8

During the first half of 2021 the international refining environment was adversely affected by COVID-19 pandemic. The demand in domestic and international fuels market remained low which and combined with the low international refining margins, resulted in unfavorable conditions for the global refining industry.

The prolonged low margin environment resulted in loss-making operations for many refineries worldwide, as well as in the region, with some of them proceeding to temporary or permanent shutdown or conversion of activities.

During the second half of the year, domestic market demand recovered, with ground fuels reaching 2019 (pre-COVID-19) levels. Furthermore, the energy crisis that affected mostly Europe, resulted in significantly higher natural gas and electricity prices, with a negative impact on the operating cost for refineries.

Despite these unfavorable conditions, the Group's refineries maintained high levels of operation. Production increased to 14,4m MT, from 13,8m MT in 2020. Total sales increased to 15,2m MT (+5,5%). Domestic market sales increased by 2,7%, aviation sales by 96%, bunkering sales by 17,8% and exports by 2,1%, maintaining the Group's position as one of the most export-oriented in the region.

Refineries' operations resulted in 48,1% yield in middle distillates (jet, gasoil and diesel) vs 50,2% in 2020 and 21,3% gasoline yield (20,3% in 2020). Overall, the production yield of high value-added products amounted to 80%, among the highest in the European refining industry, while fuel oil production was limited to 8,9%, reflecting Aspropyrgos operational optimisation.

Improved refining operations, inventory management and storage facilities utilisation resulted in significant financial benefits, offsetting to some extent the negative impact of the adverse international environment.

Crude Oil Supply

Crude oil supplies are controlled centrally and carried through term contracts and spot purchases.

Due to the COVID-19 pandemic and its impact on global demand, especially in 1H22, OPEC++ continued its policy of reduced crude oil production and exports; combined with ongoing US sanctions on Iran and Venezuela, global supply was lower than 2019. HELLENIC PETROLEUM adjusted its crude mix, reflecting regional crude oil economics. As a result, the main sources of crude supply in 2021 were Kazakhstan (23%), Iraq (23%) and Russia (18%), followed by Egypt (9%), Saudi Arabia (8%), Algeria (7%), Libya (7%), Norway (3%) and Azerbaijan (2%).

The ability to access and the flexibility of the Group's refineries to process a wide range of crude oil types constitute one of its main competitive advantages, proved to be particularly important, both as a profitability contributor, as well as the ability of the company to respond to sharp supply shortages of specific types of crude oil, thus ensuring the uninterrupted supply of the markets where the Group operates.

The percentage of intra-refinery transfers of intermediate products and raw materials between the three refineries exceeded 12%, contributing to operational optimization in production, logistics and trading.

Refinery Sales (Wholesale Trading)

HELLENIC PETROLEUM S.A. is engaged in ex-refinery sales of petroleum products to marketing companies in Greece, including its subsidiary, EKO ABEE, as well as to other specialty customers, such as the country's armed forces, while 50% to 60% of the production is exported. All the refinery products of the Group comply with the European standards (Euro VI).

International Activities

Group's international refining activities refer to the OKTA facility, which is located in Skopje and is connected to Thessaloniki refinery through a pipeline, with the ability to transport high value-added products (e.g. diesel). OKTA's location is one of its significant competitive advantages for the domestic distribution of products through marketing companies as well as for exports to neighbouring Balkan markets. OKTA's sales in 2021 amounted to 763 thousand MT, an increase of 15% compared to 2020, (still below 2019 levels of 797 thousand MT).

b) Production and Trading of Petrochemicals/Chemicals

Petrochemicals activities mainly focus on the production and marketing of Polypropylene, BOPP film and Solvents, as well as the trading of imported plastics and chemicals.

Based on its financial contribution, the Propylene - Polypropylene - BOPP value chain represents the main activity for petrochemicals. The Polypropylene production plant in Thessaloniki sources Propylene mainly from the Aspropyrgos refinery. Part of the Polypropylene output is used as raw material in the BOPP film plant in Komotini.

Additionally, within 2022, the new cast film production line at the BOPP plant in Komotini is expected to start operating.

68% of sales volumes are directed to the markets of Turkey, Italy, the Balkans and the Iberian Peninsula for use as raw materials in local manufacturing.

c) Marketing

Marketing business is split into Domestic activities, through Greek subsidiary EKO ABEE and International activities.

Domestic Marketing

In Greece, the Group, through its subsidiary EKO ABEE, is active in the distribution and marketing of fuels through its EKO and BP brands, supplying a total of 1.682 service stations, 229 of which are company-operated.

EKO ABEE offers the most wide-ranging fuels supply network in the country comprising 15 fuel storage and distribution facilities, 24 aircraft refueling stations in the major Greek airports, 2 LPG bottling plants and 1 lubricants production and packing site.

The COVID-19 pandemic continued to affect the domestic fuels' consumption especially during the first five months of the year when strict mobility restrictions were imposed. From June onwards, the market gradually recovered with significant contribution from the increased tourist traffic. In the Greek market in 2021 gasoline consumption increased by +6,7% vs 2020 and auto diesel by +7,2%. The significant increase in tourism resulted in the recovery of aviation fuels consumption (+90% increase vs 2020) while the increase in coastal shipping, cargo ships traffic and the gradual recovery of cruise sector resulted in a +11,3% increase in marine fuels market.

Throughout the pandemic and despite the unprecedented circumstances, EKO maintained the safe and continuous operation of its facilities and supply of all market segments. EKO and BP market shares increased for most products, sustaining the Company's leading position in retail, industrial fuels, aviation as well as bunkering.

The Group has agreed with BP plc to extend the exclusive use of the BP trademarks for ground fuels in Greece until the end of 2025.

International Marketing

The Group international business operates through its subsidiaries in Cyprus, Bulgaria, Serbia, Montenegro and the Republic of North Macedonia. The petrol stations' network consists of 314 petrol stations, including 27 petrol stations that bear the brand name of OKTA, a Group subsidiary in the Republic of North Macedonia. In Cyprus and Montenegro, the local subsidiaries (from the acquisition of pre-existing companies), hold leading positions in their markets. In Bulgaria and Serbia, where activities began greenfield, the Group's subsidiaries, hold smaller market shares.

d) Renewable Energy Sources (R.E.S.)

HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES S.A. (HELPE Renewables) was founded in 2006 and is a fully owned subsidiary. HELPE Renewables plans to develop a significant renewable capacity in the next few years, leading to a diversification in the Group's energy portfolio and contributing to offsetting its greenhouse gas emissions through reaching >1GW of operating capacity by 2026 and 2GW by 2030.

The following projects are in operation:

- 8 PV parks located on property owned by the Group with a total nominal capacity of 21MW.
- A wind farm with a capacity of 7MW in Pylos in Messinia.
- 2 wind farms of a total capacity of 38MW in Evoia (acquisition).
- 2 PV parks of a total capacity of 16MW in Viotia (acquisition).
- 17 PV net-metering systems totaling approximately 270KW, installed at EKO and BP fuel stations.

More than 2GW of projects, mainly PV, wind and energy storage are currently in various stages of development, including the Kozani PV project, which is expected to start operations by end of 1Q22.

HELPE Renewables follows the Group's Health, Safety and Environment procedures with regards to compliance, reporting, risk and accidents prevention and management, both during the construction phase as well as operation. A Safety & Environment (S&E) engineer is appointed for each new project with the responsibility to monitor relevant issues, supervise works and the S&E licensing stage, validity term and potential renewals.

e) Electric Power and Natural Gas

Power Generation and Trading

The Group is active in the production, trading and supply of power in Greece through its participation (50%) in the JV Elpedison B.V. (the remaining 50% is held by EDISON International).

ELPEDISON S.A. is currently the second largest independent power producer in Greece with a total installed capacity of 840 MW (comprising a 420 MW plant in Thessaloniki, since 2005 and a 420 MW plant in Thisvi, since 2010). In addition, RAE has granted ELPEDISON S.A. with a power generation license for a new 826 MW combined cycle gas fired plant at Thessaloniki.

Natural Gas

The Group is active in the natural gas sector through its participation in DEPA S.A. (35% HELLENIC PETROLEUM, 65% HRDAF). The DEPA Group is active in:

DEPA Commercial

- import of Natural Gas through long-term contracts and spot cargoes
- supply of Natural Gas to large scale consumers (power generation plants, industries and Natural Gas supply companies)
- natural gas supply through EPA Attiki to small and medium scale consumers

DEPA Infrastructure

- medium and low-pressure Natural Gas distribution

DEPA International Activities

- international gas transportation projects

DEPA Group Structure

In 2020, DEPA S.A. proceeded to the partial demerger of its infrastructure sector, and its transfer to a new company founded for this purpose on 30.04.2020, under the name "DEPA INFRASTRUCTURE S.A.".

In addition, the demerger of the international projects sector of DEPA S.A. took place and was transferred to a new company founded on 11.05.2020, under the name "DEPA INTERNATIONAL PROJECTS S.A."

After the completion of the partial spinoff and demerger as described above, on 20.05.2020 DEPA was renamed "DEPA COMMERCIAL S.A." which, together with its subsidiary "Attica Gas Supply Company – Hellenic Energy Company" ("EPA") carries out all commercial (wholesale and retail) activities.

Hellenic Republic Asset Development Fund S.A (HRADF S.A.) and HELLENIC PETROLEUM Group initiated the sale of DEPA INFRASTRUCTURE and DEPA COMMERCIAL, in the context of the implementation of their Strategy

DEPA INFRASTRUCTURE Privatization Process

In December 2019, HRADF S.A. invited interested parties to submit expressions of interest for their participation in the international bidding process for the acquisition of 100% of the share capital of the company "DEPA INFRASTRUCTURE S.A.", together with HELLENIC PETROLEUM.

In June 2020, the first phase of the selection of prospective investors was completed, with six (6) investment schemes qualifying to participate in the next phase of the tender.

Following the customary due diligence process, on July 15, 2021, the sellers received 2 binding offers from the investment schemes (1) EP Investment Advisors and (2) Italgas S.p.A..

In September 2021, the Board of Directors of the sellers, HRADF and HELPE, proceeded with unsealing the binding financial offers, and declared ITALGAS SpA as the Preferred Investor, accepting a financial offer of €733 million for 100% of the share capital of the company "DEPA INFRASTRUCTURE S.A.". The corresponding consideration for HELLENIC PETROLEUM Group amounts to €256.5 million.

On December 10, 2021, the Share Purchase Agreement was signed, with the completion of the transaction, which is expected within the 1H22, being subject to the approvals of competition and regulatory authorities.

DEPA COMMERCIAL Privatization Process

In January 2020, HELLENIC PETROLEUM signed a Memorandum of Understanding (MoU) with the HRADF S.A., regarding HELPE’s participation in the international tender process to be conducted by the HRADF for the sale of the Fund’s stake (65%) in DEPA Commercial S.A..

In January 2020, at the invitation of HRADF S.A., interested parties submitted expressions of interest for their participation in the international tender for the acquisition of 100% of the share capital of the company "DEPA COMMERCIAL S.A.".

In June 2020, seven (7) investment schemes qualified to participate in the next phase of the tender, including HELLENIC PETROLEUM in a joint venture with EDISON S.A. and proceeded to the due diligence process.

In March 2021, for reasons related to the unhindered implementation of the Tender Procedure, HRADF decided to suspend the Binding Offers Phase of the Tender, initially until the end of the 3Q21. After the end of the suspension period (which is still in force today), HRADF will inform the candidate investment schemes about the next stages of the tender procedure.

The sellers HRADF and HELLENIC PETROLEUM are in the process of reviewing their options on DEPA COMMERCIAL.

f) Exploration and Production of Hydrocarbons

HELPE Group exploration and production activities are focused in Greece with a promising portfolio of assets:

- HELLENIC PETROLEUM has a 25% working interest in the Sea of Thrace concession, North Aegean; covering a total area of 1.600 sq. km. The remaining working interest belongs to Callfrac Well Services LTD.
- The Group has exploration and production rights of hydrocarbons (100%, Operator), through HELPE Kyparissiakos Gulf, in the offshore block of Kyparissiakos Gulf 'Block 10', covering an area of 3.420,60 sq. km. In 2021, the environmental action plan for seismic acquisition has been approved and also the process of the tender for the award of the Contractor that will undertake the seismic acquisition.
- The Group has a 100% working interest, through HELPE Ionian, in the offshore block 'Ionian' covering an area of 6.671,13 sq. km. In December 2021, a Withdrawal Agreement was executed with Repsol Greece Ionian S.L. according to which the Spanish company transfers 50% of the rights and obligations of the Lease Agreement for the Ionian Block as well as the Operatorship to HELPE Ionian. Following the Consent of the Minister of Environment and Energy on 31.12.2021 for the transfer of 50% working interest and the Consent of HHRM (Hellenic Hydrocarbon Resources Management) for the change in the Operatorship (on 31.12.2021), HELPE Ionian with effective date of 10 January 2022 is the Lessee with 100% interest in the block. According to the provisions of the Lease Agreement, the Lessee is obliged to acquire 1.600 km 2D seismic.
- The Group has a 50% working interest, as Operator, through HELPE Patraikos in a Joint Venture with ENERGEAN International E&P S.p.A. (50%) in the offshore block of 'Patraikos Gulf (West)', covering an area of 1.419 sq. km. In November 2021, the Lessee has submitted to the Lessor a Notice of Withdrawal, due to external factors causing the inability of the Lessee to execute the project.
- The Group, had exclusive rights of hydrocarbons exploration and production (100%, Operator), through its subsidiaries HELPE Arta-Preveza and HELPE N.W. Peloponnisos, in the onshore blocks of 'Arta-Preveza' and 'N.W. Peloponnese', covering an area of 4.762,90 and 3.778,30 sq. km, respectively. The Lease Agreement for the NW Peloponnese Block was terminated in September 2021 following the Withdrawal Notice of the Lessee. The Lease Agreement for Arta - Preveza was terminated in September 2021, following the Withdrawal Notice of the Lessee HELPE Arta-Preveza, after a prolonged period of suspension of operations.
- The Group has a 25% working interest, through HELPE West Kerkyra, in a Joint ENERGEAN HELLAS Ltd (75%, Operator), in the offshore block of Ionian Sea 'Block 2', covering an area of 2.422,10 sq. km. A seismic acquisition is planned, for the winter window 2022/2023 according to the provisions of the Lease Agreement.
- The Group has a 20% working interest, through HELPE West Crete and HELPE South West Crete, in a Joint Venture with TOTAL (40%, Operator) and ExxonMobil (40%), in the offshore blocks 'West Crete' and 'South West Crete', covering an area of 20.058,40 and 19.868,37 sq. km, respectively.
- HELLENIC PETROLEUM has submitted an offer for the offshore 'Block 1', north of Corfu Island with the outcome of the process still expected.

B. Major Events of Financial Year 2021

B.1 Business Environment

a) Global Economy[1][2]

In 2021 the impact of the COVID-19 health crisis, which has disrupted the global economic activity since the end of the 1Q20, continued with less intensity due to the vaccination programs and the ease of the restrictive measures. The growth rate of the global economy is estimated at 5,5% compared to last year (-3,4% in 2020), despite adversity, the strongest post-recession pace in 80 years, mainly due to increased demand, transport and investment activity. GDP in advanced economies is estimated to have increased by 5% from -4,6% and in emerging economies from -1,7% in 2020 to 6,3% in 2021. For 2022, the prospects for further robust growth in the world economy continues to be challenged by uncertainties related to the spread of COVID-19 variants, the rising inflation and supply chain bottlenecks due to problems in global production and transportation of products.

In the Euro Area, economic activity showed a significant increase, with GDP estimated to have grown by 5,2%, compared to -6,4% in 2020 and 1.6% in 2019. After a rebound in the 2Q21 and 3Q21, growth in the euro area is estimated to have slowed in the fourth quarter owing in part to a resurgence of COVID-19, slowdown on production from supply bottlenecks in economies heavily exposed to global supply chains and sharply higher energy prices. Nevertheless, growth is likely to have remained strong at the turn of the year and output is projected to be back to its pre-pandemic trend next year. Conversely, the surge in natural gas and electricity prices, if sustained into 2022, would present a notable downside risk to the near-term euro area outlook, particularly for industrial production.

In the U.S., activity grew at a softer than-expected pace in the second half of 2021, with material slowdowns in private consumption and manufacturing production. Activity faced several unanticipated headwinds, including COVID-19 outbreaks, mounting supply shortages and rising energy prices, as well as a fading boost to incomes from pandemic-related fiscal support. Meanwhile, inflation surprised markedly to the upside and broadened across components and a tightening labor market applied upward pressure to wages. In all, GDP is estimated to have expanded by 5,6% vs -3,4% in 2020.

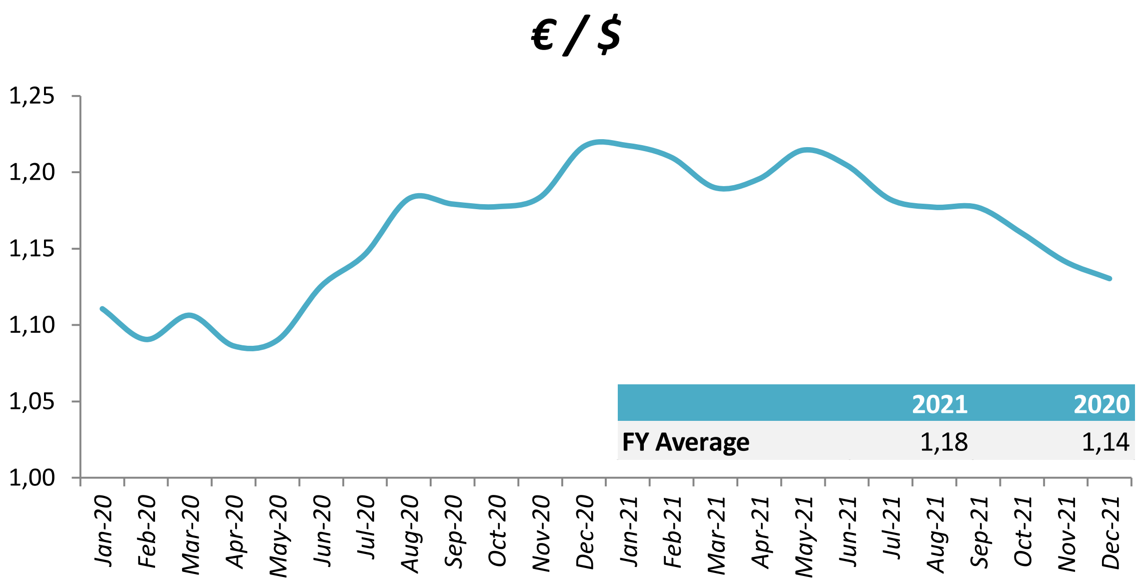
With regard to emerging economies, growth in China has grown at estimated 8% in 2021 (vs 2,2% in 2020). Recurring mobility restrictions related to the pandemic and regulatory curbs on the property and financial sectors have restrained consumer spending and residential investment. In contrast, and despite supply disruptions and electricity shortages, manufacturing activity has been generally solid and export growth accelerated. Macroeconomic policy action has helped prevent a sharper economic slowdown and mitigated financial stress. In Turkey, activity grew at an estimated 9,5% in 2021 vs 1,8% in 2020, amid a sharp rise in policy uncertainty and high inflation on private consumption which led to new records of lira devaluation.

[1] *Source: World Bank, World Economic Outlook Update, January 2022*
[2] *OPEC "Monthly Oil Market Report", January 2022*

b) Financial Indicators

In 2021, EUR / USD exchange rate was on average 1,18 versus 1,14 in 2020. Uncertainty from the COVID-19 pandemic crisis maintained the volatility in the currency markets. The main drivers of Euro further strengthening were the monetary and fiscal policy in the US and the Eurozone.

€/$ Exchange rate



	2021	2020
FY Average	1,18	1,14

c) Petroleum Industry[2][3][4]

For 2021, world oil demand growth reached 5,7 mbd y-o-y, taking global demand to 96,63 mbd. Within the year, growth was adjusted higher in 4Q21 amid better than anticipated OECD transportation fuel consumption. In 2022, world oil demand is forecast to increase by 4,2 mbd, to total 100,8 mbd, although uncertainties remain regarding the new Omicron variant impact and possible further lockdown measures, the current inflation levels, as well as supply chain bottlenecks, ongoing trade issues and their impact on industrial and transportation fuel requirements.

Demand in Europe increased by 0,54 mbd and in North America by 1,72 mbd, on economic activity recapture, ease in restrictions and recovery in travel activity. Demand in Asian OECD was up by 0,25 mbd affected by a solid increase in demand for naphtha especially for consumption in the petrochemical sector.

Global oil supply in 2021 increased by 1,34 mbd compared to 2020. OPEC crude oil production in 2021 increased by 0,7 mbd compared to a year earlier at the same levels of Non-OPEC supply (+0,7 mbd), with

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[3] *EIA, Short-Term Energy Outlook, January 2022*

[4] *IEA, Oil Market Report: December 2021*

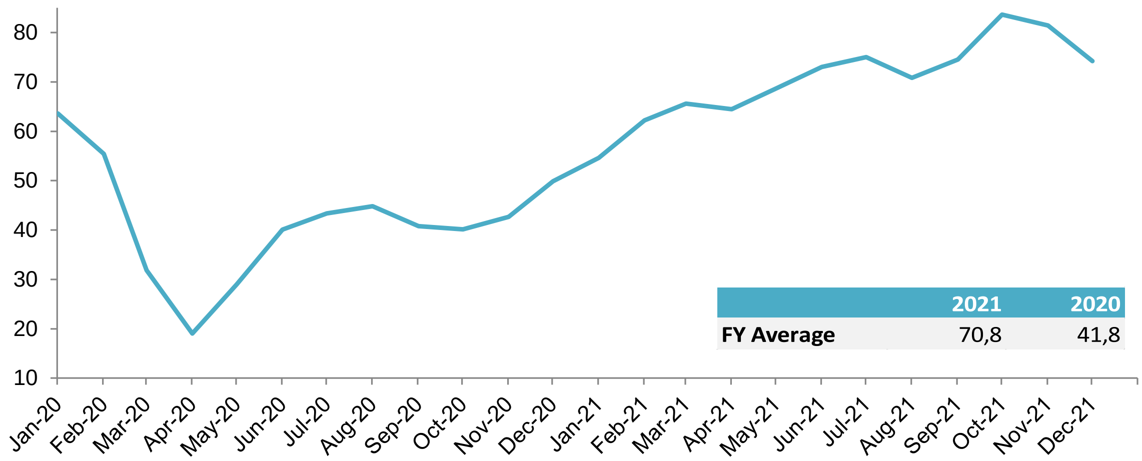
most of this increase for the latter come from the three largest non-OPEC producers: the US, Russia, and Canada.

After the initial production cuts by OPEC+ in April 2020 (extended in June), on January, 2021, OPEC+ announced modest production increases from Russia and Kazakhstan in the following months. OPEC+ has instituted monthly meetings to assess global oil market conditions and the group's production targets are subject to regular adjustments.

Oil prices rose during much of 2021, with Brent crude oil averaged \$71/bbl in 2021 -the highest in the past three years-, up 68% vs 2020. Rising prices reflected growth in global oil demand that outpaced near-term growth in oil production, resulting in falling global oil inventories. During 2021, Brent prices reached their highest monthly average of \$84/bbl during October.

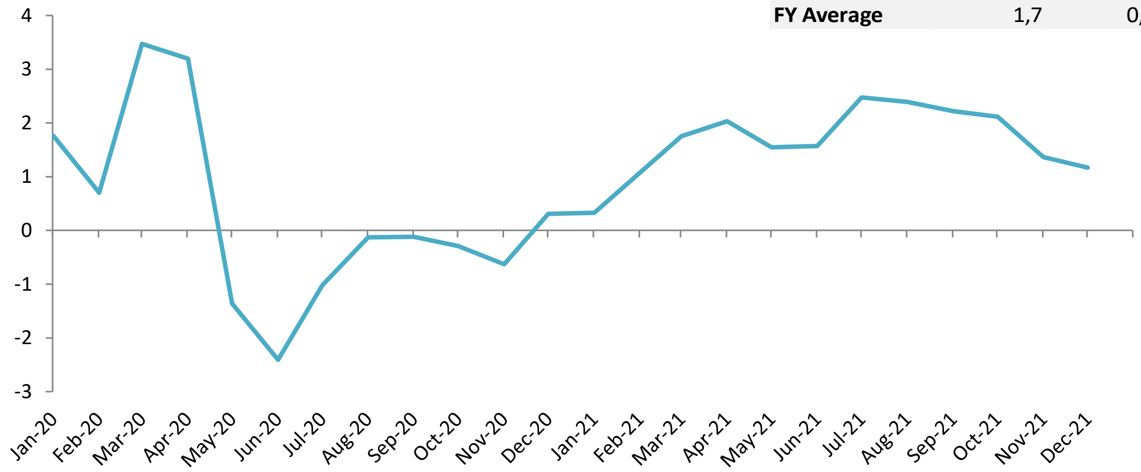
In terms of crude oil differentials, the Brent-WTI averaged \$2,8/bbl in FY21, an increase of 27% versus 2020 as global petroleum production increased more slowly than demand, driving higher prices, with the price of WTI crude oil traced a similar pattern to Brent and averaged \$3/bbl less than Brent in 2021. Brent-Urals spread in 2021 increased by \$1,7/bbl, as Russia (along with U.S.) led the production growth among non-OPEC countries, increasing the supply of high sulfur crudes.

Brent Crude oil Prices (\$/bbl)



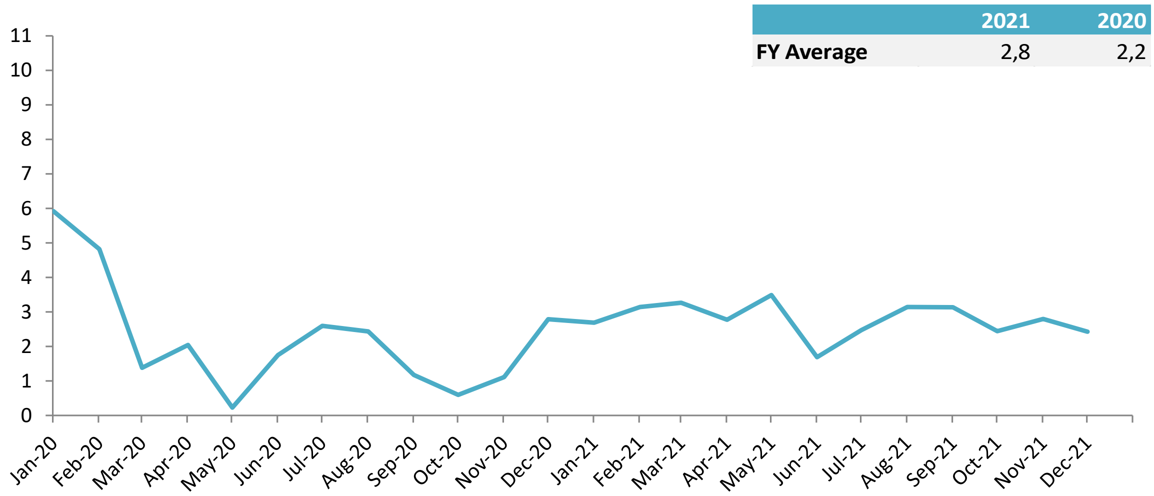
	2021	2020
FY Average	70,8	41,8

Brent- Urals spread ($/ bbl)



	2021	2020
FY Average	1,7	0,3

Brent- WTI spread ($/ bbl)



	2021	2020
FY Average	2,8	2,2

Benchmark refining margins

In 2021, global refining capacity fell for the first time in 30 years, by 730 kbd, as new capacity was outweighed by closures. Benchmark margins for Mediterranean[5] refineries recovered significantly in the 2H21, after historical lows (especially for cracking) in 2020, with the key driver being the higher products' demand in general and the gradual recovery of crude oil production and supply. Med benchmark cracking margin averaged at $1,6/bbl in 2021, $1,8/bbl higher y-o-y and Med Benchmark Hydroskimming margin $0,3/bbl, increased by $0.9/bbl compared to 2020.

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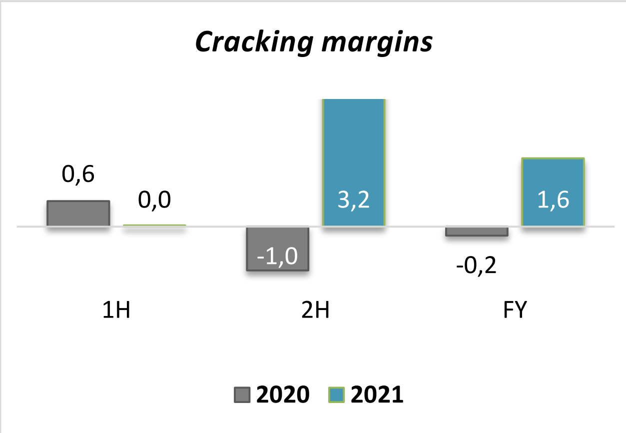
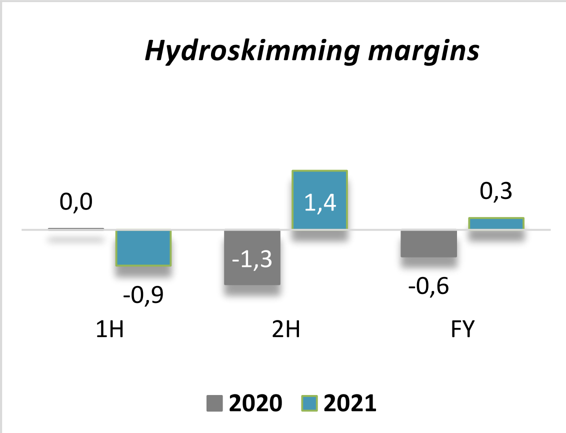
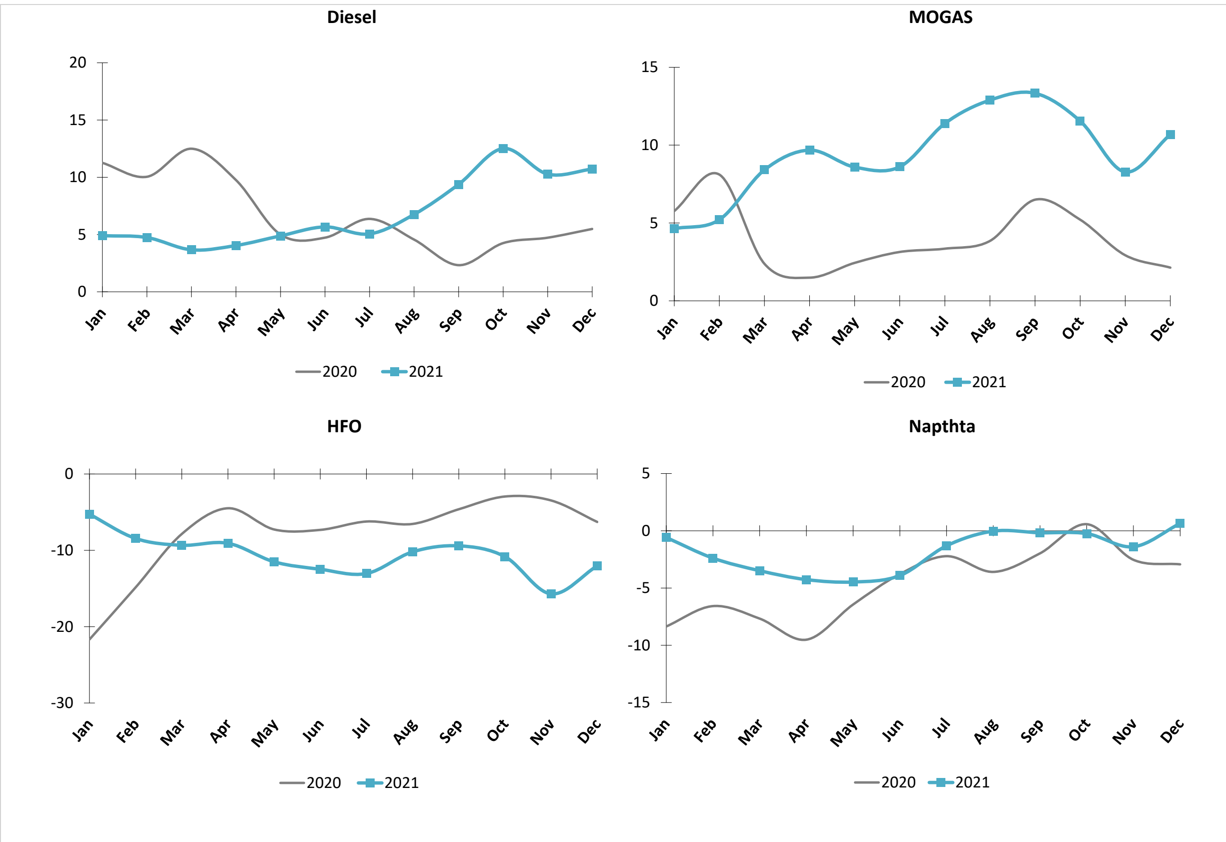
[5] *Source: Reuters, January 2022*





Oil product cracks ($/bbl)[6]

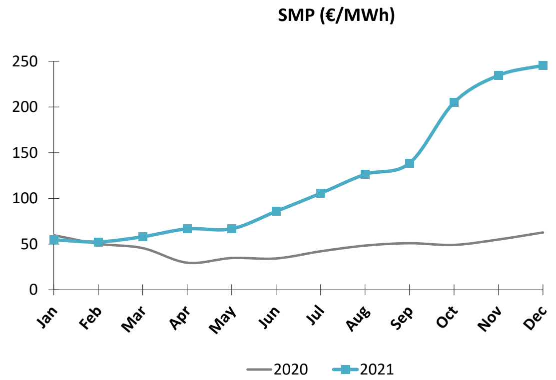
Gasoline, diesel and naphtha cracks were higher vs 2020, while HSFO decreased. Gasoline crack at $9,49/bbl in 2021 ($3,91/bbl FY20) and diesel crack at $6,9/bbl in 2021 ($6,8/bbl FY20). HSFO crack averaged at $-10,6/bbl in 2021 vs $-7,8/bbl in 2020 and naphtha averaged at $-1,8/bbl vs $-4,6/bbl in 2020. The key factor that drove gasoline's rebound was the ease in mobility restrictions combined with low inventories. Diesel's increased performance in 4Q21 was backed up from the freight and agricultural sectors, amid rising heating oil demand. Naphtha's increase has been driven by a stronger demand from the petrochemical industry, due to the substitution of more expensive raw materials (LPG). HSFO's decreased performance has been on stronger medium and heavy sour supply.

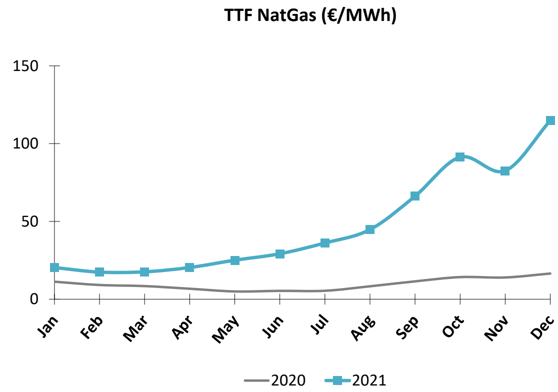


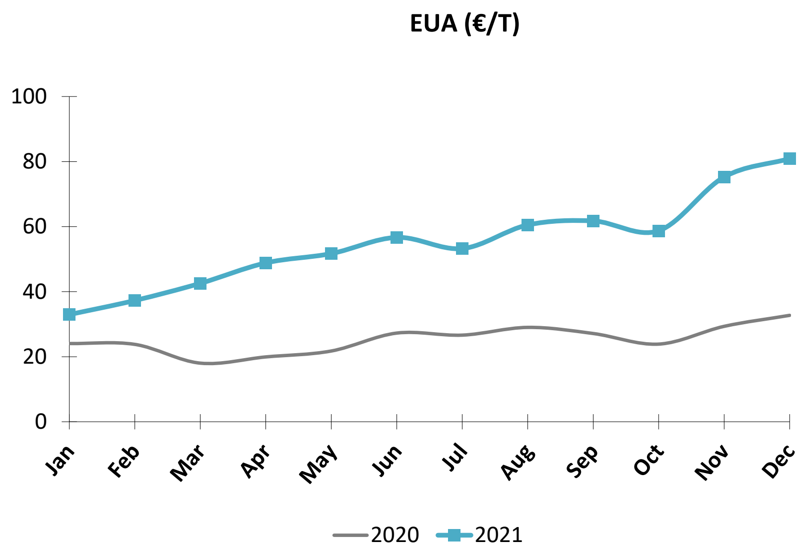
[6] *ING, Refinery margins strengthen, October 2021*

Natural Gas, electricity and EUA prices[7][8][9]

EU gas and electricity prices have increased rapidly to particularly high levels, with natural gas prices quadrupling in early 2022 compared to last year. There are various factors that have contributed to the high energy prices in Europe, with the key driver being the global gas price surge, due to significant increase in demand (which in turn is driven by rapid economic recovery and certain weather patterns) combined with tight supply. North-East Asian and South American liquefied natural gas (LNG) demand has grown significantly, putting upward pressure on global prices and leaving less gas available for import into Europe. At the same time, EU carbon prices surged to an all-time high in December 2021 at €80/tn, with high carbon prices rising costs for a broad swath of industries from power generation to refining and aviation.







[7] https://www.investing.com/commodities/carbon-emissions-historical-data

[8] *Acer, High Energy Prices, October 2021*

[9] *S&P Global: Commodities 2022: EU on collision course with shipping over carbon market reforms, 23 December 2021*

d) Greek Market[10][11][12]

In 2021, the recovery of global economic activity continued at a high rate compared to 2020, which was mainly affected by the COVID-19 as it disrupted the economies at a global level and weighed heavily on many activities and respectively affected the Greek economy. In Greece, the real GDP growth rate in 2021 was stronger and higher than expectations. The protection measures' ease affected significantly the economic recovery and boosted expectations and international trade and the prolonged tourist period until November, resulting in a sizeable output expansion as shown by an estimated 8,5% increase in GDP (vs -9% in 2020).

This increase is estimated to be one of the highest in Europe and to a large extent reverses the deep recession that preceded it. The strong recovery is largely based on an increase in consumption which is accompanied by a strong rise in goods and services exports, as well as a decrease in unemployment. Strong growth is also expected for 2022 at 4,5-5%, taking into account the economy's current dynamics, the expected developments in the international environment and the inflow of resources from the recovery fund and other European sources, with further increase in employment.

Economic growth may still be affected by the ongoing course of the pandemic, the energy crisis as well as regional, financial and geopolitical developments.

Domestic fuel demand in 2021 amounted to 6,4m MT, according to preliminary official data, a 1,5% increase compared to 2020, still lagging 2019 respective volumes by 7%, as auto-fuels demand rise by 6,6%, (+7,2% for diesel and +6,7% for gasoline) due to mobility restrictions lift, was partially offset by a 17% decline of the heating oil as a result of milder weather conditions.

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[10] *Source: IOBE, 3 Months Report on Greek Economy, Issue 4o/2010, January 2022*

[11] *OECD Economic Outlook, Volume 2021, Issue 2, December 2021*

[12] *EC, European Economic Forecast, Winter 2022, February 2022*

B.2 Business Developments

a) Financial highlights

Tables below present the main operational and financial Group indicators for 2021:

Operational Data	2021	2020
Refinery sales (in million metric tons)	15,2	14,4
Marketing sales (in million metric tons)	4,3	3,9
Refinery production (in million metric tons)	14,4	13,8
Group employees	3.500	3.544

Group Financial Data (in million €)	2021	2020
Net sales	9.222	5.782
Reported EBITDA[13]	657	-253
Inventory effect – Loss (gain)[13]	-308	525
Special Items[13]	52	62
Adjusted EBITDA[13]	401	333
Reported profit/(loss) after tax (attributable to the owners of the Parent Company)	341	-397
Adjusted profit/(loss) after tax[13]	144	5

The Group's operating profitability increased in 2021, with Adjusted EBITDA at €401 million (2020: €333 million).

Production at the Group's refineries rose by 3,6% at 14,4 million MT, from 13,8 million MT in 2020, leading to an increase in sales which came to 15,2 million tons (+5,5%); combined with crude supply and commercial optimization, as well as strong petrochemical margins and recovery of marketing profitability outweighed the impact of the COVID-19 pandemic on international refining backdrop during 1H21 and the energy crisis with very high NatGas, electricity and EUA prices during 2H21.

Adjusted profit after tax, (as it is defined in chapter G), amounted to €144m, as financial expenses were 8% lower and associates' contribution was significantly higher on improved DEPA commercial and Elpedison performance.

[13] *The selected alternative performance measure indicators are listed in Chapter G*

Inventory valuation gains (€308 million gains against €525 million losses in 2020) due to crude price increase, led Reported EBITDA to €657 million and Reported Profit after tax to €341 million.

The increase of growth investments in renewables, which accounted for 59% of total, led capital expenditure to €400m.

Balance Sheet / Cash Flow (in million €)	2021	2020
Total Assets	7.779	6,775
Total Equity	2.129	1,849
Capital Employed[13]	4.067	3,521
Net Debt[13]	1.938	1,672
Net Cash Flows (operating & investing cash flows)	-106	172
Capital Investments	400	295
% of debt on capital employed - Debt Gearing	48%	47%

b) Share performance

In 2021, the ATHEX General Index increased by 10,4% compared to 2020 despite the pressure of the COVID-19 pandemic, affected by the economic recovery, mainly due to strong tourism and GDP growth, as well as the return of most listed companies to profitability as a result of their operational performance improvement. HELPE share recorded an increase of 15,2%, closing at €6,22 on 31.12.2021, with an annual average trading volume of 73.944 thousand shares and an average share price of €5,89.

On June 30, 2021, the Annual Ordinary General Meeting of Shareholders approved the distribution of a final dividend of €0,10 / share for the year 2020.

At its meeting held on 24 February 2022, the Board of Directors decided to propose an amount of €0,30 per share from prior year retained earnings as well as to propose to the AGM a final dividend of €0,1 per share for the financial year 2021. The total dividend amounts to €122,3 million. The final dividend for the financial year 2021 subject to approval by the AGM on 9 June 2022.

c) Key Developments

The key business developments were as follows:

- Rapid implementation of our corporate transformation plan Vision 2025
  - Significant upgrade of our corporate governance with the election of the majority of the Board of Directors members' by the General Assembly and increase of independent members. In addition, a minimum gender quota was introduced, while a fit & proper policy was adopted and a nomination committee was established.
  - Completion of the new corporate structure with the demerger by way of hive-down of its refining, supply and trading of oil products and petrochemicals sector from HELLENIC PETROLEUM and the establishment of a new company on January 3, 2022, with substantial expected benefits in terms of value-added activities, risk management, as well as flexibility in the development and financing of individual business units.

- Completion of all (18) of the individual panels of the 204MW PV project in the area of Kozani with its connection to the network being at the beginning of 2022, while the acquisition of operating wind farms in Evia, Central Greece, with a capacity of 38MW and of 2 PV parks with capacity of 16MW in Viotia, was completed. Following the above, the Group managed to achieve the target for an installed capacity of 300MW in the first months of 2022.

- Increase in production and refining sales by 4% to 14,4 million MT and 5,5% to 15,2 million MT respectively, as mobility normalized and domestic sales recovered after restrictions due to COVID-19 lifted.

d) COVID-19 pandemic impact, measures and future planning

The COVID-19 pandemic, which began in the 1Q20, impacted and continued to affect the international economic activity, oil industry and the capital markets in 2021, but to a lesser extent (see further analysis of the macroeconomic environment in section B1).

The roll out of vaccinations at the beginning of the year, as well as the measures taken to deal with the global health crisis, helped the recovery of production, consumption and services activity and led to a significant and steady increase in crude prices, refining margins and demand, mainly in the 2H21, which have affected the financial results of the Group, with the increase in comparable profitability as presented in section B2 (a) and the FS, prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as endorsed by the European Union.

In this environment, HELPE Group's main priorities continue to be the safety of its staff and associates in its facilities, the smooth operation and the supply of the market.

The Group which immediately responded to the outbreak of the pandemic COVID-19 has taken various initiatives, primarily focusing on ensuring the health and safety of its employees and all of its stakeholders, as well as the smooth operation of its activities and uninterrupted supply of our markets. These actions continue to this day and are adapted based on the needs of the situation and the instructions of the competent authorities.

These initiatives include:

- Adopting a timely and successful new remote working model (teleworking) where possible, remotely supporting information systems and modifying shift programs.
- Utilizing digital technology and upgrading teleworking infrastructures.
- Drafting a Policy with frequent revisions based on developments and instructions from the State, addressing how to prevent and manage issues arising from the COVID-19 pandemic, including detailed prevention guidelines and testing response under various scenarios, planning for and implementing procedures for handling any suspected COVID-19 cases.
- Continuously keeping employees up to date, along with ongoing health support (increase of its medical network, participation of an infectious disease specialist, psychological support line, regular publication of special newsletter).
- Conducting in total over 206.000 PCR and rapid tests on the Group's employees and associates in 2021.
- Regular disinfection in all workplaces and appropriate disposal of personal protection equipment (PPE).

Since December 2020, the Group has been granted the certification "CoVid-Shield" by TÜV AUSTRIA Hellas, at Excellent level, for its industrial facilities and offices, in all the countries in which it operates.

In addition, throughout the network of EKO and BP gas stations, information has been sent about the unified Group Policy, regarding the implementation of recommendations and precautions for the protection of customers and staff of gas stations, as well as all Group companies have set up Crisis Management Committees and issued protection or emergency plans, following the provisions of the Group's unified Policy. At the same time, in order to prevent the transmission of COVID-19, preparedness exercises are carried out at the refineries, head offices and marketing and distribution facilities; furthermore, individual protection measures are applied as well as stricter procedures, for example during the contact of the port staff with the ship crews.

As the evolution of the pandemic continues through mutations that result in cases increase, in Greece and globally, the effects are expected to continue into 2022 but with improved outlook -due to vaccination programs and the development of new drugs-, which are visible as early as 2021. Within 2022, the demand for petroleum products vs 2021, is expected to increase even more, globally and also in our country, with a positive impact on the Group's results. In each case, it is not possible to estimate the impact in the future, as well as the course of the recovery, as it is defined by drivers that the Group cannot influence, such as: international oil prices, benchmark refining margins, euro/dollar exchange rate, domestic and regional demand, development and effectiveness of the vaccination program globally, any new mutations and resurgence of the pandemic, the impact of the fiscal and monetary policy measures, etc. The competitive asset base, logistics infrastructure, strong operating performance and adequate financial liquidity are competitive advantages that will allow the Group to continue its successful course and the implementation of its program "Vision 2025".

Information systems and COVID-19 management

The outset of the COVID-19 pandemic in the beginning of 2020 and the need for remote work triggered an increased demand of remote access to information systems in levels that were unprecedented for the Group, with teleworking being successfully adapted and continued accordingly, based on the instructions of the Authorities, for the year 2021. This challenge that has been successfully addressed by investing in technology in order to allow remote access to the systems and provide a seamless tele-working experience and these investments continued where necessary. In parallel, a number of initiatives were performed for strengthening IT infrastructure and communications, increasing user awareness in the areas of cyber security and optimal use of IT assets.

The main measures performed are shown below:

- Implementation of Multifactor Authentication (MFA) in every aspect of remote access
- Installation of Encryption for all Laptops
- Implementation of Antimalware/Antispyware End Point Protection for all PCs and Laptops
- Continuous distribution of Security Awareness material and Remote Working Best Practices Quarterly Booklets
- Establishment of Security Awareness Platform for users to be informed about threats, risks and best practices of using IT assets

C. Review per Segment – Performance and Financial Position

The key developments and financial indicators for each of the Group main activities are:

a) Refining, Supply and Trading

Financial results and operational indicators:

Financial Results (€ million)	2021	2020
Sales	8.079	4.893
Adjusted EBITDA[13]	161	187
Operational Indicators		
Sales Volume (000s of MT)	15.199	14.397
FCC benchmark refining margin (Year average)	$3,7/bbl	$1,3/bbl

Key points for Refining, Supply and Trading in 2021:

- Weak refining margins during the first half of the year, especially for hydrocracking refineries, as, due to low market demand, jet and diesel cracks remained at historically low levels. Product cracks and refining margins gradually improved from mid-July onwards.
- Safe and successful turnaround completion at Elefsina refinery for units' catalysts change.
- Thessaloniki's planned general turnaround rescheduled for 2022, due to the good operational condition of the refinery's units.
- Optimisation of very low sulphur fuel oil production at Aspropyrgos refinery.

b) Petrochemicals

Financial Data and basic operational indicators:

Financial Results (€ million)	2021	2020
Sales	**379**	248
Adjusted EBITDA[13]	**131**	61
Operational Indicators		
Sales Volume (kMT) – Total	**275**	272
Polypropylene margin (€/ton)	**717**	387

Key points for Petrochemicals in 2021:

- In 2021, a record contribution was achieved in the Petrochemical sector, recording Adjusted EBITDA of €131m.
- The strong benchmark Polypropylene margins, in combination with PP production, which was at par with 2020 levels and the slightly increased production of Propylene from the Aspropyrgos Refinery, contributed to the high profitability of the Petchems sector.
- In 2021 the demand periodically was very high, with reduced global supply especially in 1H21. At the same time, additional supply chain costs, delivery delays and COVID-19 risk affected the Polypropylene business environment.
- In a highly competitive and volatile environment, HELLENIC PETROLEUM managed to fully exploit its production units and achieve high margins.

c) Marketing

Financial Results (€ million)	2021	2020
Sales	2.918	1,986
Adjusted EBITDA[13]	120	97
Operational Indicators		
Sales Volume (k mT) – Total	4.282	3,944
Sales Volume (k mT) – Greece	3.366	2,996
Fuel stations – Greece	1.682	1,703
Fuel stations – International	287	288

Key points for the Domestic Marketing activities in 2021:

- Launch of EKO Unleaded 98-octane gasoline in EKO petrol stations.
- Further increase of the share of differentiated fuels sales (98 & 100 octane gasolines, premium auto diesel) to the total petrol stations' automotive fuels sales.
- Increase in gasolines and auto diesel market shares.
- Emphasis on the development of company-operated petrol stations as well as the range of products and services provided through points of sale.
- Leading position in aviation and marine fuels was sustained.

Key points for the International Marketing activities in 2021:

- The mobility restriction measures in response to the COVID-19 pandemic, also continued during 2021. However, the gradual recovery of demand and the subsidiaries' increased profits in comparison to 2020 to pre-pandemic levels, having as a result, 2021 to turn out a significantly profitable year. Moreover, the Group ensured the smooth supply of the market, while the investment program continued as planned.
- In Cyprus, the increase in sales compared to the previous year, led to a significant increase in profitability. In 2021, the Group entered into a joint agreement with other oil companies for the construction of a new LPG terminal.
- In Bulgaria the increase in profitability compared to 2020 was mainly due to the increase in other income as well as the significant increase in retail volumes.

- In Montenegro, increase in sales was much higher due to the significant economic recovery compared to 2020. The investment program for the reconstruction of existing petrol stations continued in line with schedule.

- EKO Serbia increased its profitability due to the increase in retail volumes and mini market sales (NFR), which fully offset the decrease in retail margins.

d) Renewable Energy Sources (RES)

On February 17, 2020, HELPE signed an agreement for the acquisition and construction of a PV park in Kozani with the German RES developer and contractor JUWI. The transaction was completed on October 1st, 2020, and the project's construction started in November 2020.

During 2021, the construction works were successfully implemented and at the end of the year, the mechanical completion of the individual PVs was achieved, according to the planning, while its connection to the network is expected at the beginning of 2022.

The project's total installed capacity is 204MW, making it one of the largest RES plants both in Greece and in Europe. Its annual energy generation is estimated at around 350 GWh which is sufficient to power 75.000 homes with zero-emission energy, leading to a CO_2 emission avoidance of over 90.000 tons p.a..

The total investment exceeds €130 million and significantly benefits the regional economy, in NW Macedonia, Greece. More than 35% of the equipment, materials and labour are sourced from Greece, while over 300 jobs have been created during the construction phase. Finally, dozens of direct and indirect jobs will be created during operation, that will be mostly covered by the local community. Moreover, the implementation of the Stakeholder Engagement Plan ensures that the impact on the local community will be minimized.

In parallel, the acquisition of 38MW operating wind farms in the area of Evia and of 2 PV parks, with total capacity of 16MW in Viotia, was completed.

Finally, HELPE Renewables continues to assess investments in Net-metering at the Group's facilities, connected to the LV and MV networks.

e) Power and Natural Gas

The Group's power and natural gas activities relate to the Group's participations to ELPEDISON BV (50% HELLENIC PETROLEUM, 50% EDISON) and ex-DEPA Group (35% HELLENIC PETROLEUM, 65% Hellenic Republic Asset Development Fund - HRADF) respectively. The contribution of Power and Gas activities to the financial results of HELLENIC PETROLEUM Group, according to the companies' provisional financial statements, was significantly increased and amounted to €94m in 2021 vs €29m in 2020.

ELPEDISON S.A.'s results in 2021 improved compared to the same period in 2020, with contribution to the Group of €26m vs €7m in 2020, as demand in 2021 returned to pre-COVID-19 levels, at 52,3 TWh, up by 4,7% compared to 2020.

The Greek wholesale market during 2021 was driven by strong volatility with significant price increases. The main reasons were the gradual withdrawal of lignite plants, the vast increases in the prices of CO_2 emission allowances (2021: 53,5 €/tn vs 2020: 24,8 €/tn) due to the revised EU targets, as well as the cost of natural gas, which followed a particularly upward course throughout the year.

In this volatile environment, the Company successfully utilized the opportunities presented due to the market developments, optimizing its energy portfolio. The performance improvement of ELPEDISON's existing plant in Thessaloniki, also had a positive impact, following its upgrade from 400 to 420MW, an investment of €20 million.

In the retail power market, intense competition between alternative electricity providers continued into 2021. In this environment, the Company's market share increased, reaching about 6,06% (compared to 2020: 4,65%, Greek Energy Exchange) with an expansion of the customer base in Low and Medium Voltage (domestic and industrial customers). ELPEDISON supplied approximately 300.000 customers at the end of the year with sales of around 3,0 TWh.

Finally, in 2021 ELPEDISON further improved its position in the natural gas supply market, expanding its customer base, mainly in the regions of Attica, Thessaloniki and Thessaly and thus, enhancing its commercial development as an integrated energy provider. The Company continued to import significant quantities of LNG through DESFA's terminal in Revythousa, part of which were directed into the wholesale and retail markets.

During 2021, domestic Natural Gas consumption increased by 11% compared to the same period of last year (domestic consumption 2021 at 6,0 bcm), mainly due to increased demand from electricity producers. Electricity generation, despite high natural gas prices, covered the largest part of domestic demand in 2021, i.e. 68,7%, an increase of 3,7% compared to 2020. Enhanced consumption was also recorded by domestic consumers and businesses through distribution networks, compared to 2020.

The rapid increase in Natural Gas prices in 2021 and in particular of Liquefied Natural Gas (LNG), mainly due to limited availability in global markets combined with the sharp increase in demand, led to a 24% decrease in LNG imports at Revithoussa terminal. These quantities were offset by gas imports through pipelines.

All of the above events, positively affected the results of DEPA COMMERCIAL and DEPA INFRASTRUCTURE. The Companies recorded higher sales volumes, and despite the higher gas supply prices, they increased their contribution to the profits of the HELLENIC PETROLEUM Group compared to 2020, amounting to €53 million.

f) Exploration and Production of Hydrocarbons

In the lease area of Kyparissiakos Gulf "Block 10" the Environmental Action Plan was approved by competent Authorities as well as the process of the award of a Contractor to undertake the seismic acquisition. A 2D Seismic acquisition survey of 1.200 km has been completed on 4th February 2022.

The Group has a 50% working interest, through HELPE Ionian, in a Joint Venture with Repsol Greece Ionian S.L. REPSOL (50%, Operator), in the offshore block 'Ionian' covering an area of 6.671,13 sq. km. In December 2021, a Withdrawal Agreement was executed with Repsol Greece Ionian S.L. according to which the Spanish company transfers 50% of the rights and obligations of the Lease Agreement for the Ionian Block as well as the Operatorship to HELPE Ionian. Following the Consent of the Minister of Environment and Energy on 31.12.2021 for the transfer of 50% working interest and the Consent of HHRM (Hellenic Hydrocarbon Resources Management) for the change in the Operatorship (on 31.12.2021), HELPE Ionian with effective date of 10 January 2022 is the Lessee with 100% interest in the block. According to the provisions of the Lease Agreement, the Lessee is obliged to acquire 1.600 km 2D seismic. The seismic survey has started on 10th February 2022 and is expected to be completed early March 2022.In the Patraikos Gulf (West) block, the Lessee has submitted to the Lessor a Notice of Withdrawal in November 2021, due to external factors causing the inability of the Lessee to execute the project.

In the offshore area 'Block 2', the preparation for seismic acquisition is ongoing.

In the offshore areas of 'West Crete' and 'South West Crete', currently the JV is the 1st Exploration Phase.

D. Corporate Governance Statement

The present statement has been prepared in accordance with the provisions of articles 152 and 153 of L. 4548/2018; it is included in the Company's Annual Management Report in respect of the 2021 fiscal period, as a special part thereof, and is available via the Company's website at: https://www.helpe.gr/investor-relations/corporate-governance/statement-of-corporate-governance/.

The institutional framework governing the Company's operation and obligations is L. 4548/2018 on the reform of the law of sociétés anonymes and L. 4706/2020 on corporate governance. The Company's Articles of Association, are available via the Company's website at: https://www.helpe.gr/investor-relations/corporate-governance/articles-of-association-data.

As a listed company in the Athens Stock Exchange, the Company has additional obligations in respect of the individual sections of governance, investors' and supervisory authorities' information, financial statements' publication, etc. The principal laws describing and imposing the additional obligations are L. 4706/2020 and the Hellenic Capital Market Commission decisions and circulars issued by delegated authority of the law (decisions no. 1^{A}/980/18.9.2020, 1/891/30.9.2020 as amended and in force, 2/905/3.3.2021, circular 60/18.9.2020), L. 3556/2007, L. 4374/2016, the ATHEX Exchange Rulebook, the provisions of article 44 of L. 4449/2017 (Audit Committee), as amended by article 74 of L. 4706/2020 and in force, in conjunction with the caveats, clarifications and recommendations of document no. 1149/17.5.2021 of the Hellenic Capital Market Commission, as well as decision no. 5/204/14.11.2000 of the BoD of the Hellenic Capital Market Commission, as in force. L. 4706/2020 *"Corporate governance of sociétés anonymes, provisions for capital market modernisation, transposition of EU Parliament and Council Directive 2017/828 into Greek law, measures for the implementation of EU Regulation 2017/1131, and other provisions*" replaced L. 3016/2002 on corporate governance as of 17.7.2021. By the new law, corporate governance issues, which were basically self-regulated through soft law, are determined by mandatory law rules, without leaving room for deviations.

The Company took care for the timely adjustment of its corporate governance framework to the provisions of L. 4706/2020, as well as to the decisions of the Hellenic Capital Market Commission, that were issued by delegated authority of said law.

D.1 Corporate Governance Code

The Company has adopted the **Hellenic Corporate Governance Code (June 2021 edition) of the Hellenic Corporate Governance Council (HCGC)** (hereinafter referred to as the "Code"). This Code can be found on the HCGC's website, at the following e-address: https://www.esed.org.gr/web/guest/code-listed.

The Hellenic Corporate Governance Code (June 2021) replaces the Hellenic Corporate Governance Code for Listed Companies that had been issued in 2013 by the HCGC.

Aside from the HCGC's website, the Code is available to the entire staff via the company's intranet, as well as in hard copy at the Group Financial Services General Division and the Group Human Resources General Division.

During 2021, the Company complied with the provisions of the above Code, with the deviations stated below in paragraph D.2., while it intends to adopt appropriate policies and proposals to minimize existing deviations from the provisions of the Code.

In addition to the provisions of the Code, in the course of 2021, the Company complied with all relevant provisions of the Greek legislation.

D.2 Deviations from the Corporate Governance Code

Hellenic Corporate Governance Code	Explanation/Reasoning for deviating from the special practices of the Hellenic Corporate Governance Code
BoD Size and Composition Appointment of a vice-chairman or top independent member in case the BoD Chairman is not an independent non-executive member (Special Practice 2.2.21)	In spite the fact that the BoD Chairman is a non-executive, though not an independent member of the BoD, and no vice-chairman or top independent member thereof has been appointed, the BoD Operation Regulation provides for the Chairman's replacement in the event of his absence or impediment, by the most senior non-executive member of the BoD. Given that the existing BoD was elected in June 2021 and constitutes the first BoD following a major amendment of the Company's Articles of Association regarding the BoD's composition and election, once the new BoD completes its first year of operation, it will assess its modus operandi and, if appropriate, will review the subject.
Succession of the BoD Chairman of the Remuneration and Nomination Committee (Special Practice 2.3.9)	The Chairman of the Nomination Committee is also Chairman of the Remuneration and Succession Planning Committee. On account of the provision in the Articles of Association regarding the appointment of four, out of the eleven, BoD members by the Greek State, the BoD's independent non-executive members are four. Given that the BoD was elected in June 2021, when upon three out of the four independent non-executive members thereof were admitted to it, the member that was elected as (joint) Chairman of the two Committees is the only independent member that was a member of the Remuneration and Succession Planning Committee also during the previous BoD's term of office; namely for a period of more than a year, as provided in the Code (Special Practice 2.4.7). The Company, once the first year of the new BoD's operation will have been concluded, will evaluate the BoD Committees' operation and will review their composition.
BoD members' remuneration	The existing remuneration system for executive BoD members does not include provisions providing for the possibility of refunding part or the whole of the variable executive BoD members' remuneration, as this would amount to a discrimination

Recovery of variable parts of executive BoD members' remuneration (Special Practice 2.4.14)	at their expense compared to Company executives with the same grade. The Company also finds that something of the sort is not necessary, as the relevant remuneration is paid following an individual assessment of each executive member's performance and under no circumstances can they exceed the predetermined maximum limits on their annual ordinary remuneration.
BoD / Chief Executive Officer Assessment (Special Practices 3.3.3. & 3.3.4)	Given that the BoD was elected in June 2021, no BoD evaluation (collective or individual) has taken place to date. The Nomination Committee Operation Regulation provides for a BoD assessment to be performed by an external consultant within the first year of its operation.

D.3 Other Corporate Governance Practices

In the context of implementing a structured and adequate corporate governance system, the Company has implemented specific good corporate governance practices, some of which are over and above those provided by the applicable legislation and relate to the BoD's duties and its operation, in general (a detailed reference to the BoD Committees follows in section D.7):

- Due the Company's nature and purpose, the complexity of issues and the necessary legal support of the Group, which includes a number of operations and subsidiaries in Greece and abroad, and in order to be assisted in its work, the BoD has established committees, comprised of members thereof, with advisory, supervisory or/and approving authorities. These committees are outlined below (a detailed reference to such shall be made at the end of the Statement, under paragraph "Other BoD Committees"):
    I. Strategy and Risk Management Committee
    II. Oil Products Procurement Committee[14]
    III. Sustainability Committee
    IV. Labour Issues Committee[15]

[14] *Following the hive-down of the HELLENIC PETROLEUM S.A.'s refining, supply and oil products and trading of oil products and petrochemicals sector and the establishment of "HELLENIC PETROLEUM SINGLE-MEMBER SOCIETE ANONYME REFINING, SUPPLY AND SALES OF OIL PRODUCTS AND PETROCHEMICALS" on 3/1/2022, it constitutes a Board of Directors committee of the latter.*
[15] *Likewise*

- In addition to the above BoD committees, committees with an advisory and coordinating role have been established and operate in the Company. They comprise of senior executives of the Company and their objective is to support the work of the Management. The principal such committees are the following:

I. Executive Committee
II. Manufacturing Activities Committee
III. Domestic and International Marketing Committee
IV. Oil Products Supply and Sales Committee
V. Group Credit Committee
VI. Investment Evaluation Committee
VII. Electricity, Natural Gas and Renewable Energy Sources Committee
VIII. Exploration & Production of Hydrocarbons Committee[16]

- The Company has adopted corporate governance policies and procedures, which include:
    - The Procedure for handling inside information and properly informing the public, in accordance with the provisions of Regulation (EU)) 596/2014, which includes the appropriate mechanisms and methodologies for the assessment of information so that it may qualify as "inside", the prohibition of abusing or attempting to abuse inside information or recommending to another person to proceed to an abuse of inside information, as well as the prohibition of unlawful disclosure.
    - The Procedure for the compliance of persons discharging managerial responsibilities, in accordance with the provisions of article 19 of Regulation (EU) 596/2014, which includes a clear and detailed recording of the requisite notification actions, aiming at strengthening transparency regarding the transactions of management officers and of the persons closely associated therewith and identifying potential risks (abuse, market manipulation, etc.)
    - The Policy and Procedure on related party transactions, which sets out the mechanisms for identifying, supervising and approving the transactions in question. In the context of the procedure relevant documents and information concerning related parties are kept and updated. The information on the above transactions among associate companies are included in the report accompanying the Company's financial statements, in order to be disclosed to the shareholders. According to the provisions of L. 4548/2018 (article 99-101), Company transactions of any kind with parties related to it, are permissible only following approval by the BoD or the General Meeting, as per case, unless they fall under the exceptions stated in the law.
    - The Policy and Procedure for preventing and managing conflict of interest situations, which provides for designating the way in which conflict of interest may arise, for receiving reports or clarifying doubts in cases of such (actual or potential) conflict and for taking appropriate measures for managing them.

[16] *Likewise*

D.4 Main Features of the Systems of Internal Controls and Risk Management in relation to the Financial Reporting Process

The Group System of Internal Controls and Risk Management in relation to the financial statements' and financial reports' preparation process includes controls and audit mechanisms at different levels within the Organization, which are described below:

a) Group level controls

Risk identification, assessment, measurement and management

The scope, size and complexity of the Group's activities requires a composite system of methodical approach and treatment of risks, which is applied by all Group companies.

The prevention and management of risks forms a core part of the Group's strategy.

The identification and assessment of risks takes place mainly during the strategic planning and the annual preparation of the business plan stage. The benefits and opportunities are examined both in the context of the Company's operations, but also in relation to the several and different stakeholders who may be affected.

The issues examined vary subject to market and industry conditions and include, indicatively, political developments in the markets where the Group operates, or which constitute important sources of raw materials, changes in technology, changes in legislation, macro-economic indicators and the competitive environment.

Planning and monitoring / Budget

The Company's progress is monitored through a detailed budget per operating sector and specific market. The budget is adjusted at regular intervals to take into account the changes in the development of the Group's financials that depend greatly on external factors, such as the international refining environment, crude oil prices and the euro / dollar exchange rate. Management monitors the development of the Group's financial results through regular reports, comparisons with the budget, as well as through Management Team meetings.

Adequacy of the Internal Control System

The Internal Control System (ICS) consists of the policies, procedures and tasks which have been designed and implemented by the Group's Management for the effective management of risks, the achievement of business objectives, for ensuring the reliability of the financial and managerial information and compliance with Laws and regulations.

The independent Group Internal Audit General Division (GIAGD), through conducting periodic assessments, ensures that the risk identification and management procedures applied by the Management are adequate, that the Internal Control System operates effectively and that information provided to the BoD regarding the Internal Control System, is reliable and of good quality.

The Internal Audit General Division draws up a short-term (annual), as well as a rolling long-term (three-year) Audit Plan based on ad-hoc risk assessment, as well as on other issues identified by the Audit

Committee and the Management also in past audit reports. The Audit Committee is the supervisory body of the Internal Audit General Division.

The Internal Audit General Division submits quarterly reports to the Audit Committee, in order for the systematic monitoring of the Internal Control System's adequacy to be feasible.

The reports of the Management and the Internal Audit General Division provide an assessment of the significant risks and the effectiveness of the Internal Control System as regards their management. Through the reports, any possibly identified weaknesses, their actual or potential impact, as well as the Management's actions to correct them are communicated. The results of the controls and the monitoring of the implementation of the agreed improvement actions are taken into account in the Company's Risk Management System.

To ensure the independence of the Ordinary Audit of the Group's financial statements, the BoD follows a specific policy in order to formulate a recommendation to the General Meeting regarding the election of an External Auditor. Indicatively, this policy provides, inter alia, for the selection of the same auditing company for the entire Group, as well as for the auditing of the consolidated financial statements and tax compliance reports. Lastly, a certified auditor of acclaimed international status is elected, while, at the same time, his/her independence is safeguarded.

Regulatory Compliance Service

The Regulatory Compliance Services forms part of the ICS; administratively, it is reporting to the Chief Executive Officer and functionally to the Audit Committee. By its reports to the Audit Committee, it contributes to the ICS's improvement and adequacy, as its objective is to ensure that appropriate and updated policies and procedures are set up and implemented, in such a way that the Company's full and constant compliance to the applicable regulatory framework is achieved.

Risk Monitoring and Management Division

Following the conclusion of the corporate transformation, a Risk Monitoring and Management Division is expected to be formed and operate. Administratively, the Division shall be reporting to the Group Finance General Manager and, functionally, to the BoD Strategy and Risk Management Committee. It will be supporting the ICS's operation through determining principles and setting up and implementing appropriate and updated policies and procedures governing their identification, assessment, quantification/measurement, monitoring and management.

Roles and responsibilities of the Board of Directors

The role, powers and relevant responsibilities of the BoD are set out in the Company's Bylaws (Internal Regulation) that has been approved by the BoD.

Financial fraud prevention and apprehension

In the context of risk management, the areas that are considered to be of high risk for financial fraud are monitored through appropriate Control Systems and accordingly increased controls are in place. Examples include the existence of detailed organizational charts, operation regulations (procurement, investment, oil products' market, credit, treasury management), as well as detailed procedures and approval authority levels. In addition to the internal controls applied by each Division, all Company operations are subject to audits by the Internal Audit Division, the results of which are put to the BoD.

Bylaws (Internal Regulation)

The Company drafted Bylaws that have been approved by the BoD, according to decision no. 1388/1/15.7.2021. In the framework of the Bylaws the powers and responsibilities of the principal job positions are also set out, thus promoting the adequate separation of powers within the Company. The approved Bylaws have been posted on the Company's website, in accordance with par. 2 of article 14 of L. 4706/2020.

Furthermore, the companies "HELLENIC FUELS AND LUBRICANTS SINGLE-MEMBER INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" and "HELLENIC PETROLEUM SINGLE-MEMBER SOCIETE ANONYME REFINING, SUPPLY AND SALES OF OIL PRODUCTS AND PETROCHEMICALS", as key Company subsidiaries, adopted bylaws on 15.7.2021 and 20.1.2022, respectively.

Group Code of Conduct

In the context of the good corporate governance fundamental obligation, the Company has drawn up and adopted since 2011 a Code of Conduct, which has been approved by the Company's BoD. The Code of Conduct summarizes the principles according to which every individual, employee or third party involved in the operation of the Group, as well as every collective body thereof, should act within the framework of their duties. For this reason, the Code constitutes a practical guide of the day-to-day tasks of all employees of the Group, but also of third parties who cooperate with it. The Group Code of Conduct is posted on the Company's website and is expected to be revised in 2022; on one hand, capitalizing on its nearly a decade's operation results and, on the other hand, in order to be aligned to more recent legislative development, such as L. 4808/2021, which, inter alia, ratifies Convention 190 of the International Labor Organization on eliminating violence and harassment in the world of work and proceeds to adopting relevant measures and provisions, and Directive 2019/1937 on the protection of persons who report breaches of Union law (Whistleblowing).

Data Protection Office

In the context of complying with the Personal Data Protection Regulation, the Company has established a Personal Data Protection Office (PDPO), by appointing a Data Protection Officer and the appropriate policies and procedures for managing the subject. The PDPO is administratively reporting to the Chief Executive Officer and, functionally, to the BoD.

b) Information systems' controls

The Group Informatics and Digital Transformation Division is responsible for defining and implementing the strategy on matters of technology and informatics and is responsible for developing and supporting the Group applications and systems, in collaboration with external consultant where this is necessary.

The Company has developed an adequate framework for monitoring and auditing its information systems, which is defined by a set of auditing mechanisms, policies and procedures, while through a series of interventions and implementations, it has ensured compliance with all required regulatory frameworks and guidelines (e.g. Personal Data Protection Regulation, Critical Infrastructure Directive). The

Information Systems' monitoring and auditing includes, inter alia, the existence of documented descriptions of the Division's roles and responsibilities, as well as of an IT Strategic Plan, which is renewed annually. Furthermore, specific Access Rights to the various information systems have been set for all employees, according to their position and role, and different access codes security levels have been set, according to the applications' importance, while an entry log for the Company's systems is also kept.

Finally, a specific procedure is provided for safeguarding the Group's systems from any problems, through the existence of alternative systems in case of disaster (Disaster Recovery Sites), as well as through concluding a Business Continuity Plan, which is under way.

c) Financial statements and financial reports' preparation process (financial reporting) controls

As part of the process for preparing the Company's financial statements, specific controls are in place and operate, which are related to the use of tools and methodologies that are generally accepted, based on international practices. Some of the main areas whereby controls related to the Company's financial reports and financial statements operate are the following:

Setup – Allocation of Duties

- The assignment of duties and authorities both to the Company's senior Management, as well as to its middle and lower management officers, ensures the effectiveness of the Internal Control System, while safeguarding the requisite segregation of duties.
- Appropriate staffing of the financial services with individuals having the requisite technical expertise and experience to carry out the duties assigned to them.

Accounting monitoring and financial statements' preparation procedures

- Existence of uniform policies and mode of monitoring accounting departments, communicated to the Group's subsidiaries, which include, definitions, accounting principles used by the Company and its subsidiaries, guidelines for preparing the financial statements and financial reports and the consolidation.
- Automatic checks and verifications conducted among the various information systems, while special approval is required regarding accounting treatment of non-recurring transactions.

Assets' safeguarding procedures

- Controls are in place regarding fixed assets, inventories, cash and cash equivalents - cheques and other assets of the company, such as, for example, the physical security of cash or warehouses and inventory counts and reconciliations of physically counted quantities with those recorded in the accounting books.
- Schedule of monthly physical inventory counts to confirm inventory levels of physical and accounting warehouses; use of a detailed manual to conduct inventory counts.

Transactions' authorization limits

- A Chart of Authorities is in place, whereat the authorities assigned to the Company's various officers to execute certain transactions or acts (e.g. payments, receipts, legal acts, etc.) are set out.

D.5 Information required per article 10 paragraph 1 of Directive 2004/25/EU on public takeover bids

Publication of the requisite information, in accordance with article 10 par. 1 of Directive 2004/25/EU of the European Parliament and of the Council is included in part J of this Report, per article 4 par. 7 of L. 3556/2007.

D.6 General Meeting and Shareholders' Rights

The General Meeting of the Company's shareholders is its supreme organ and has the right to decide on any issue concerning the Company. The operation of the Company's General Meeting of shareholders, its role and responsibilities, convocation, participation requirements, the ordinary and extraordinary quorum and majority of the participants, the Presiding Board and the Agenda, are set out in the Company's Articles of Association.

All shareholders have the right to participate in the General Meeting, provided that they hold Company shares on the record date; that is, at the start of the fifth (5th) day prior to the date of the General Meeting.

The shareholding capacity is evidenced through the Company's electronic connection with the records of depository (Hellenic Exchanges S.A.). This electronic certificate must be received by the Company three days ahead of the date set for the General Meeting, at the latest.

Participation in the General Meeting is not conditional on share blocking or compliance with any other similar procedure restricting the sale and transfer of shares during the period between the record date and that of the General Meeting.

Shareholders have the right to participate in the General Meeting, either in person or through one or more appointed proxy holders (shareholders, or not).

Participation in the General Meeting remotely, exclusively through electronic means, without the shareholders' physical presence at the venue where it is held, is permitted. Exercise of the shareholders' right to vote remotely, either in real time through teleconference, or by sending their postal voting before the meeting is held, is also permitted, either in person, or through a proxy, in accordance with the provisions of L. 4548/2018 (articles 125 par. 1 and 126) and the Company's Articles of Association.

Due to the special conditions and in the context of the measures taken by the Greek State for containing the spread of the COVID-19 virus, in 2021, the Company's General Meetings were held exclusively through electronic means, without the shareholders' physical presence at the venue where they were held.

Shareholders have the right to participate in General Meetings, either in person or through one or more appointed proxy holders (shareholders, or not).

Each shareholder may appoint up to three (3) proxy holders. However, if a shareholder has shares of the Company held in more than one securities account, the above restriction shall not prevent the shareholder from appointing a separate proxy holder for the shares held in each of the securities accounts.

A proxy holder, acting on behalf of several shareholders, may vote differently in respect of each shareholder.

Legal entities participate in the General Meeting through their representatives.

Proxy holders are appointed or revoked by written notification to the Company, at least forty-eight hours prior to the date set for the General Meeting.

The proxy forms are available at the Company's website. Such forms render possible for shareholders to authorize their proxy holders either to vote in favor or against, or to abstain from voting, separately in respect of each item on the agenda.

The Company ensures that all valid proxy holders' appointments received for the General Meeting are properly recorded and taken into account.

Prior to the commencement of the General Meeting's session, the shareholders' proxy holders are obliged to disclose to the Company any information or event, which could generate conflict with the rights of the shareholders they represent.

Shareholders' rights prior to the General Meeting

The Company is under an obligation to post on its website its annual Financial Statements, as well as the relevant reports of the Board of Directors and Auditors, ten (10) days prior to the Ordinary General Meeting.

Minority Rights

1. On request by any Shareholder, submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is under an obligation to provide the General Meeting with the specific information requested on the Company's affairs, to the extent such information is useful for really assessing the items of the agenda. There is no obligation to provide information where such is already available on the Company's website, particularly in the form of questions and answers.

The Board of Directors may refuse to provide the above information on the basis of adequate cause, which is recorded in the minutes. Any dispute as to the validity or not of the reasoning for refusing to provide information is resolved by the One-Member First Instance Court of Athens by a judgment thereof, issued according to the interim measures' procedure.

2. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is under an obligation to convene an extraordinary General Meeting, setting its date within a period of forty-five (45) days following the day of service of the relevant request to the Chairman of the Board of Directors. The relevant request must include the requested General Meeting's agenda. In case no General Meeting is convened by the Board of Directors within twenty (20) days from service of the relevant

request, the latter can be filed before the One-Member First Instance Court of Athens, which shall determine the place and time for the General Meeting, as well as its agenda, by applying the interim measures procedure.

3. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is under an obligation to include additional issues in the agenda of the General Meeting that has been already convoked, provided the relevant request has come to it at least fifteen (15) days prior to the General Meeting. The additional items must be published or notified, at the Board of Directors' responsibility, at least seven (7) days prior to the General Meeting. The revised agenda, together with the reasoning or draft decision that has been submitted to the shareholders, must be published in the same way as the original agenda and be available on the Company's website, at least thirteen (13) days prior to the date of the General Meeting.

4. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is under an obligation to make available to the shareholders, by posting on the Company's website, at least six (6) days prior to the date of the General Meeting, drafts of the decisions on issues included in the original or the revised agenda, if the relevant request has been received by the Board of Directors at least seven (7) days prior to the date of the General Meeting.

5. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is obliged to adjourn, only once, decision-making by the General Meeting, whether ordinary or extraordinary, on all or some of the issues on the agenda and set as new date for the General Meeting that which is set out on the Shareholders' request; however, such date cannot be more than twenty (20) days after the date of the adjourned General Meeting.

6. On request by Shareholders representing 1/20 of the paid-in share capital, the Board of Directors is obliged to announce to the General Meeting, provided it is an ordinary one, the amounts paid to each member of the Board of Directors or to the Company's Managers over the last two years, as well as any benefit granted to those persons, on account of any cause or Company contract with them. The Board of Directors may refuse to provide the above information on the basis of adequate cause, which is recorded in the Minutes.

7. On request by Shareholders representing 1/20 of the paid-in share capital, decisions on any item on the agenda of a General Meeting are taken by roll-call vote.

8. On request by Shareholders representing 1/20 of the paid-in share capital, the One-Member First Instance Court of Athens can order the Company's audit if acts violating provisions of laws, or the Company's Articles of Association, or decisions of the General Meeting of Shareholders, are thought likely. In any case, the request for audit must be submitted within three (3) years after approval of the financial statements for the fiscal period within which the reported acts have taken place.

9. On request by Shareholders representing 1/20 of the paid-in share capital, which is submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is under an obligation to provide to the General Meeting information on the course of the company affairs and the Company's assets' status. The Board of Directors may refuse to provide such information on the basis of adequate cause and with reasoning that is recorded in the Minutes. Any dispute as to the validity or not

of the reasoning for refusing to provide information is resolved by the One-Member First Instance Court of Athens by a judgment thereof, issued according to the interim measures' procedure.

10. On request by Shareholders representing 1/5 of the paid-in share capital, the One-Member First Instance Court of Athens can order the Company's audit if, from its overall course, it is deduced that the management of company affairs is not exercised as prescribed by due and prudent administration.

Right to Dividend

The minimum dividend that is mandatorily distributed annually by the Company equals the minimum annual dividend provided by article 161 par. 2 of L. 4548/2018, which amounts, at minimum, to 35% of the Company's net income, after the withholdings required for creating a statutory reserve. By a General Assembly decision, taken by a special quorum (½ of the paid up share capital) and majority (2/3 of the share capital represented at the General Meeting), this percentage may be reduced, though not below 10% of the net profits, while its abolition is allowed only by an 80% majority of the share capital represented at the General Meeting.

Dividend is paid within two (2) months from the date of the Annual General Meeting of Shareholders that approves the Company's annual and consolidated financial statements.

The date and means of the dividend's payment are published on the Athens Stock Exchange and the Company's websites, as well as in the Press.

According to Greek law, dividends, which remain unclaimed for a period of five years after the date on which they were rendered claimable, are transferred to the Greek State.

Shareholders' Information

The Investor Relations and Corporate Announcements Department is responsible for updating and keeping the Company's shareholders' registry, for servicing, as well for providing valid, prompt, accurate and equal information to shareholders and supporting them in exercising their rights.

The Company, having shares listed in the stock exchange, is obliged to publish announcements in compliance with Regulation (EU) 596/2014 of the European Parliament and Council on Market Abuse (MAR), Greek Laws 4443/2016 and 3556/2007 and the decisions of the Hellenic Capital Market Commission. Publication of the above information is made in a way that ensures fast and equal access to it by investors.

All relevant publications/announcements are available, on both the Athens Stock Exchange and the Company's websites and are notified to the Hellenic Capital Market Commission.

The Investor Relations and Corporate Announcements Department caters for making available the published company editions (Annual Report, Annual and Half-Year BoD Report, Prospectuses) to all stakeholders, ensuring the investment community's correct and equal information on issues concerning the Company and the Group, as well as the Company's communication with the competent authorities (Hellenic Capital Market Commission and Athens Stock Exchange, London Stock Exchange – secondary listing though Global Depositary Receipts - and Luxembourg Stock Exchange regarding bonds).

Dialogue with the stakeholders and management of their interests

Over time, the Company has invested on the timely and open dialogue with its stakeholders, using different communication channels for each stakeholders' group, based on the idea of flexibility and facilitation of understanding their respective interests.

More specifically, for those stakeholders (social partners) related to the broader, as well local societies, the Company's collaboration is continuous and implemented through constant and substantive dialogue.

More information regarding the stakeholders, dialogue and reciprocal communication / interaction with the Company are set out in the Non-Financial Information (H.), in the Annual Report, as well as in the Annual Report on Sustainable Development & Corporate Responsibility.

D.7 Composition & Operation of the Board of Directors, Supervisory Bodies and Company Committees

Corporate Governance Updating

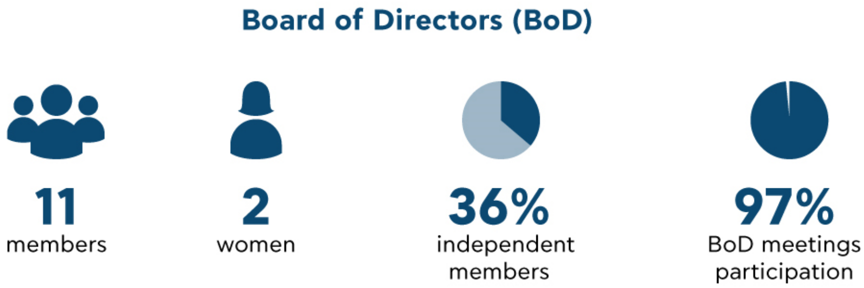
During 2021, important changes took place in the Company's governance in the context of the "Vision 2025" strategic plan implementation, which aims at rendering the Group a key player in the new market conditions, through a holistic improvement and development program, which determines its strategy in all activities, on issues of Environment – Society and Governance (ESG), investment strategy, corporate structure, and market image. Being a principal pillar of "Vision 2025", corporate governance was substantially upgraded, with the objective of strengthening its structure and operation, so as to support the new business model requirements in the best possible manner.

The most important changes that were effected in the Company's governance are:

- The amendment of its Articles of Association in order to align such with the provisions of L. 4548/2018 and L. 4706/2020, the most significant change being that in relation to the BoD's composition and election procedure (mode of electing the new 11-member BoD, increase of the number of independent members, introduction of diversity / minimum per gender quota criteria, etc.).
- The adoption of an individual and collective suitability policy for BoD members through the relevant Suitability Policy, in order to ensure its qualitative staffing through a transparent framework, which will contribute to its effective operation and will provide it with the necessary prerequisites for fulfilling the Company's vision, mission and strategy.
- The Set-up of a Nomination Committee.
- Updating of existing regulations (Company Bylaws, Audit Committee Operation Regulation)
- Adoption of a BoD operation regulation, its members' training policy, of a policy and procedure for the assessment of BoD members, as well as of procedure for notifying dependence relationships of its independent non-executive members.
- Adoption of operation regulations of the Nomination Committee and of the Remuneration and Succession Planning Committee.

- Substantive upgrading and implementation of a conflict of interest policy, of a procedure on related party transactions, for managing inside information and disclosing transactions of discharging managerial duties in the Company.
- Updating of the system on internal control system, risk management and regulatory compliance, as well adopting a policy and procedure for its periodic review.

Vision 2025, the Company's strategy as well as the values are supported by individual aspects of the Company's governance model (BoD Governance, Risk Management Governance, Sustainable Development Governance and Financial Governance).



Generally

In the context of the timely adjustment of its corporate governance framework to the provisions of L. 4706/2020 and the Hellenic Capital Market Commission decisions issued by delegated authority of the law, the Company proceeded to amending its Articles of Association, with the following as most important changes:

- providing for an eleven-member composition of the BoD and the right for an appointment of four (4) members by the Greek State, acting on behalf of the shareholder HRADF S.A., and with the rest of the members being elected by the General Meeting,
- increasing the number of independent members and adopting a suitability policy for BoD members, by decision of the Extraordinary General Meeting of 28th May 2021.

Thereafter, with the assistance of specialized external partners, consulting services provided to the BoD's Nomination Committee regarding the nominees' assessment and the selection of the nominated seven (7) members of the new BoD, which was elected by the Ordinary General Meeting of 30th June 2021 for a three-year term; namely until 30th June 2024.

As regards the four (4) members, appointed by the Greek State, acting on behalf of the shareholder HRADF S.A., and in accordance with the Suitability Policy provisions, the BoD's Nomination Committee, after appraising the detailed curricula vitae of the members nominated for appointment by the Greek State and the assessment made by the external partners regarding these members' suitability, it gave an opinion in favor of the suitability of all the members nominated for appointment.

The change in the BoD's manner of composition is particularly important for the Company, as it strengthens the corporate governance model, fortifying the role of stakeholders – through the General Meeting – in electing a larger part of the members of the Board of Directors.

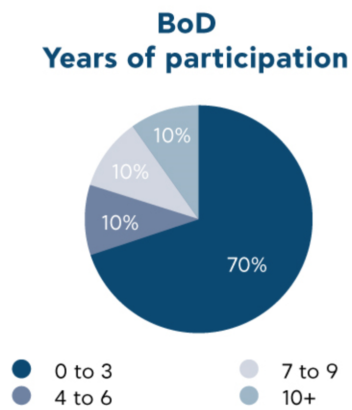
Furthermore, the drawing up and adoption –in June 2021- of the Suitability Policy for the BoD members constitutes a safeguard regarding the choice of members that meet –on an individual and collective level- specific criteria (of business, knowledge, skills and experience, honesty, integrity, as well as of sufficient time availability for discharging the duties of a BoD member), in order to ensure objectivity in staffing the main governance organ of the Company. This new procedure fits time-wise with the Vision 2025 transformation plan, proving in practice the Group's commitment to upgrading corporate governance through a multi-collective BoD, which, by its role, will support the new vision's / strategy's implementation, driven by creating a long-term value for the Company and safeguarding the corporate interest.

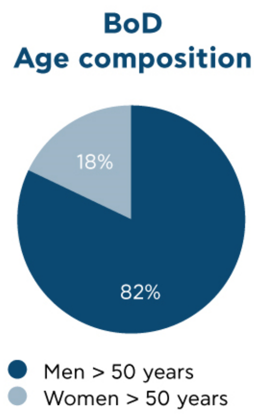
There follows the table with the BoD composition, its members' attendance of meetings and the number of Company shares held by each member. The BoD size and composition are set out in detail under D.2 of the present report. The BoD has met twenty-three (23) times in the year 2021.

BoD Composition	Capacity	*Participation in BoD meetings in 2021 (total 23)*	Start of participating in the BoD	Number of Company shares
Ioannis Papathanasiou	Chairman – Non-executive member	23/23	2019	0
Andreas Shiamishis	Chief Executive Officer – Executive Member	23/23	2013	0
Georgios Alexopoulos	Executive Member	21/23	2016	5.000
Iordanis Aivazis	Independent non-executive member	20/23	2019	0
Theodoros-Achilleas Vardas	Non-executive member	20/23	2003	5.396
Nikolaos Vrettos	Independent non-executive member	13/13	2021	0
Anastasia (Natasa) Martseki	Non-executive member	16/16	2021	0
Alexandros Metaxas	Non-executive member	20/23	2019	0
Lorraine Scaramanga	Independent non-executive member	13/13	2021	0
Panagiotis (Takis) Tridimas	Independent non-executive member	13/13	2021	0
Alkiviades Psarras	Non-executive member	21/23	2019	0

In accordance with article 18, par. 3 of L. 4706/2020, there follows a table with the number of shares held also by the chief Management Officers of the Company.

General Managers	Function	Number of Shares
Ioannis Apsouris	Group Legal Services General Manager	50
Georgios Dimogiorgas	Refineries General Manager	8.000
Aggelos Kokotos	Group Internal Audit General Manager	1.086
Leonidas Kovaios	Group IT & Digital Transformation General Manager	0
Konstantinos Panas	Oil Products Supply & Trading General Manager	100
Alexandros Tzadimas	Group Human Resources & Administrative Services General Manager	0
Vasileios Tsaitas	Group CFO	3.000





There follows the table on the BoD members' experience and basic skills:

	IOANNIS PAPATHANASIOU CHAIRMAN NON-EXECUTIVE MEMBER	ANDREAS SHIAMISHIS CEO EXECUTIVE MEMBER	GEORGE ALEXOPOULOS EXECUTIVE MEMBER	IORDANIS AIVAZIS INDEPENDENT NON-EXECUTIVE MEMBER	THEODOROS -ACHILLEAS VARDAS NON-EXECUTIVE MEMBER	NIKOLAOS VRETTOS INDEPENDENT NON-EXECUTIVE MEMBER	ANASTASIA (NATASHA) MARTSEKIS NON-EXECUTIVE MEMBER	ALEXANDROS METAXAS NON-EXECUTIVE MEMBER	LORRAINE SKARAMANGA INDEPENDENT NON-EXECUTIVE MEMBER	PANAGIOTIS (TAKIS) TRIDIMAS INDEPENDENT NON-EXECUTIVE MEMBER	ALKIVIADIS-CONSTANTINOS PSARRAS NON-EXECUTIVE MEMBER
International Experience											
	Greece	Europe	International	Europe	Europe	International	International	Greece	Europe	Europe	Europe
Industry Experience											
ENERGY AND PETROLEUM INDUSTRY	◇	◆	◆	◇	◆	⬘		◇			◇
Professional Skills											
STRATEGIC PLANNING DEVELOPMENT - NEW ACTIVITIES AND PRODUCTS	◆	◆	◆	◆	◆	◆	◇		⬘	⬘	
FINANCIAL MANAGEMENT AND INTERNATIONAL CAPITAL MARKETS	⬘	◆	◆	◆	⬘	◆	◆	⬘	◆	◆	⬘
ENVIRONMENTAL PROTECTION, SOCIAL RESPONSIBILITY AND GOVERNANCE (ESG)	◇	◆	◆	⬘	⬘	⬘	◇				
DIGITAL TECHNOLOGY AND INFORMATION SYSTEMS	◇	◆	⬘		◆	◆					⬘
HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT	◆	◆	◆	◆		◆			⬘	◇	
LEGAL AND INSTITUTIONAL FRAMEWORK - CORPORATE AND COMMERCIAL TRANSACTIONS	◆	◆	◆	◆	◆			◆		◆	◆
MANAGEMENT RISK	◆	◆	◆	◆	◆	◆	⬘	⬘	◆	⬘	⬘
ACCOUNTING & AUDITING		◆	⬘	◆					◆		
MARKETING & COMMUNICATIONS	◆	◆		◆		◆	◆				
Professional Experience											
BOD EXPERIENCE IN OTHER LISTED COMPANIES	◆	◆	◆	◆	◆	◆			◆	◆	
EXPERIENCE IN SENIOR MANAGEMENT POSITIONS (EXECUTIVE ROLE)	◆	◆	◆	◆	◆	◆			◆	◆	
SUCCESSFUL MULTI-YEAR BUSINESS ACTIVITY (ENTREPRENEUR)	◆										
MEMBER OF THE ACADEMIC COMMUNITY										◆	◆
Education											
DEGREE, MASTERS, PHD	MSC	ACA	MBA	MSC	PHD	PHD	MBA	LLM	FCA/MA/LLB	PHD	LLM

Apart from the above, the following were BoD members during 2021:

- Michael Kefalogiannis, Non-executive BoD member, appointed by the Greek State (1/1 - 30/6/2021).
- Anastasia Makarigaki, Non-executive BoD member, appointed by the Greek State (21/5-30/6/2021).
- Loukas Papazoglou, Non-executive BoD member, appointed by the Greek State (1/1/-30/6/2021).
- Constantinos Papagiannopoulos, Non-executive BoD member, Employees' representative (1/1/-30/6/2021).
- Georgios Papakonstantinou, Non-executive BoD member, Employees' representative (1/1/-30/6/2021).
- Theodoros Pantalakis, Independent, Non-executive BoD member, elected by the special meeting of the minority shareholders (1/1/-30/6/2021).
- Spyridon Pantelias, Independent, Non-executive BoD member, elected by the special meeting of the minority shareholders (1/1/-30/6/2021).

Roles and responsibilities of the BoD

The BoD is the Company's supreme governing body and, chiefly, it formulates its strategy and supervises and controls its assets' management. The composition and functions of the members of the BoD are determined by Law and the Company's Articles of Association. Primary obligation and duty of the BoD members is to constantly pursue the strengthening of the Company's long-term economic value and to protect the general company interest.

In order to achieve the company objectives and the Company's smooth operation, the BoD may assign part of its authorities, except those requiring collective action, as well as the management administration or governance of the affairs, or the Company's representation to the Executive Committee, the CEO, or to one or more BoD members (executive and non-executive), to Company employees or third parties. BoD members and any third party to whom BoD authorities have been delegated by the BoD are prohibited from pursuing personal interests that conflict with those of the Company. BoD members and any third party to whom BoD authorities have been delegated, have to promptly disclose to the rest of the BoD members any personal interests which might arise as a result of Company transactions falling within their duties, as well as any other conflict of personal interest with those of the Company or associate companies, arising in exercising their duties, in accordance with the Company's relevant policies.

Indicatively, the BoD has the following responsibilities:

1. Decides on any act concerning the Company's representation, governance, its assets' management and the pursuit of its purpose, in general;
2. Manages the corporate affairs with the object of promoting the company interest; oversees the implementation of its decisions, as well as of those of the G.M.;
3. Determines and supervises the corporate governance system of articles 1 to 24 of L.4706/2020, and monitors and periodically assesses, at least every three (3) financial years, its implementation and effectiveness, proceeding to the necessary actions for dealing with deficiencies;
4. Ensures the adequate and effective operation of the Company's Internal Control System ("ICS");

5. Ensures that all operations comprising the ICS are independent of the business segments they control and that they have the appropriate financial and human resources, as well as the powers for their effective operation, as prescribed by their role. The reporting lines and allocation of responsibilities are clear, executable and duly documented;
6. Makes sure that the Company's annual financial statements, the annual management report and the corporate governance statement, their consolidated form, as well as the BoD members' remuneration report, are drafted and made public in accordance with the provisions of the law;
7. Recommends to the G.M. the appointment of a certified auditor accountant or audit firm;
8. Ensures that the Company's strategic planning is aligned to corporate culture;
9. Approves the strategic and the annual business and financial plan;
10. Determines the extent of the Company's exposure to risks it intends to assume;
11. Ensures that an effective regulatory compliance procedure is in place;
12. Sets or/and delimits the responsibilities of the Chief Executive Officer and of the other persons to whom it is entitled to delegate powers of the Company's management and representation, in accordance with the Company's Articles of Association;
13. Posts and keeps updated the information regarding the election of its candidate members;
14. Is updated and decides on any other development affecting the Company's status and operation.

Conflict of interest

The BoD members have, by law, a duty of care and loyalty towards the Company. They act with integrity and to the Company's interest and safeguard the confidentiality of the non-publicly available information.

The BoD members have to avoid any situation creating a conflict between their personal interests and those of the Company, as well as not to acquire advantages and personal benefits at the expense of the Company, unless they are authorized by the General Meeting of the Company's shareholders, or the BoD.

The BoD members must contribute their experience and dedicate to their duties the requisite time and attention. They must report to the BoD's Nomination Committee other professional commitments they have, including substantial non-executive commitments to companies, both prior to assuming their duties, as well as every time that some major change occurs during their term of office.

BoD members' participations in other companies

Except where participating in companies that are parties related to the Company, per the meaning of Annex A of L. 4308/2014, the Company's BoD members, are not members of another legal entity' governing, management or supervisory body, with the following exceptions:

First & Last Name	Function	Participation in another company
Andeas Shiamishis	Chief Executive Officer	BoD member/ Hellenic Federation of Enterprises (SEV) BoD Chairman / SEV SUDEV (VIAN)
Iordanis Aivazis	Independent Non-Executive Member	Chairman of the Special Liquidations Committee / Bank of Greece Member of the Executive Committee / Hellenic Financial Stability Fund
Nikolaos Vrettos	Independent Non-Executive Member	BoD member "nanoSaar A.G."
Anastasia Martseki	Non-executive member	BoD member (Independent Non-executive) "Fourlis Trade Estates REIC"
Lorraine Scaramanga	Independent Non-executive member	Bod member "Eurobank Private Bank Luxembourg" General Partner & Manager of the limited partnership "L. Scaramanga & Co LTD"
Panagiotis Tridimas	Independent Non-executive member	Executive member of the General Council / Hellenic Financial Stability Fund

Executive and non- executive BoD members

The executive members of the BoD, headed by the Chief Executive Officer, are occupied with the day-to-day management of affairs falling under their areas of responsibility, as well as with ensuring the smooth running of the Company. They are responsible for implementing the strategy defined by the BoD and for supervising the execution of its decisions.

The non-executive members of the BoD, including the independent non-executive members, are charged with: (i) monitoring and reviewing the Company's strategy, its implementation, as well as the achievement of its goals; (ii) the executive members' effective supervision, including the supervision of their performances. Special BoD decisions determine how the Company is represented and bound.

BoD Chairman

The BoD Chairman, who is a non-executive member, is responsible for convening, chairing and steering the meetings, for the keeping of minutes, the signing of the relevant resolutions and for the BoD's operation, in general, as this is provided in the Company's Articles of Association and the law. The Chairman's responsibilities are determined on the basis of the Company's Articles of Association, the applicable legislation, the assignment of responsibilities based on relevant BoD decisions, and the Code adopted by the Company, as set out in the Company's Bylaws. The Group Internal Audit General Division reports administratively to the Chairman. The most senior non-executive BoD member deputizes for the Chairman, when he is absent or impeded.

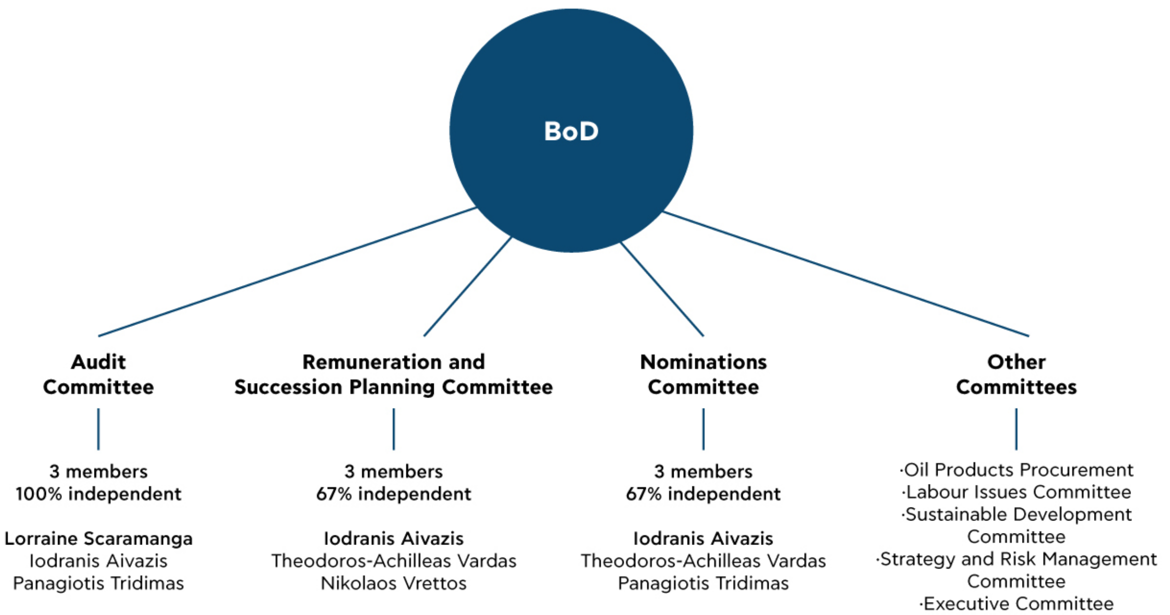
Chief Executive Officer

The Chief Executive Officer is the senior governing body and legal representative of the Company and is responsible for all its business segments and all its operations.

Concise curricula vitae of the BoD members are set out in the Annex to the present report.

BoD Committees

The BoD has set up committees for the purpose of achieving the company objectives and the Company's smooth operation. Each BoD Committee discharges the duties assigned to it by the BoD, acts within its remit and promptly informs the BoD regarding its actions and any developments that came to its attention.



Audit Committee

According to its Operation Regulation in force, which was approved and put into effect on 15 July 2021 by virtue of the BoD decision no. 1388/1/15.7.2021, may either be a committee of the BoD, exclusively comprised of non-executive members thereof, or an independent committee, comprised of non-executive BoD members and third parties or third parties only. The type of the Committee, the term of office, the number and functions of its members are determined by the Company's General Meeting of shareholders.

The Audit Committee is comprised of no less than three (3) members, who, in their majority, are independent of the Company, within the meaning of the provisions of article 9 of L. 4706/2020.

On 30 June 2021, the Ordinary General Meeting of the Company's shareholders, decided, following the election of the members of the Company's new BoD, that the Audit Committee is a BoD committee, comprised of three non-executive and, in their majority, independent, in the meaning of the provisions of L. 4706/2020, members thereof with a three-year term of office and authorized the BoD to appoint them after ascertaining the fulfilment of the criteria and conditions of article 44 of L. 4449/2017.

The Committee's members have sufficient knowledge of the sector in which the Company operates. At least (1) Committee member, which is independent in the meaning of the provisions of article 9 of L. 4706/2020, has documented adequate knowledge and experience in auditing or accounting. This member mandatorily attends the Committee's meetings concerning the approval of financial statements.

Pursuant to the above decision and taking into account the specific committee's vital role in creating a strong corporate governance model, the BoD appointed Iordanis Aivazis, Lorraine Scaramanga and Panagiotis Tridimas, all independent non-executive members thereof, as members of the Audit Committee, after ascertaining that they meet all the criteria of article 44 of L. 4449/2017 and of article 9 of L. 4706/2020, as, collectively, they have adequate knowledge of the sector in which the Company operates and one of them, Ms. Lorraine Scaramanga, has adequate knowledge and experience in accounting, auditing and finance (non-practicing certified auditor) and that the Audit Committee, by this composition thereof, can fulfill the duties and obligations set out in par. 3 of article 44 of L. 4447/2017.

Finally, the Company's Audit Committee, at its meeting of 1st July 2021, was formed into body, electing Ms. Lorraine Scaramanga as its Chairwoman. For the period from 1/1 up until 30/6/2021 (inclusive), Messrs Spyridon Pantelias and Theodoros Pantalakis, both independent non-executive members of the BoD under its previous composition and in accordance with L. 3016/2002, were Chairman and member of the Audit Committee, respectively.

The Audit Committee supports the Company's BoD in its duties regarding the supervision of:

- the financial statements' statutory audit procedure and the BoD's updating on its results;
- the completeness and integrity of the standalone and consolidated Company financial statements;
- the design adequacy and operational effectiveness of the internal control system;
- the effective risk management, quality assurance and compliance of the Company;
- the Company's compliance with the legal and regulatory requirements applicable from time to time, as well as with the Code of Conduct;

- the design adequacy and operational effectiveness of the corporate governance system;
- the internal audit procedure, and the GIAGD's performance;
- the certified auditors/audit firm's selection procedure and review of their independence.

Correspondingly and in relation to the above, the Audit Committee has the following responsibilities, in greater detail:

1. It monitors the procedure and conduct of the statutory audit of the Company's standalone and consolidated financial statements. In this context, it updates the BoD by submitting a relevant report on the issues that arose from the statutory audit's conduct, explaining in detail:

a) The statutory audit's contribution to the quality and integrity of the financial reporting; namely to the accuracy, completeness and correctness of the financial reporting, including the relevant disclosures, approved by the BoD and published;

b) Its role in the above, under (a) process; i.e. recording of the actions to which the Audit Committee proceeded in the course of conducting the statutory audit.

2. It monitors, examines and evaluates the financial reporting preparation process; namely the mechanisms and production systems, the flow and dissemination of the financial information issued by the Company's organizing units involved. The Audit Committee informs the BoD of its findings and submits proposals for improving the process, if considered advisable.

3. It monitors, examines and assesses the adequacy and effectiveness of the entirety of the Company's policies, procedures and controls regarding, on one hand, the internal control system and, on the other hand, the assessment and management of risks related to financial reporting. As regards the internal audit function, the Audit Committee monitors and inspects the GIAGD's proper operation and evaluates its work, adequacy and effectiveness, without, however, infringing its independence. Furthermore, it reviews the information disclosed as regards the internal audit and the Company's main risks and uncertainties in relation to financial reporting. In this context, the Committee informs the BoD of its findings and makes suggestions for improvement, where appropriate.

4. It reviews and monitors the certified auditors/audit firms' independence in accordance with L.4449/2017 (articles 21, 22, 23, 26 and 27), as well as with article 6 of Regulation (EU) 537/2014 of the European Parliament and of the Council of 16th April 2014, and in particular, the appropriateness of providing non-audit services to the audited entity, in accordance with article 5 of the Regulation.

5. It is responsible for the certified auditors'/audit firm's selection process and nominates the certified auditors/audit firms that will be appointed by a decision of the General Meeting.

During 2021, the Audi Committee, in exercising its duties, held eighteen (18) meetings, attended by all its members, the subjects (of the activities) of which is set out concisely below:

- ✓ Jointly with the BoD's Finance and Financial Planning Committee, it recommended to the BoD the approval of the 2020 Annual Financial Report, the half-year report and the interim announcements on the Company's financial performance.
- ✓ It monitored the effectiveness of the Company's internal audit function and approved the planning of internal audits for the year 2021.
- ✓ It was informed of the Regulatory Compliance Service activities.

- ✓ It received all the internal audit reports, while holding regular meetings with the Internal Audit General Manager for discussing operational and organizational issues of the GIAGD, aside from the internal audit reports. During the year, quarterly progress reports with the key findings, were submitted to the Committee; the BoD was informed of said reports, including the key findings and manner of addressing them.
- ✓ In the context of adjusting the Company's Corporate Governance system to the provisions of L. 4706/2020, it recommended for approval by the BoD, its Operation Regulation, the GIAGD's Operation Regulation, the Policy and Procedure for the Internal Control System's Periodic Assessment.
- ✓ It approved the salary adjustment of the GIAGD's General Manager's remuneration (in a joint meeting with the Remuneration and Succession Planning Committee).
- ✓ It held six separate meetings with the Company's external auditors, on 23 February, 4 and 25 August, 4 November and on 3 and 13 December. The Audit Committee, in assessing the experience and knowledge of the Ernst & Young (EY) audit team, concluded that the auditing procedure that was applied by the external auditors was effective and ascertained their objectivity and independence.
- ✓ It recommended EY's re-election as audit firm for conducting the audit of fiscal year 2021 (5th consecutive year), given that EY has undertaken the statutory audit of the Company's financial statements since 2017, following a relevant tender procedure, and the so far experience from the audit had been satisfactory.

Upon unanimous acceptance of the Audit Committee's recommendation by the Board of Directors, EY's re-election for conducting the statutory audit in the year 2021, was approved by the Ordinary General Meeting of Shareholders of 30th June 2021.

Following requests by the certified auditors regarding the provision of services to the Company beyond the statutory audit and after the Audit Committee was assured that the services in question concerned permissible by the relevant legislation services and that the fees for providing such would not impair the certified auditors' independence, it approved their provision.

<u>Remuneration and Succession Planning Committee</u>

In its present composition, the Company's Remuneration and Succession Committee comprises of three (3) non-executive BoD members, two of which are independent. Mr. Iordanis Aivazis, independent non-executive BoD member, is the Committee's Chairman and its members are Messrs. Theodoros-Achilleas Vardas, non-executive BoD member, and Nikolaos Vrettos, independent non-executive BoD member. Within 2021, it held five (5) meetings, attended by all its members, the subjects (of the activities) of which is set out concisely below:

- Approval of the BoD members' Remuneration Report for fiscal period 2020;
- Amendment of the Remuneration Policy;
- Granting of an annual variable remuneration to the Managerial level officers, based on the fulfilment of the performance criteria, and of a special bonus to the Company's employees for reporting year 2020, in order to deal with the special conditions created as a result of the pandemic (COVID-19);
- Discussion on a retirement for health reasons benefits plan;

- Recommendation for the approval by the General Meeting of the BoD Chairman's contract regarding his new term of office;
- Approval of the salary adjustment of the GIAGD's General Manager's remuneration (joint meeting with the Audit Committee).

The mission of the Remuneration and Succession Planning Committee is to:

1. Support the BoD in the work of drafting or/and revising the Remuneration Policy, which is submitted for approval to the GM, as well as to study the information included in the annual remuneration report, opining on such to the BoD, prior to its submission to the GM.
2. Formulate or approve proposals by the Management on the guidelines' framework regarding the remuneration of Top Management Officers and Management Officers and approve proposals by the Chief Executive Officer to the BoD regarding the remuneration of the Group Internal Audit General Manager (in collaboration with the Audit Committee).
3. Formulate or approve proposals by the Management regarding variable remuneration plans and voluntary retirement schemes, insurance schemes and performance incentive schemes for Top Management Officers and Management Officers.
4. Ensure that a Top Management Officers' succession plan is in place and cater for submitting relevant recommendations to the BoD and/or the Chief Executive Officer.

Nomination Committee

The Nomination Committee was established by the BoD decision no. 1383/5/29.4.2021, by which its Operation Regulation was also approved. The Nomination Committee comprises of three (3) non-executive BoD members, two of which are independent. Mr. Iordanis Aivazis, independent non-executive BoD member, is the Committee's Chairman and its members are Mssrs. Theodoros-Achilleas Vardas, non-executive BoD member, and Panagiotis Tridimas, independent non-executive BoD member.

The mission of the Nomination Committee, is, in acting according to the criteria stated in the Company's suitability policy, to identify and nominate to the BoD individuals eligible for BoD and its committees' membership and to opine on the suitability of the candidate appointed members that are nominated by the State. Furthermore, the Committee ensures the smooth succession and continuity of the Company's BoD and evaluates the suitability, completeness and effectiveness of the existing BoD members.

Its main responsibilities are the following:

1. Suitability assessment of Candidate BoD Members appointed by the State;
2. Election of Candidate BoD Members elected by the General Assembly of shareholders (Preparation, Candidates' sourcing, Suitability Assessment, Nomination);
3. BoD Evaluation (BoD Evaluation Policy, Annual Evaluation, External Evaluation, Committee's self-assessment);
4. BoD Training;
5. Succession Plan;
6. Supporting the BoD in implementing the Company's Policy for Preventing and Managing Conflict of Interest Situations.

The primary task of the Nomination Committee and subject-matter of the two meetings it held, with all its members attending, right after the adoption by the Extraordinary General Meeting of 28th May 2021 of the BoD members' Suitability Policy, was putting together and recommending to the Ordinary General Assembly of 30th June 2021, the candidate members that meet the criteria of L. 4706/2020 for the Company's new BoD.

<u>Other BoD Committees</u>

The work of the BoD is also assisted by other committees, set up by a decision thereof. Specifically, the current committees are the following:

Oil Products Procurement Committee

The Oil Products Procurement Committee, which comprises of four (4) BoD members, of which one (1) is an executive BoD member (Georgios Alexopoulos, Chairman of the Committee), while the three members of the Committee (Theodoros-Achilleas Vardas, Alexandros Metaxas and Alkiviades Psarras) are non-executive BoD members.

The work of the Oil Procurement Committee is:

1. Awarding tenders and approving the procurement of oil products, following a unanimous decision of the members regarding the purchase, sale and transportation of crude oil and products thereof (of over €100 million);
2. Approving the cooperation framework in cases of crude oil procurement directly from a state body of an oil producing country, which determines sale prices unilaterally.
3. Registering customers/suppliers in the Company's Customers/Suppliers Registries.

Within 2021, the Oil Procurement Committee held fifteen (15) meetings.

Labour Issues Committee

The Labour Issues Committee, which is comprised of two (2) non-executive BoD members (Alkiviades Psarras, Chairman and Alexandros Metaxas, member) and the Chairperson of the most representative employees' association or its deputy, held two (2) meetings in the course of the year. The Committee was established in accordance with the Company's Internal Labour Regulation and has jurisdiction to rule as a second instance reviewing body on any appeal filed against disciplinary sanctions imposed by the Company's competent disciplinary body. The Committee held two (2) meetings in the course of the year.

Strategy and Risk Management Committee

The Strategy and Risk Management Committee was established in 2021, taking into account the requirements of the Company's corporate transformation and the stress it lays on the management of risks and on changes of a strategic nature, which occur in the financial, economic, environmental, technological, political and social environment and may affect its activities overall, its business action, its financial performance, as well as the implementation of its strategy and the achievement of its goals. More specifically, with the corporate transformation and Vision 2025, the Company enters into new business activities, which require the prompt identification and management of risks and the drawing of a strategy suitable for achieving the ambitious mid- long-term business goals, by planning appropriate investments and securing the necessary resources.

The mission of the Strategy and Risk Management Committee is, inter alia, to approve the corporate framework for risk management and the relevant policies and methodologies, to determine the level of risk appetite and the risk tolerance levels, to monitor and approve the management of significant corporate risks, as well as to oversee the implementation of effective risk management measures.

The setting-up and composition of the newly founded committee, were decided by BoD decision no. 1387/2/30.6.2021. The Company's Chief Executive Officer, Mr. Andreas Shiamishis, is the Committee's Chairman and its members are Messrs. Georgios Alexopoulos (executive BoD member), Theodoros – Achilleas Vardas (non-executive BoD member) and Nikolaos Vrettos (independent non-executive BoD member). The Committee has not met to date.

Sustainability Committee

Having incorporated sustainable development in its strategic vision (Vision 2025), the major issue of transitioning to a low-carbon emissions' economy is set at the core of the Company's future actions and the Company's vision for health, safety and the environment is "Zero Impact – Zero Damage", as a condition for sustainable development.

The Committee's mission is to assist the BoD in strengthening the Company's long-term commitment to create value in all three pillars of Sustainable Development (economy, environment and society) and to supervise the implementation of responsible and ethical business conduct, on matters regarding the Environment-Society and Governance (ESG).

The committee is responsible for supervising the definition of the stakeholders and the mode of communicating with such, in respect of understanding their interests, for identifying the Company's substantial issues, for implementing the sustainability policy and the undertakings included in it, as well as for offering guidelines as to individual aspects / pillars for implementing said policy (such as health and safety, the environment and climate change, the society) and the risks related to them. The Company's and the Group companies' commitments refer to the health, safety, environment and sustainability policy, which is included in the Company's Bylaws.

The setting-up and composition of this committee were also decided by BoD decision no. 1387/2/30.6.2021. The Company's Chief Executive Officer, Mr. Andreas Shiamishis, is the Committee's Chairman and its members are Messrs. Georgios Alexopoulos (executive BoD member), Ioannis Papathanassiou (Chairman - non-executive BoD member), Nikolaos Vrettos (independent non-executive BoD member) and Anastasia Martseki (non-executive BoD member). The Committee has not met to date. Said committee's composition, including members that are common with those of the Strategy and Risk Management Committee and with the Chief Executive Officer as chairman, shows the importance which the Company attributes to sustainable development, which constitutes a key pillar for implementing Vision 2025, aiming principally at redefining the ESG strategy and the targets in respect of greenhouse gases.

Executive Committee

The Company has an Executive Committee, the responsibilities and operation of which have been determined by a number of BoD decisions, the most recent of which being decision no. 1337/2/29.11.2018, while its composition is determined by a decision of the Management.

The Executive Committee is both advisory and executive in nature, as well as executive, to the extent that specific executive powers will be assigned to it by the BoD. It processes and shapes strategic issues on all sectors of the Group's and its subsidiaries' (domestic and foreign) business activities.

Indicatively (and without limitation), the Executive Committee's main responsibilities are:

- Formulating the strategy and development plan for the Group's activities, in the form of mid-term and annual business plans.
- Monitoring the progress of the works of all Group activities through financial results and KPIs.
- Monitoring, information and coordination on issues affecting the Group's activities and requiring a well-coordinated approach by the entire Management team.

Executive Committee composition:

1. Chairman: the Company's CEO, Mr. Andreas Shiamishis
2. Vice-chairman: the General Manager of Group Strategic Planning and New Business Activities, Mr. Georgios Alexopoulos, who will be acting for the Chairman in any case of absence or impediment of his.
3. The General Manager of Oil Products Supply & Trading, Mr. Konstantinos Panas
4. The Refineries General Manager, Mr.Georgios Dimogiorgas
5. The International Retail Director, Mr. Konstantinos Karachalios
6. The Group CFO, Mr. Vasileios Tsaitas
7. The Group Human Resources & Administrative Services General Manager, Mr. Alexandros Tzadimas
8. The Group Legal Services General Manager, Mr. Ioannis Apsouris
9. The Group IT & Digital Transformation Manager, Mr. Leonidas Kovaios
10. The Group Health, Safety, Environment and Sustainable Development Director, Mr. Antonis Mountouris

BoD Assessment

According to the relevant policy adopted by BoD decision no. 1388/1/15.7.2021, its assessment aims at providing the requisite feedback as regards its suitability and effectiveness for improving its operation, maximizing its potential and identifying areas requiring further development, in order to ensure its effective operation and the fulfillment of its role as supreme governing body of the Company.

The policy applies to all Company BoD members, who participate in it for a period more than six months at the beginning of the assessment and takes place:

- on an annual basis, in the form of self-assessment;
- on a three-year basis, conducted entirely by a specialist external consultant.

The Nomination Committee, under the BoD Chairman's supervision, is responsible for coordinating the BoD's external assessment regarding its members' independent and collective suitability and effectiveness, which will be conducted by an external consultant within 2022.

Suitability Policy

The Suitability Policy for the members of the Company's Board of Directors sets out the core principles and the framework for the selection, renewal of the term of office and replacement of the BoD members, as well as the criteria that have been set this purpose. The Policy is fully aligned to the applicable provisions of the Greek legislation concerning the corporate governance of sociétés anonymes and, in particular, the provisions in article 3 of Law 4706/2020, in Circular 60/2020 of the Hellenic Capital Market Commission, as well as to the Company's Articles of Association. Moreover, the Suitability Policy is aligned to the corporate governance code, as this is adopted by the occasional Company corporate governance statement, in accordance with the provisions of articles 152 of L. 4548/2018 and 17 of N. 4706/2020.

The purpose of the Policy is to set out:

- general principles and guidelines to the Nomination Committee for the selection, evaluation and nomination of candidate members to the BoD;
- criteria for the selection and assessment of the suitability of candidate BoD members;
- criteria for the assessment of the BoD members' individual and collective suitability.

The BoD, through the Nomination Committee, is responsible for initiating, guiding and coordinating the process for the election of the suitable candidate BoD members, subject to the shareholders' rights.

Furthermore, the Nomination Committee receives a written brief by the State (which, according to the Company's Articles of Association, has a right to directly appoint BoD members on behalf of the shareholder, HRADF S.A.), which includes the ascertainment of the suitability criteria of the members to-be-appointed, in accordance with the Company's suitability policy, as well as their detailed curricula vitae, and opines on it. The Committee's positive opinion constitutes an essential precondition for the appointment of BoD members, as per the above.
The Nomination Committee is responsible for identifying candidate BoD members, who, in its view, meet the relevant criteria. The Nomination Committee's nominations are submitted to the BoD, which introduces the nominated for election as BoD members, according to the Committee's nominations, to the General Meeting of shareholders, in accordance with article 78 of L. 4548/2018 and the Company's Articles of Association. The Committee's positive opinion constitutes an essential precondition for a candidacy to be nominated by the BoD for election by the General Meeting of shareholders.

According to the Company's Articles of Association, the BoD is comprised of eleven (11) members, of which four (4), at minimum, are independent non-executive. The number of committees that will be operating in the framework of the BoD, or any need for assigning further special powers and authorities to its members, may be adjusted in accordance with its operational requirements, putting their knowledge, reputation and experience to use, pursuant to the present.

The suitability criteria set by the Suitability Policy are the following:

1. Individual Suitability
   - ✓ Adequacy of knowledge and skills
   - ✓ Morality and Reputation
   - ✓ Independence of judgment
   - ✓ Allocation of sufficient time
2. Collective Suitability
3. Diversity Criteria

More information regarding the Policy and its content is available on the Company's website (https://www.helpe.gr/investor-relations/corporate-governance/politikikatallilotitasmelonbod/).

Diversity Policy

The Company considers the principle of diversity to be important for the composition of its governance bodies.

It, therefore, applies a diversity policy with the aim of promoting a suitable level of differentiation in the BoD and a multi-collective team of members. Through putting together a broad range of qualifications and skills in selecting the BoD members, a variety of views and experiences is ensured, for the purpose of taking the right decisions.

The Policy includes the basic diversity criteria, which are applied by the Company in selecting BoD members and constitute essential priorities (diversity goals) of the Company:

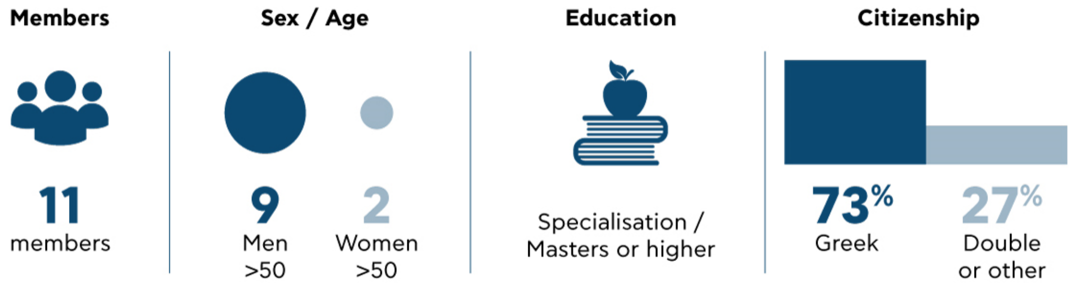
- Adequate representation per gender and, specifically, at least of the mandatory by Law twenty five percent (25%) of the total BoD members. In case of fraction, this percentage is rounded to the previous whole number.
- Ensuring equal treatment and providing equal opportunities to all potential BoD members, irrespective of gender, race, color, national, ethnic or social background, religion or convictions, property, birth, family status, disability, age or sexual orientation.

More information regarding the Policy and its content is available on the Company's website, under the Suitability Policy (https://www.helpe.gr/investor-relations/corporate-governance/politikikatallilotitasmelonbod/).

It is noted that, in that direction, the Company strives to take into account the above in the Human Resources Management Procedures.

Selected diversity data regarding 2021 are set out below:

BoD Composition



HELLENIC PETROLEUM staff data Table (31.12.2021)

	Managerial level officers	Other staff
Men	138	1.728 (242*)
Women	34	200 (138*)
<30 years old		23
30-50 years old	67	1.278
>50 years old	105	627
Doctorate (Ph.D)	16	13
Post-graduate degree	75	112
University degree	81	72
Polytechnic degree		397
High School graduate or lower education level		1.334

**concerns non-technical specializations' staff (engineers, highest/higher school graduates, office employees)*

Remuneration Policy

The Company has established, maintains and applies core principles and rules in determining the remuneration of the BoD members ("Remuneration Policy"), which contribute to its business strategy, long-term interests and sustainability.

The Policy was approved by a decision of the Extraordinary General Meeting of the Company's shareholders, dated 20 December 2019, and was amended by a decision of the Ordinary General Meeting of shareholders of 30th June 2021, in order to be aligned to the changes that followed the amendment of the Articles of Association and the approval of the Company's Suitability Policy for BoD members by the Extraordinary General Meeting of 28th May 2021.

The Remuneration Policy aims at determining the remuneration framework in a manner that succeeds in complying with the existing legislative framework and the BoD members' Remuneration Policy and in strengthening the transparency as regards the determination and payment of the BoD members' remuneration of any nature, in a way that is easy to understand, clear and comprehensible.

More specifically, the Policy:

- Determines the competent bodies involved in its elaboration, approval and monitoring process.
- Explains the structure of BoD members' remuneration.
- Operates a base of reference in formulating proposals regarding the BoD members' total remuneration.
- Established key guidelines for managing and paying remuneration to the BoD members and the way in which this is formulated.

The Policy covers every type of remuneration, i.e. fixed or variable remuneration, as well as benefits that may be paid to persons falling within the scope of its application. Its core principles are summarized below:

Remuneration on account of the BoD membership

The forms of remuneration that may be paid to executive and non-executive members by virtue of the Policy are outlined below:

Fixed remuneration is payable in accordance with the provisions of article 109 par. 1of L. 4548/18 on BoD members' remuneration, as fixed annual remuneration payable on a monthly basis. In addition, remuneration per BoD meeting is paid. This remuneration aims at being as much as possible aligned to the market levels for BoD members of companies listed in the Greek Stock Exchange and adapted to the nature and particularities of the Company.

In addition, according to the applicable legal framework, the rules on corporate governance and the size and activities which the Company has, a series of committees dealing with individual and more specialized topics is required.

These committees and their members are determined by the GM where so provided, such as the Audit Committee, while, in other cases, they are determined by the BoD, if the topics are viewed as major, on account of financial figures, subject-matter or strategy. In these cases, the BoD determines the subject-matter of each committee, the members, the authorities and responsibilities they shall have by reason of participating in the committees in question. The participation remuneration for the members participating in these committees has the same structure as participating in the BoD (fixed and per meeting), as stated in Annex A. The remuneration for participating in the committees is exactly the same, irrespective of whether the member is an executive, non-executive or independent non-executive one, while no other benefits are provided.

The BoD Chairman's remuneration, aside from the compensation he receives, just as the rest of the BoD members, is provided for by a mandate contract, which is concluded with the Company and approved by the G.M., in accordance with the provision of par. 1 of article 109 of L. 4548/2018, following a relevant Committee recommendation, which will be in line with terms of the market regarding respective positions. Moreover, in any case, it shall not exceed the level of remuneration of the first grade (Grade 1) of Managerial Level Officers, as this is recommended by the Committee and approved by the BoD from time to time.

The BoD members' gross remuneration (before taxes and other deductions), as approved at the Company's latest G.M. on 07.06.2019, are set out on the table attached as Annex A to the Policy. Furthermore, it is noted that the BoD members may receive remuneration in the form of a share in the fiscal year's profits.

Additional benefits
On top of the above remuneration, there is provision for the possibility of granting additional benefits to the Company's BoD members; such remuneration may be varied and, indicatively, regard:

- A gas card (EKO CARD) for transportation expenses, with monthly consumption of up to 100 litres.
- Invitation to corporate events of the Group.
- Possibility of participating in conferences and day-events organized in Greece and sponsored by a Group company.
- Possibility of participating in training programs concerning the Company activities or the improvement of the BoD's operation.
- Possibility to participate in some of the social nature benefits that are available to Managerial Level Officers or/and the Company's employees.

Remuneration of executive BoD members on the basis of employment contracts
Beyond the above remuneration for participating in the BoD, the executive members that are related to the Company or/and other Group companies with an already in force employment contract, are also paid the relevant remuneration and benefits (fixed, variable, benefits and participation in group medical care and retirement schemes, etc.), which are formulated by taking into account the Annex B factors on structuring the total remuneration level regarding Managerial Level Officers of the Company.

The amount of any variable remuneration is directly linked to the achievement of corporate and personal goals and is calculated as a percentage on the annual gross standard remuneration, depending on the hierarchical level of the officer having an Executive Consultant role. This remuneration has been already set based on the provisions in decisions of the competent bodies and the Company's salary policies, which aim at attracting, developing and keeping the suitable executives and are determined also in connection to the general remuneration levels both of the Group, as well as of the Greek market, in general, taking into account the nature of operations and the Company's size.

More information regarding the Policy and its content is available on the Company's website (https://www.helpe.gr/investor-relations/corporate-governance/politiki-apodochon-melon-ds/remunerationpolicyBoDmembers/).

Sustainability Policy

The Company has incorporated sustainable development in its strategic planning and has committed itself via the health, safety, environment and sustainability policy, which aims at a safe and accident-free, economically sustainable operation that respects the environment and society, in accordance with the United Nations' 17 Sustainable Development Goals (SDGs). At the heart of the Company's planning lies the major issue of transitioning to a low-carbon emissions economy and the Company's vision for health, safety and the environment is "Zero Negative Impact – Zero Damage", as a precondition for sustainable development. The Company's and the Group Companies' commitments are stated in the health, safety, environment and sustainability policy, which forms part of the Company's Bylaws.

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

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

As regards the health and safety and environmental issues affecting local communities, too, the Group, due to the nature of its activities, faces a number of risks in its day-to-day operations, regarding the use of hazardous and flammable substances and technical challenges at production and distribution facilities (or oil products, or not) of special complexity and major size. Inability to manage the above risks could have grave impact on the Group's operation and financial position, including administrative sanctions, or/and inability to conduct the activities. As regards the investigation of risks concerning health, safety and environment issues, the Group uses a series of handling procedures, at the equipment's designing and operation, for managing and containing them and monitors them through Key Performance Indicators (KPIs). At the same time, it actively participates in international organizations for measuring and comparing key indexes with the European oil and chemical industry, as well for transposing and incorporating best practices, in order to improve its performance on issues of health, safety and the environment.

More information regarding the Policy and its content is available at the Company's website, under the Bylaws (Internal Regulation) (https://www.helpe.gr/investor-relations/corporate-governance/kanonismosleitourgias/).

BoD members' compensation for their participation in BoD and Committees' meetings in 2021

For fiscal period 1.1.2021 – 31.12.2021, the compensation paid to the BoD members is the one provided in the current Remuneration Policy.

The most recent approved BoD members' remuneration report (fiscal year 2020) has been drawn up in accordance with article 112 of Law 4548/2018, as well as with the Company's Remuneration Policy that was approved on 20.12.2019. It was discussed at the Company's Annual Ordinary General Meeting, dated 30 June 2021, where shareholders representing 100% of the share capital attended, while the percentage of votes "IN FAVOUR" amounted to 98,45% of the shareholders present.

The remuneration paid to the Company's BoD members for the fiscal period 1.1.2020-31.12.2020 include both a fixed as well as a variable part, aiming at aligning them to the Company's business growth and effectiveness.

The 2020 remuneration report is available through the Company's website https://www.helpe.gr, while the respective report for 2021 will be posted following its approval in June 2022.

No stock options were granted during the 2021 fiscal period and no stock award plan is in force.

E. Strategic Goals and Prospects

The Group intends to play a key role in the energy transition in the East Med region, though maximising returns in its core business and developing a diversified energy portfolio, focusing on the following key areas under the Vision 2025 program:

- Redefine ESG strategy and GHG targets as core pillars of the Group, aiming for a 50% improvement in our GHG footprint by 2030 and a commitment to net zero by 2050
- Substantial update of the business strategy and capital allocation, with the new energy dominating future Investments in the next decade
- Upgrade of the corporate governance in order to align with Greek legislation, as well as with the best international practices
- Establish a fit-for-purpose corporate structure, suitable for the development of new activities
- Relaunch corporate identity, aligned with new strategy
- Improve main activities, through operation optimization, digitalization and energy efficiency
- Development of main activities, taking advantage of opportunities to leverage past investments to maximize value and development of international marketing activities
- Grow of new activities, establishment of material footprint in Renewable Energy Sources and further development of the Energy & Natural Gas sector

Within 2021, the Group proceeded to significant changes in its corporate governance with the election of the members majority of the Board of Directors by the General Assembly and increase of independent members. In addition, a minimum gender quota was introduced, while an adequacy policy was adopted and a nomination committee was set up.

In addition, the preparation for the new corporate structure was completed with the demerger by way of hive-down of its refining, supply and trading of oil products and petrochemicals sector from HELLENIC PETROLEUM and the establishment of a new company on January 3, 2022, with substantial benefits in terms of value-added activities, risk management, as well as flexibility in the development and financing of individual business units.

Finally, the 204MW PV project in the area of Kozani was completed and its connection to the network is expected at the beginning of 2022, while the acquisition of 38MW operating wind farms in the area of Evia and of 2 PV parks, with capacity of 16MW in Viotia, was completed. With the above, the Group managed to achieve the target for an installed capacity of 300MW in the first months of 2022.

Refinery, Supply and Trading

Within 2021, Refinery, Supply & Trading sector's contribution to the Group's operating profitability was affected by the pandemic and the restrictions imposed on travel during the 1H21, as well as the energy crisis impact with higher Natural Gas and electricity prices in the 2H21, resulting at lower levels. Refinery performance improved with increased production and sales.

In addition, the Group seeks to enhance its refining competitiveness, through substantial improvement of the processes' carbon footprint, of energy and products produced, through a series of initiatives and investments, such as, among others, energy efficiency projects, CO_2 emission reduction, reduced carbon footprint electricity supply, biofuel production and recycling technologies.

Under Vision 2025, the refining industry strategy focuses on substantial improvement of the processes' carbon footprint, increasing competitiveness, petrochemical capacity expansion, investment in cleaner fuels and digitalization.

For 2022 and in the medium term, the strategy of the Group aims at further strengthening the competitiveness of the refining sector, in particular through:

- Energy efficiency improvement projects, but also material changes in production methods (eg blue, green hydrogen)
- Focus on Safety, with emphasis on training, standardization and improvement of procedures
- Investments in high return projects in the Group's complex refineries, with emphasis on the production of high added value products, biofuels, petrochemicals and energy autonomy
- Improvement of the operational optimization in the context of the Group's digital transformation program
- Optimising operational performance through realisation of synergies between the refineries of the Group and improving the performance of conversion units and the energy efficiency of our refineries

Domestic Marketing

The Domestic Marketing business plan for the next five years includes a framework of actions aimed at improving competitiveness, adapting to modern customer requirements and challenges to the economic environment. At the same time, energy efficiency and digital transformation are the key objectives for all activities.

International Marketing Activities

Growth in Southeast European markets remains a strategic objective. Priorities include sustaining the leading position in both Cyprus and Montenegro, the improvement of OKTA profitability, as well as the continuous expansion in the markets of Bulgaria and Serbia through targeted network growth and supply chain optimization.

F. Main Risks and Uncertainties for the Next Financial year

The major financial risks for the next financial year are discussed below in relation to key areas. The main sources of potential risks are the developments in the global economy and its impact in the developments in the European refining industry, including the price fluctuations in crude oil and oil products, as the exchange rate of euro / dollar, the level of interest rates, as well as fluctuations in CO_2, natural gas electricity and CO_2 allowance (EUA) prices. It is not possible to predict all different scenarios and the ways of responding in each, however, the Group is closely monitoring developments, adapting its operation where necessary.

COVID-19 effects and the efforts to contain it were the key 1H21 events, with a significant negative effect on the petroleum industry, with reduced demand, which gradually recovered in the second half of the year, approaching pre-pandemic levels. During 2H21, energy crisis negatively affected the refining industry, with a sharp rise in natural gas and electricity prices in Europe, as well as CO_2 emission allowances. Natural gas prices, which directly affect electricity prices, were driven by supply-demand balances, the substitution of production by other forms of energy -in the context of the energy transition, as well as international geopolitical developments.

On 24 February 2022, the Russian Federation initiated a military invasion on Ukraine, following a period of tension between the two countries. It is uncertain how the invasion, potential escalation and response from NATO and European countries in the form of economic sanctions or other means could affect global energy markets and economic developments in general. The Russian Federation crude oil production accounts for around 10% of global output, while it is the second largest natural gas produced worldwide. Potential reduction of supply of crude oil or natural gas as a result of the above, could have an impact on availability and pricing. Furthermore, potential escalation of the military conflict could affect economic growth, interest and foreign exchange rates, as well as other economic indicators, that could affect the Group's business. In 2H21 Russian crude accounted for 15-17% of the total crude feed of the Group's refineries and if required it can be replaced with other grades, without affecting the refineries' operation. Furthermore, over the last few months and following increase in natural gas prices, the Group' refineries have minimized natural gas use as a feed, substituting with oil products to a significant extend. The Group is following developments around the crisis in Ukraine and is planning accordingly.

F.1 Financial Risk Management

Financial Risk Factors

The activities of the group are concentrated in oil refining, with petrochemicals, fuels marketing, exploration and production of hydrocarbons, as well as electricity production and trading. Therefore, the group is exposed to various financial risks such as fluctuations in the oil, natural gas, electricity and CO_2 emission allowances prices in international markets, exchange rate volatility, cash flow risks and risks of fair value fluctuations due to interest rates variations. In line with international best practices and in the context of the local market and legal framework, the overall risk management plan focuses on reducing the Group's potential exposure to market volatility and mitigating any negative impact on the Group's financial position, to the extent possible.

Product price risk management is conducted by the Commercial Risk Management Service, which is comprised of senior executives of the trading and financial departments, while financial risks are managed by the financial services of the Group, within the authorisations' framework approved by the BoD.

The most important risks and uncertainties are discussed below.

a) Market Risk

(i) Exchange Rate Risk

Refining industry, is a US dollar dominated business, with local currency conversions, while operating costs are primarily expressed in local currency (euro). As a result, the Group's operations are mainly exposed to the risk of 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 (inventory, investments, receivables, liabilities in US dollar) would be valued at lower levels.

(ii) Product Price Fluctuation Risk

The core activity of the Group, refining, supply & trading, creates two types of exposure: to changes in absolute prices of crude oil and oil products, which affect the inventory value; and changes in refining margins, which affect cash flows.

As far as the risk of absolute product price fluctuations is concerned, the level of the exposure refers to the decrease in product prices and is determined by the closing inventory valuation, as the Group's policy is to present the closing stock at the lower between cost and net realizable value.

Crude oil and products' price fluctuations also affect the levels of working capital as higher prices increase the financing needs.

Exposure to risk associated with changes in refining margins depends on the fluctuation of each refinery's margin. Refining margins are calculated using Platts prices of crude oil and oil products, which are determined on a daily basis and are affected by the development of supply and demand of crude oil and oil products both regional (Mediterranean market) and globally. The fluctuations of refining margins impact the Group's profitability and cash flow generation accordingly.

The Group aims to hedge part of its exposure associated with price changes of crude oil, products and refinery margins, depending on the prevailing market conditions.

(iii) Cash Flow Risk and Risk of Fair Value Change due to Change in Interest Rates

The cash flow risk from changes in interest rates relates to the level of Group's borrowing with floating interest rates. Furthermore, due to the long-term investments in the sectors where the Group operates, significant increases in interest rates are likely to cause changes in fair values of such investments through the increase of the discount rate. The Group, during investment appraisal process uses a minimum return, which is significantly higher than current interest rates. Furthermore, part of the loans for the funding of investments (Eurobonds) are in fixed interest rates.

(iv) Energy transition - Risk of reduced product demand and increased operating costs

The global energy sector is in a transition phase with the main feature being a global shift of the energy mix to cleaner forms of energy, with a corresponding reduction of the more conventional forms, including oil. In addition, climate change policies, especially in the EU, are expected to increase operating costs. Indicatively, the increase in the number of CO_2 emission allowances that have to be acquired from the market from 2021 and for the coming years, in combination with the rise in the price of allowance, increase the operating costs, both directly and indirectly through higher electricity cost.

In addition, the energy crisis affecting natural gas and electricity prices in Europe is adversely affecting the operating costs of industry in general, including the refining sector.

In this context, the Group has already designed and implemented its strategy for the energy transition, which includes investments for diversification of its activities and growth in the electricity and gas sectors, as well as RES, improvement of the environmental performance of its facilities and reduction of emissions, as well as projects to increase competitiveness and reduce operating costs. The Group's refineries have the flexibility to adapt in terms of raw materials, as well as the ability to significantly replace natural gas with petroleum products. In addition, the Group's refineries diversify the electricity supply mix and in the medium term consider the implementation of investments for energy efficiency and autonomy improvement. Moreover, the returns of Group's business model that exceed the benchmark margins is a significant comparative advantage vs the competition in the Med region.

(b) Credit Risk

The credit risk management is co-ordinated centrally at Group level. Credit risk derives from cash and cash equivalents, bank deposits, derivative financial instruments, as well as exposure to credit risk of wholesale customers, including outstanding trade receivables from clients in Greece and internationally. Credit checks are performed for all customers by the Credit Control Department, in collaboration where necessary with external credit rating agencies.

For the effective management of the credit risk and the transaction behaviour of customers both in Greece and abroad, an integrated software has been developed for monitoring the exposure to credit risk while a central unit for managing trade receivables of settlement is also effectively in operation. Finally, the role of the Group's Credit Committee is of significant importance as it ensures the effective management of the credit risk of trade receivables of the Group's companies.

(c) Liquidity Risk

Liquidity risk is managed by ensuring that efficient cash resources and adequate credit limits with banks are maintained. Due to the dynamic nature of its activities, the Group seeks to maintain flexibility in funding through credit lines and other credit facilities.

F.2 Management of Capital Risk

The Group's objective in managing capital is to ensure the smooth operation of its activities and to maintain an optimum capital allocation, in order to reduce the cost of capital and increase its overall value.

In order for the Group to maintain or adjust its capital structure, it can alter the dividend payout to shareholders, return capital to shareholders, issue new shares or dispose of assets to reduce its debt.

In addition, the Group manages its debt obligations in order to differentiate the sources of financing (loans, credit lines, bonds, other), achieving the best possible allocation, considering a number of factors, including costs and maturity.

The Group is sourcing funds from international debt capital markets, through Eurobonds, issued by its London based subsidiary, HELLENIC PETROLEUM FINANCE plc, listed in the Luxembourg stock exchange, for the optimal management of its debt liabilities.

In line with industry practice, the Group monitors its capital structure through the gearing ratio, which is calculated by dividing the net debt by total capital employed (as presented in G - Selected Alternative Performance Measures).

The long-term objective is to maintain the gearing ratio between 35% and 45%, as significant fluctuations of crude oil prices may affect total debt respectively. Given the Group’s new strategy and its transition to activities that are subject to reduced volatility due to the business environment as well as the significant de-escalation of financial cost, the capital structure by sector will be reviewed and is expected to affect the relevant objectives. It is noted that the Group has significantly reduced its financial cost by about 50% in the last five years.

G. Selected Alternative Performance Measures

This Report includes certain financial measures of historical financial performance, financial position, or cash flows, which are not defined or specified under IFRS ("**Alternative Performance Measures**"). The Group considers that these measures are relevant and reliable in assessing the Group's financial performance and position, however such measures are not a substitute for financial measures under IFRS and should be read in conjunction with Group published financial statements.

Presentation and Explanation of Use of Alternative Performance Measures

Reported EBITDA

Reported EBITDA is defined as earnings/(loss) before interest, taxes, depreciation and amortisation, and is calculated by adding back depreciation and amortization to operating profit.

Adjusted EBITDA

Adjusted EBITDA is defined as Reported EBITDA adjusted for: a) Inventory Effect (defined as the effect of the price fluctuation of crude oil and oil product inventories on gross margin and is calculated as the difference between cost of sales in current prices and cost of sales at cost) in the Refining, Supply & Trading segment and b) special items, which may include, but are not limited to, cost of early retirement schemes, write-downs of non-core assets and other special and non-operating expenses, in line with the refining industry practice. Adjusted EBITDA is intended to provide a proxy of the operating cash flow projection (before any Capex) in an environment with stable oil and products prices.

Reported EBITDA and Adjusted EBITDA are indicators of the Group's underlying cash flow generation capability. The Group's management uses the above alternative performance measures as a significant indicator in determining the Group's earnings performance and operational cash flow generation both for planning purposes as well as past performance appraisal.

Adjusted Profit after Tax

Adjusted Profit after Tax is defined as the IFRS Reported Net Income as derived from the Group's reported financial statements prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as endorsed by the European Union, adjusted for post-tax inventory effect (calculated as Inventory Effect times (1- statutory tax rate in Greece) and other post-tax special items at the consolidated Group financial statements.

Adjusted Profit after Tax is presented in this report because it is considered by the Group and the Group's industry as one of the key measures of its financial performance.

Net Debt

Net Debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position of the Group financial statements) less "Cash & cash equivalents and restricted cash" and "Investment in Equity Instruments", as reflected in the Group's financial statements. It is noted that finance lease obligations are not included in the calculation.

Capital Employed

Capital Employed is calculated as "Total Equity" as shown in the statement of financial position of the relevant financial statements plus Net Debt.

Reconciliation of Alternative Performance Measures to the Group's Financial Statements

The tables below illustrate how the selected alternative performance measures presented in this financial report are reconciled to their most directly reconcilable line item in the financial statements for the corresponding period.

Calculation of Reported EBITDA, Adjusted EBITDA, Adjusted Profit after tax		
million €	**FY21**	**FY20**
Operating Profit/(Loss) -IFRS-	**400,3**	**-501,4**
Depreciation & Amortization -IFRS-	257,0	248,0
Reported EBITDA	**657,2**	**-253,4**
Inventory effect	-307,8	524,6
Other special items*	51,9	61,7
Adjusted EBITDA	**401,3**	**332,8**
Profit/(Loss) After Tax -IFRS-	341,2	-396,6
Taxed Inventory effect	-240,1	398,7
Taxed other special items**	43,1	49,8
Special items below EBITDA***		-46,6
Adjusted Profit/(Loss) After Tax	**144,2**	**5,3**

Calculation of Net Debt, Capital Employed and Gearing ratio		
million €	**FY21**	**FY20**
Borrowings LT -IFRS-	1.516,5	2.131,4
Borrowings ST -IFRS-	1.474,5	744,6
Cash & Cash equivalents -IFRS-	1.052,6	1.202,9
Investment in equity instruments -IFRS-	0,5	1,0
Net Debt	**1.937,9**	**1.672,1**
Equity -IFRS-	2.129,1	1.848,8
Capital Employed	**4.067,0**	**3.520,9**
Gearing ratio (Net Debt / Capital Employed)	**48%**	**47%**

** Main items include, a) for 2021: COVID-19 related expenses of €14m (comprise of incremental payroll costs mainly related to required modifications in the working shifts in the refineries, protective measures in all Group's premises and other related expenses), €9m expenses relating to the corporate restructuring, €9m for expenses associated with early retirement schemes, €3m for donations to counter the impact of wildfires in the summer of 2021, €3m for litigation provision, €7m for valuation adjustments of balance sheet items and €7m for other special items,*
b) for 2020: COVID-19 related expenses of €26m (comprise of payroll costs mainly related to required modifications in the working shifts in the refineries, donations to the health-care system, protective measures in all Group's premises and for promotional activities, consulting services and other related expenses), 8m for valuation adjustments of balance sheet items, 13m for litigation provision and €14m for other special items.

*** Includes all special items post effect of applicable tax rate*

**** Mainly included: 2020: Impact of the adjustment of associates' contribution (deferred tax of DESFA sale.*

H. Non-Financial Information

The HELLENIC PETROLEUM Group adopts its Sustainable Development Strategy in all of its activities and is committed through its respective Policies. The key points of this strategic decision are summarized in safe, accident-free and economically viable operation, with respect to both the environment and society. The Group discloses its annual Sustainable Development & Corporate Social Responsibility Report, which promotes better communication and information to its stakeholders about the Group's business performance from three different angles: economic, environmental and social.

H.1 HELLENIC PETROLEUM Group Business Model

HELLENIC PETROLEUM is one of the leading energy groups in South East Europe, with activities spanning across the energy value chain and presence in six countries. Refining is the Group's core business, accounting for 75% of total assets.

Group business model's key characteristic for value creation are its integrated and diversified business activities. Its fuels marketing and petrochemicals businesses complement its refining margin returns, which strengthens the Group's earnings capability. In addition, the Group's increased vertical integration of 80% to 85% between the propylene unit at the Aspropyrgos refinery and the petrochemical plant in Thessaloniki, increases total financial contribution significantly.

The Group's three coastal refineries operate as a single, unified system. Crude oil purchases, production scheduling and sales forecasting are conducted for the Group's refining system on a centralised basis, with the objective of optimizing profitability, while taking into account prevailing (Eastern Mediterranean/South Eastern Europe) crude oil and product prices as well as domestic demand. Increased refining complexity enables the high conversion of intermediate products (SRAR, VGO) and flexibility in crude slate and processing levels, which represents a key competitive advantage for the Group, enabling profitability vs benchmark margins throughout the economic cycle.

The key drivers for the Group's refining margin performance include the following:

- crude slate optimisation: access and flexibility to process a variety of crude oil grades, which allows the Group to capture market discounts in feedstock;
- efficient refining operations: density escalation, as a result of high white products yield, improved yield performance, as well as materialisation of synergies between the Refineries (mostly in the form of intra-refinery flows of intermediates for upgrading to high value products);
- commercial/wholesale premia: competitive logistical and trading capabilities due to supply, storage and distribution infrastructure, which enable the Group to achieve superior returns against the regional Platt's pricing.

In addition, the Group seeks to enhance its refining competitiveness, through substantial improvement of the processes' carbon footprint, of energy and products produced, through a series of initiatives and investments, such as, among others, energy efficiency projects, CO_2 emission reduction, reduced carbon footprint electricity supply, biofuel production and recycling technologies.

The domestic marketing business is supported by significant infrastructure, which provides the Group with an advantageous footprint in both the mainland and in the retail markets of the Greek islands, as well as in the geographically dispersed airport facilities.

In the context of updating and implementing its strategy, the Group seeks strong growth in new activities, by expanding in renewable energy sources, as well as power generation and natural gas, and exploring new opportunities associated with energy transition, with aim of improving its environmental footprint and reducing its carbon emissions, as well as reducing its earnings dependence on international crude pricing.

More specifically, the initiatives include:

- Developing a significant Renewable Energy Sources portfolio, targeting over 1.000MW by 2026, while achieving the intermediate target of 300MW within 2022.
- Strengthening its position in power generation and retail sales, as well as in the electricity and natural gas, expanding the products and services offered across the energy sector, by taking advantage of its position in the petroleum value chain.

H.2 EU Taxonomy

In December 2019, the European Union (EU) presented the European Green Deal which adopts a set of proposals to make the EU's climate, energy, transport and taxation policies fit for reducing net greenhouse gas emissions. The objective is net zero greenhouse gas emissions by 2050, with a reduction of 55% already by 2030 and thus to become climate neutral.

In order to meet the emission targets, EU through the "Taxonomy Regulation" (EU 220/852) established the framework for the creation of the EU Taxonomy of environmentally sustainable economic activities. This common classification system is a tool to define the environmental performance of economic activities across a wide range of industries, helping investors, companies and issuers to navigate to low-carbon, resilient and resource-efficient economy. The "Taxonomy Regulation" EU 2020/852 is supplementing by the "Regulation EU 2021/2178" and the "Regulation EU 2021/2139".

The EU Taxonomy requires Financial Market Participants, subject to the Regulation, to disclose how and to what extent their activities are associated with environmentally sustainable economic activities.

An economic activity is defined as environmentally sustainable if:

- it makes a substantial contribution to at least one of the six environmental objectives
- it does not significantly harm (DNSH) any of to the other five environmental objectives
- it meets minimum social safeguards
- it complies with the Taxonomy Regulation's technical screening criteria

The HELLENIC PETROLEUM Group has updated its strategy to increase the participation of taxonomy aligned and eligible activities in its share of investments and profitability.

As its investment plans materialize and investment targets are achieved, the share of taxonomy eligible and aligned activities in revenues and profitability are also expected to gradually increase.

The European Commission identifies three Key Performance Indicators to be disclosed regarding the proportion of the Taxonomy Eligible activities of the Group to its total activities. Namely, these KPIs are Turnover, Operating Expenses and Capital Expenditure.

The policies used in deriving the respective amounts used in these KPIs are the following:

<u>Accounting Policy & Methodology</u>

Turnover KPI (%): $\frac{T_a}{T_t}$

T_a represents the net turnover derived from products or services, including intangibles, associated with Taxonomy-eligible activities.

T_t represents the net turnover of the Group.

Both T_a and T_t are calculated in accordance with the International Accounting Standard 1 "Presentation of Financial Statements". The structure of the Group is such that for each of the eligible activities is managed through a separate legal entity. As a result, the Taxonomy-eligible turnover is obtained from the accounting records of these entities which form part of the audited consolidated turnover. The net turnover of the Group is obtained from the audited Consolidated Group Financial Statements.

CAPEX KPI (%): $\frac{C_a}{C_t}$

C_a represents additions to tangible and intangible assets made during the year before depreciation, amortization and any remeasurements, including those resulting from the revaluations and impairments for the relevant financial year and excluding fair value changes. The figure also includes the additions to tangible and intangible assets resulting from Business Combinations, that either:

- Relate to assets or processes that are associated with Taxonomy-eligible activities.
- Are part of a plan to expand Taxonomy-eligible economic activities.
- Are part of a plan to allow Taxonomy-eligible activities to become Taxonomy-aligned.
- Relate to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

C_t represents additions to tangible and intangible assets made during the year before depreciation, amortization and any remeasurements including those resulting from the revaluations and impairments for the relevant financial year and excluding fair value changes. The figure also includes the additions to tangible and intangible assets resulting from Business Combinations.

Capital Expenditure amounts are calculated as defined by IFRS, namely IAS 16 "*Property, Plant and Equipment*", IAS 38 "*Intangible Assets*", IAS 40 "*Investment Property*" and IFRS 16 "*Leases*". As mentioned above, due to the company structure of the Group, the Taxonomy-eligible Capital Expenditure can be obtained from the accounting records of these entities. For 2021, the Taxonomy-eligible Capital Expenditure includes the Capital Expenditure for the acquisition of eligible activities. The total Capital Expenditure of the Group is obtained from the audited Consolidated Group Financial Statements.

Group's capex plan: more specifically, it is expected that investments in electricity generation from renewable activities will account for the most significant part of the Group's growth capex over the next 10 years. The Group expects to reach 300MW of operating renewable capacity in the first months of 2022, aiming for >1GW by 2026 and 2GW by 2030.

Operating Expenses KPI (%): $\frac{\boldsymbol{O_a}}{\boldsymbol{O_t}}$

O_a represents direct, non-capitalised costs that relate to the day-to-day servicing of assets of property, plant and equipment of Taxonomy-eligible activities by the Group or third-party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. These costs can relate to research and development, building renovation measures, short-term leases, repair and maintenance.

O_t represents direct, non-capitalised costs that relate to the day-to-day servicing of assets of property, plant and equipment by the Group or third-party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. These costs can relate to research and development, building renovation measures, short-term leases, repair and maintenance.

Operating Expenses are not specifically defined under IFRS. Therefore, the amounts used in O_a and O_t are defined in the EU Commission Delegated Regulation 2021/2178. To determine O_a the accounting records of the entities who have Taxonomy-eligible activities were used, while for O_t the audited Consolidated Group financial statements formed the basis of calculation. The costs included in the Operating Expenses KPI primarily involve cleaning, repair and maintenance expenses. Expenses such as overheads, electricity and cost of employees operating the assets are excluded from both O_a and O_t.

EU Taxonomy eligible activities

As of January 2022, in accordance with Article 10(2) and (3), all large non-financial undertakings will need to report, for the previous calendar year, the proportion of their activities (or the proportion of their exposures to activities) that are considered as eligible in accordance with Article 1(5) and non-eligible in accordance with Article 1(6) of the Disclosures Delegated Act in their turnover, capital ('CapEx') and operational expenditure ('OpEx'). As of January 2023, non-financial entities will start to report eligibility and alignment of their activities.

The Group's eligible activities are a) electricity generation using solar photovoltaic technology (activity number 4.1) and b) electricity generation from wind power (activity number 4.3). In detail, through its subsidiaries the Group participates in the generation of electricity using solar energy with total planned installed capacity of 229MW, expected to be operating in the first quarter of 2022. Furthermore, in 2021 the Group acquired two wind farms in Evoia, Central Greece, which, along with the existing wind farms, reached total installed capacity of 44MW.

Financial information regarding the Group's taxonomy eligible and non-eligible activities for the years ended 31 December 2021 is presented below:

Environmentally Sustainable Activities (Taxonomy-Eligible)	% Group Revenue	% Group OpEx	% Group CapEx
Taxonomy Eligible Activities of the Group	0,06%	0,16%	57,60%
Taxonomy Non-Eligible Activities of the Group	99,94%	99,84%	42,40%
Total	100,00%	100,00%	100,00%

This section is included for the first time in the non-financial reporting of the Annual Financial Report 2021, following the provisions of EU regulations 2020/852, 2021/2178 and the announcements 2615 / 10.11.2021 and 209 / 31.01.2022 of the Hellenic Capital Market Commission. In this regard, the Company interpreted the relevant directives and as the legislation governing the EU Taxonomy is constantly evolving, it monitors any changes in order to properly adapt its approach and the respective disclosures.

H.3 Health, Safety and Environment

The HELLENIC PETROLEUM Group incorporates Sustainable Development into its strategic planning and is committed, through its Policy on Health, Safety and Sustainable Development, to ensure safe, accident-free and economically viable operation, while respecting the environment and the community, in line with the 17 UN Sustainable Development Goals (SDGs) and ESG criteria (Environmental - Social - Governance).

The HELLENIC PETROLEUM Group, due to the nature of its activities, faces a series of risks in its operations, with regard to the use of dangerous and flammable substances and other technical challenges in oil and other products manufacturing and distribution facilities of considerable complexity and significant size. Failure to manage these risks could have considerable impact on the Group's operation and financial position, including administrative penalties and/or inability to carry out its activities.

With regard to risk management related to health, safety and environmental issues, the Group uses a series of control and mitigation procedures during equipment design and operation to manage and mitigate them. At the same time, it actively participates in international organizations in order to measure important indicators and compare with the European oil and chemical industry as well as to transfer and incorporate best practices with the aim of improving the Group's performance in health, safety and environment.

In addition, compliance to relevant procedures and health, safety and environment management performance in each facility is evaluated regularly, not only through internal audits carried out by trained and experienced staff, but also through independent audits carried out by accredited external certification bodies. At the same time, progress of health, safety, environment and energy indicators

(KPIs) is monitored, which are included in the Group's periodic reports, as well as the management's performance evaluation criteria.

Health and Safety

For the HELLENIC PETROLEUM Group, Health and Safety is a major priority in all its activities. An overall approach to managing issues related to Health and Safety, includes planned initiatives and preventive measures to eliminate hazards and improve performance. At the same time, it includes management systems, inspections and actions to strengthen leadership, in all Group's activities. Additionally, the Group takes all required safety measures for employees, external partners and visitors in all working areas, in alignment with the UN's international Sustainability Goal for Good Health (SDG 3).

The Group continuously invests in prevention, infrastructure, improvement – revising procedures and aligning with current standards and best practices, while constantly investing in personnel and partners training in the Health and Safety field to ensure compliance with the strictest criteria on a national and European level. Indicatively, in 2021, approximately 13 million euros was invested in safety improvements in all Group facilities across Greece and abroad, over and above actions included in project upgrades and equipment/unit modernization.

All Group facilities set targets to monitor and improve their performance on Health and Safety issues, with regular periodic reports reviewed against these targets. Targets on specific Health and Safety indicators are set and monitored based on CONCAWE's proposals.

In addition to key actions taken toward Health and Safety, the Group continued to effectively manage the COVID-19 pandemic crisis through coordinated actions set out in the pandemic response Policy in all activities and levels of the organization. The HELPE Group Policy to prevent and address problems due to the COVID-19 pandemic was revised in accordance with National Public Health Organization (NPHO) and World Health Organization (WHO) instructions and according to necessity and new scientific data.

This current Policy applies to all personnel employed in HELLENIC PETROLEUM premises and facilities and its subsidiaries, as well as all third-party employees, suppliers of projects, services or equipment and commercial partners that come to the Group's premises to carry out their business.

At the same time, in 2021 the Pandemic Management Coordination Committee, established the previous year, continued to monitor external information and instructions from the competent public authorities, as well as any possible material that may support and reinforce prevention and management, but also to monitor optional / advisory provisions, as well as mandatory ones that are directly or indirectly applicable to the Group.

Finally, the "Covid Shield" certification - verified by an independent third party - was revised, confirming that a Management System for COVID-19 Pandemic Prevention Measures is in place at all Group facilities and Headquarters, with sufficient resources and proper infrastructure in line with current epidemiological guidelines.

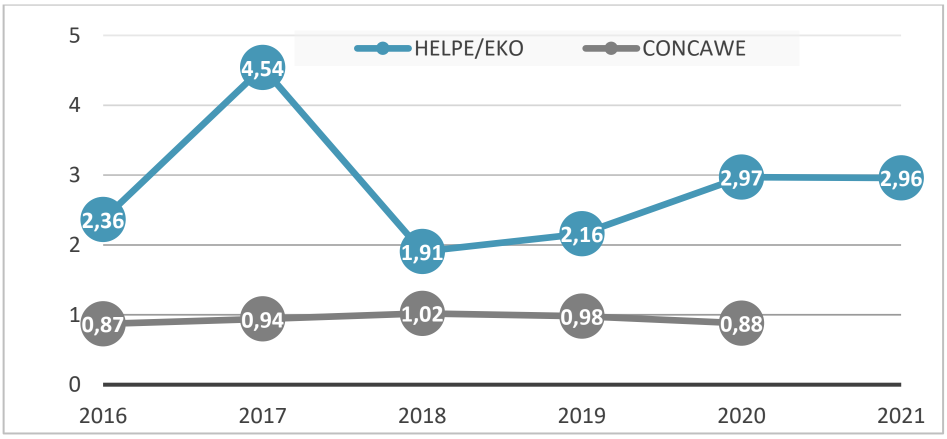
Health and Safety Indicators

In 2021, the process safety event rate KPI - which is a key process safety indicator – remained practically unchanged from last year.

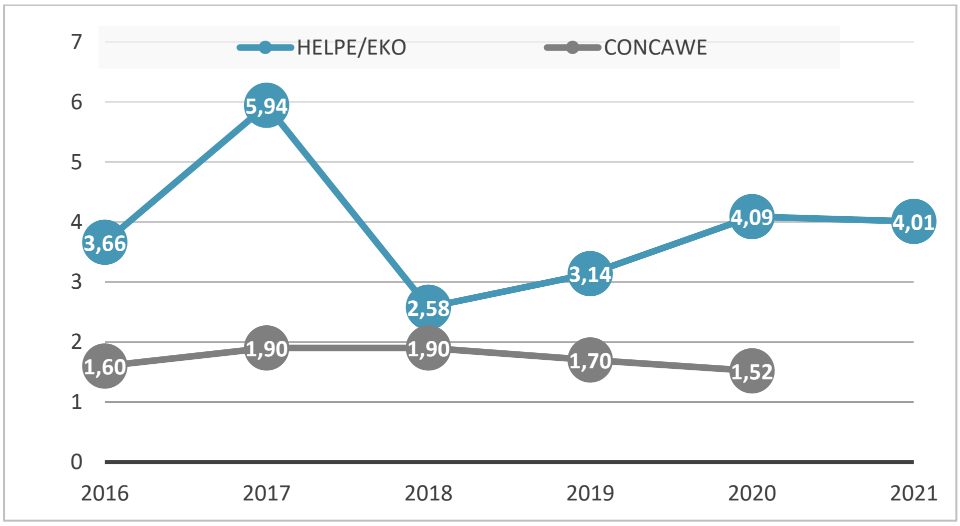
Specifically, in 2021, out of a total of 9.464.621man-hours, there were 28 lost work days injuries registered for staff and external partners.

The diagrams below show the trends for the basic safety key performance lagging indicators (KPIs).

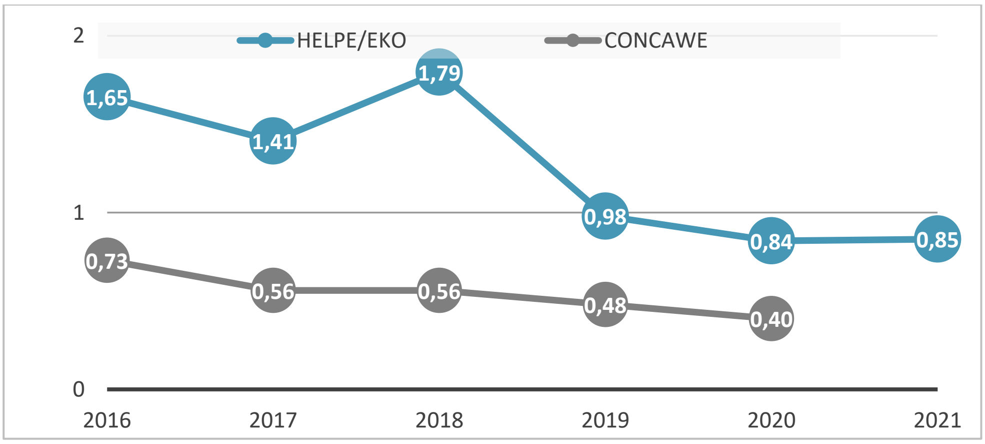
LWIF[17]



AIF[18]



PSER[19]



Leading Health and Safety Indicators

In 2021, the target set for reporting and investigating near misses was achieved, which is a key leading indicator for H&S performance across all Group facilities.

In the context of establishing a common Safety Culture at all Group facilities, basic H&S training continued (which included fire safety, first aid, rescue techniques, basic safety procedures, best practices, etc.). Training extends to external partners' contractors, visitors, tank truck drivers and service station operators in accredited training centers.

Finally, in 2021, safety audits / safety visits (an equally important leading Health and Safety Indicator) were carried out throughout all activities, exceeding the targets (by over 100%) set at the beginning of the year.

Environment and Climate Change

The HELLENIC PETROLEUM Group, as an energy products producer and at the same time a significant energy consumer, faces significant challenges in the energy sector with regard to climate change. Specifically, the Climate Change affects our business activity, creating significant challenges and opportunities. Potential risks and opportunities for the Group's business activities indicatively include cost management for the participation in the European Emissions Trading System – EU ETS and the pertinent legislative changes, but also opportunities in accelerating the implementation of energy efficiency projects, feasibility studies for investment-activities focusing on RES and increasing the project and investment portfolio in the context of the energy transition towards climate neutrality.

The first step to effectively plan the Group's actions/strategy is to record and manage the risks and opportunities that exist, both in terms of mitigating climate change and in terms of strategically adapting to its impacts. Increased costs for fuels and raw materials, reduced demand for energy intensive products

[19] *Process Safety Event Rate: Number of process safety incidents/1 million man-hours*

as well as additional measures to control and limit greenhouse gas (GHG) emissions comprise critical issues that are examined and analyzed through various pillars such as existing and forthcoming legislation, new technologies as well as markets in which the Group operates. At the same time, international forecasts on the energy market and climate change are evaluated systematically in order to develop the Group's long-term strategy.

In particular, through the implementation of its sustainable development strategy, the Group seeks to achieve short- and long-term goals of improving energy performance and reducing greenhouse gas emissions, in line with relevant international UN Sustainable Development Goals for Clean Energy (SDG 7) and Climate (SDG 13). Indicatively, the group has committed to reducing greenhouse gas emissions by 50% by 2030. This reduction will be achieved by improving energy efficiency in refinery processes, adopting new technologies (carbon capture CCS, green hydrogen) as well as by developing a significant renewable energy portfolio with a target installed capacity of 1GW by 2026 and 2 GW by 2030. Specifically, in 2021with regard to energy management, the Group's refineries successfully developed and certified an Energy Management System according to ISO 50001:2018. Note that in 2021 the construction of the photovoltaic project in Kozani with a total capacity of 204MW - one of the largest in Europe- continued uninterrupted, while the acquisition of 38MW operating wind farms in South Evia and of 2 PV parks, with capacity of 16MW in Viotia, was completed.

With regard to the Group's quantitative performance in 2021, the total CO_2 avoided emissions from RES reached approximately 200.000 tons of CO_2, while more than €260m was invested in projects to reduce the Group's environmental footprint, such as RES, energy efficiency and air emission reduction projects in the refineries, in addition to equipment/unit upgrade -modernization projects.

In addition to CO_2 emission reduction initiatives, a study is under way regarding actions-projects required for Group's facilities adaptation to climate change impacts.

For 2021, HELLENIC PETROLEUM's direct financial impacts were mainly related to the cost of covering the emission allowance deficit, since all three of the Group's refineries in Greece participate in the EU Emissions Trading System (EU-ETS). Under the 4th phase (2021-2030) of CO_2 emissions trading, compliance costs have increased significantly, despite all the energy saving projects, due to decreasing free allowance allocation from year to year, but also to the significant increase in the price of allowances over the last four years (approximately 10 times the price). The estimated CO_2 emissions for the three refineries (scope 1) in 2021 (to be finalized after verification by a certified body) amount to 3,7 million tons.

Following European level developments, regarding the announcement of a 55% greenhouse gas emissions reduction target by 2030 (in context to the Green Deal), as well as the already implemented EU-ETS restructuring measures for 2021-2030 and the planned new EU ETS revision, a significant increase in the price of allowances (€/tn) was recorded in 2021 and fluctuated on average at €55/tn, while at the beginning of 2022 it approached the €100/tn, which affects compliance costs, both directly and indirectly through power consumption, which is also subject to corresponding costs.

Within the framework of reducing its wider environmental footprint, the Group aims to reduce both air emissions and waste generated through specific actions, such as maximizing the use of fuel gases, using fuels with higher environmental standards and applying advanced technologies in the production process. For 2021, measures to improve the environmental footprint in context to compliance with the new emission levels linked to Best Available Techniques (BAT) were incorporated into the new environmental permits approving the operating conditions of the Aspropyrgos and Elefsina refineries, as well as the Thessaloniki refinery (expected to be issued in 2022). Note that in the Aspropyrgos refinery in 2021, a new electrostatic particulate filter (ESP) was installed, which is expected to be operational in the beginning of 2022 and lead to a 50% reduction in the refinery's total particulate emissions (PMs).

Concerning wastewater and solid waste management, in line with circular economy principles and the UN Goal for Sustainable Production and Consumption (SDG 12), the primary objective is to reduce their production at source, maximize recycling and reuse in the production process for as many waste streams as possible and then manage them in the best possible way with regard to the environment and human health. The goal is to significantly reduce waste for final landfill disposal in accordance to European targets and policies.

Since 2016, the Group has adopted the Greek Sustainability Code and is actively involved in the dialogue on sustainable development, contributing through actions and investments toward the 17 goals set by the UN to be achieved by 2030. In 2021, the Group retained its position yet another year in the leadership team of The Most Sustainable Companies in Greece 2021, which are model companies in forming a Business Charter for Sustainable Development in Greece. Furthermore, for a fourth year, it was evaluated for its overall management of climate change issues by the international organization CDP (previous Carbon Disclosure Project, which includes a large part of the 'Task Force for Climate related Financial Disclosures' -TCFD proposals) and was rated at level B ("Management level - Taking Coordinated Action on climate issues"), a level higher than in previous years where its rating was B-.

H.4 Human Resources

The industry in which the Group operates requires specialized skills, training and experience. As a result, the ability to attract and retain the right human resources is an important factor in the Group's optimal operation.

Difficulties in finding and employing competent personnel, especially middle and senior management and highly skilled personnel, can adversely affect the Group's operations and financial position.

Providing a safe working environment, that also motivates employees and treats them with respect, giving equal opportunities to all, is a Group priority. The corporate policies and practices of the Group give priority to the strengthening of the skills of the employees, the harmonization of professional and family life and the development of teamwork and cooperation.

The Group maintains an excellent working climate and implements an integrated system of human resource development and management with collective agreements and internal labor regulations, competitive remuneration, development opportunities, benefits, awards, employee performance appraisal, internal education system, encouraging employees to take on different roles, depending on their knowledge, experience and skills.

Creative relationship with the Group's employees are based on information and open dialogue. In the Group, open communication between Management and executives (open door policy) is possible, aiming on increasing cooperation, efficiency and mutual respect. Employee relations are based on the equal treatment principle. Employee placement and advancement within the Group is based on an employee's qualifications, performance and potential, without any discrimination.

- Meritocratic systems for attracting and evaluating personnel.
- Equal opportunities for all in enhancing the skills related to their tasks and staying up to date with developments in the field of energy.
- Opportunities for advancement, without any discrimination (e.g. as to gender, age, origin, religion, nationality etc.).

The internal operation of the Group's business units is based on specific principles and rules, to ensure consistency and continuity, key blocks of success and development. In this context, the Code of Conduct summarizes the principles governing the internal operation of the Group's Companies and determines its operation, while the Internal Labour Regulation defines the rules governing the relationship between the Company and its employees.

As mentioned, the safety of the Group's facilities is one of the most important priorities. In occupational risk management, emphasis is placed on prevention in order to anticipate and control all possible health and safety risks in accordance with the criteria of the Greek law (Law 3850/2010), the European and international codes and best practices. As part of the effort to acquire a common safety culture in all industrial facilities of the Group, a common basic training process is applied (fire safety, rescue techniques, first aid, etc.) and leadership seminars (from managers to coordinators and foremen), in order to strengthen and consolidate Safety Culture. The training is extended to contractors, customers, tanker drivers, gas station owners, etc. Guests are informed through printed material about the safety instructions of the facilities.

In addition, safeguarding the health of our employees and ensuring a safe working environment are core values, reflected in the relevant Health & Safety, and Surveillance of employees' health policies, etc. In this context periodic medical examinations of employees are carried out, taking into account job descriptions, age group and gender.

The Group, in the context of dealing with the COVID-19 pandemic, taking into account its evolution as well as the measures implemented by the State, has applied a series of important and critical measures in all its buildings and facilities. Absolute priority was given to the protection of employees' health and safety as well as to the e smooth operation of its activities and uninterrupted supply of the key markets.

Employee training is a continuous Group priority, to ensure that each employee has the required knowledge and experience to effectively fulfill his/her role and develop his/her skills.

The Group monitors all relevant labor law (national, European, ILO), including reports on child labor, respect for human rights and working conditions, and is in full compliance with all collective and relevant international conventions.

H.5 Society

The Group has incorporated the Sustainable Development Goals into its strategy and aligns with the international standards on Sustainability Reporting, the 10 Principles and the CoP Report of the UN Global Compact and the GRI Standards of Global Reporting Initiative, including the Oil and Gas Sector supplement. An independent body ensures the credibility of the information provided. At the same time, a materiality assessment is conducted in order to evaluate the most material ESG (Environment – Social – Governance) topics associated with the Group's activities. Both internal and external stakeholders participate in this assessment. The results of the materiality assessment are presented in more detail in the Annual Report (https://www.helpe.gr/media-center/company-publications/annual-report/) and the Sustainability and Corporate Responsibility Report (https://www.helpe.gr/corporate-responsibility/sustainability-reports/).

More specifically, our cooperation with stakeholders representing the broader society, as well as local communities, is constant and is implemented through continuous and substantial dialogue.

In 2021, the HELLENIC PETROLEUM Group, as part of its Corporate Responsibility, undertook the implementation of erosion and flood control works in the Gerania Mountains, in the area of Schino and in Attica, in the area of Varybobi, in order to support the repairs of the damages caused by the devastating wildfires that occurred in the summer of 2021. The projects were implemented in order to shield the affected areas from flooding and to prevent soil erosion. The restoration intervention was carried out over an area of more than 2,100 hectares. It is worth noting that the projects implemented are 100% ecological, as the construction materials came exclusively from the burned trees in the area.

In addition, the HELLENIC PETROLEUM Group continuously and consistently highlights diversity and inclusion as sources of strength and added value for society, supporting the efforts made by people with disabilities who strive to overcome difficulties in order to be integrated into the society and to fulfil their dreams and ambitions. In this context, it renewed and upgraded its sponsorship of the Hellenic Paralympic Committee as "Major Sponsor", actively supporting the efforts of Greek athletes to achieve their goals.

Initiatives undertaken by the Group are closely linked to the needs of each area and individual social groups, the environment and local economy and are formed in collaboration with the stakeholders. Those material topics are identified by the Group through surveys, focus groups, public debates and consultations. Results are subsequently evaluated and actions are redefined, in order to fully consider and meet the needs of all stakeholders.

To this end, the Group has developed an extensive Corporate Responsibility programme. Specifically, the Group's Corporate Responsibility strategy serves material needs through the implementation of effective interventions. As a responsible corporate citizen, the HELLENIC PETROLEUM Group consistently supports the society by implementing programs focused on the younger generation and the environment.

H.6 Ethics and Transparency - Code of Conduct

The Code of Conduct summarizes the principles governing the internal operation of the Group in Greece and abroad, which specify the way it operates to achieve its business goals. This serves the best interests of the stakeholders, minimizing additional risks regarding compliance and reputation of the Group. The Code summarizes the principles, according to which each individual employee who participates in the operation of the Group companies and all collective bodies must act within the scope of their duties, constituting a guide for everyone, and third parties cooperating with HELPE.

The procedure of accepting and reaffirming the commitment by employees is made periodically by the General Directorate of Human Resources and Administrative Services of the Group and the Code is translated into all the languages of the countries where the Group operates, as well as in English.

Since the implementation of the Code of Conduct in 2011, systematic education and training of executives and employees of companies of the Group has taken place, in the content of the Code and its applications.

Within 2022, an update of the Code of Conduct is foreseen in order to harmonize it with newer legislative developments, such as the ratification of Convention 190 of the International Labor Organization to eliminate violence and harassment in the workplace as well as the adoption of relevant measures and regulations on protection of persons alleging breaches of Union law (Whistleblowing).

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I. Related Party Transactions

Included in the statement of comprehensive income are proceeds, costs and expenses, which arise from transactions between the Group and related parties. Such transactions are mainly comprised of sales and purchases of goods and services in the ordinary course of business.

Transactions have been carried out with the following related parties:

a) Associates and joint ventures of the Group which are consolidated under the equity method:
- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- DEPA Commercial S.A. (ex Public Gas Corporation of Greece S.A. – DEPA S.A)
- DEPA Infrastructure S.A.
- DEPA International Projects S.A.
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A. (Liquidated on April 2020)
- D.M.E.P. HOLDCO
- VLPG Plant Ltd

(Amounts in €000)

	For the year ended	
	31 December 2021	**31 December 2020**
Sales of goods and services to related parties		
Associates	124.683	985.957
Joint ventures	63.187	1.151
Total	**187.870**	**987.108**
Purchases of goods and services from related parties		
Associates	559.802	751.131
Joint ventures	129.888	49.843
Total	**689.690**	**800.974**

	As at	
	31 December 2021	**31 December 2020**
Balances due to related parties		
Associates	15.768	8.146
Joint ventures	134	17.584
Total	**15.902**	**25.730**
Balances due from related parties		
Associates	9.609	52.313
Joint ventures	48.349	614
Total	**57.958**	**52.927**

HELLENIC PETROLEUM has provided letters of comfort and guarantees in favour of third parties as well as banks as security for loans granted by them to Elpedison S.A., a 100% subsidiary of Elpedison B.V., the outstanding amount of which as at 31 December 2021 was €106 million (31 December 2020: €111 million).

b) Government related entities which are under common control with the Group due to the shareholding and control rights of the Hellenic State and with which the Group has material transactions or balances:

- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Road Transport S.A.
- Lignitiki Megalopolis S.A.
- Lignitiki Melitis S.A
- Hellenic Distribution Network Operator SA (HEDNO)
- Hellenic Gas Transmission System Operator S.A. (DESFA)

During the year ended 31 December 2021, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €231 million (31 December 2020: €220 million);
- Purchases of goods and services amounted to €35 million (31 December 2020: €49 million);
- Receivable balances of €37 million (31 December 2020: €38 million);
- No payable balances as at 31 December 2021 (31 December 2020: €16 million).

c) Key management includes directors (Executive and Non-Executive Members of the board of HELLENIC PETROLEUM Holdings SA) and General Managers. The compensation paid or payable to the aforementioned key management is as follows:

(Amounts in €000)

	For the year ended	
	31 December 2021	**31 December 2020**
Short-term employee benefits	5.633	4.667
Post-employment benefits	185	149
Total	**5.818**	**4.816**

d) The Group participates in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece:

- Energean International E&P SpA (Greece, Patraikos Gulf).
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Energean Hellas Ltd (Greece, Block 2)
- TotalEnergies E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block West Crete).
- TotalEnergies E&P Greece B.V., Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block South West Crete).
- Repsol Greece Ionian, S.L. SUC (Greece, Block Ionian)

The Group has a 50% working interest, as Operator, through its wholly owned subsidiary HELPE Patraikos in a Joint Venture with Energean International E&P S.p.A. (50%) in the offshore block of 'Patraikos Gulf

(West). In November 2021, the Lessee submitted to the Lessor a Notice of Withdrawal, due to external factors causing inability of the Lessee to execute the project.

In December 2021, a Withdrawal Agreement was executed with Repsol Greece Ionian S.L. according to which the Spanish company transfers 50% of the rights and obligations of the Lease Agreement for the Ionian Block as well as the Operatorship to HELPE Ionian. Following the Consent of the Minister of Environment and Energy on 31 December 2021 for the transfer of 50% working interest and the Consent of HHRM (Hellenic Hydrocarbon Resources Management) for the change in the Operatorship (on 31 December 2021), HELPE Ionian with effective date of 10 January 2022 is the Lessee with 100% interest in the block.

J. Information about Financial Instruments

The nature of the Group's activities exposes the Group to significant risks, which stem mainly from the volatile and unpredictable international refining environment, as well as from the growing volatility of international financial markets.

In the context of risk management, as described in detail in the published financial statements, the Group enters into hedging transactions using financial derivatives wherever possible, aiming to protect its interests. These transactions are split into two main categories:

Short-term Transactions

The first category involves short-term risk management and hedging transactions that affect short term profitability mainly for the next 6 to 12 months. The results of these transactions are evaluated on a quarterly basis and included in quarterly income or expenses.

Long-term Transactions

The second category involves longer-term transactions that provide cover for strategic issues, such as investments.

J.1. Significant Events after the end of the Reporting Period

In the context of the corporate transformation of the HELLENIC PETROLEUM Group and following the decisions of the Extraordinary General Meeting of Shareholders of 10.12.2021, on January 3, 2022, it was approved -by virtue of the decision of the Ministry of Development and Investments No 142903/03.01.2022 and registered on 03.01.2022 in GEMI with Registration Number 2767913-, the demerger by way of hive-down of its refining, supply and trading of oil products and petrochemicals sector and the establishment of a new company, pursuant to the provisions of articles 57 and 59-74 of Law 4601/2019 and Law 4548/2018.

As a result, a new entity was incorporated under the name "HELLENIC PETROLEUM SINGLE MEMBER SOCIETE ANONYME REFINING, SUPPLY AND SALES OF OIL PRODUCTS AND PETROCHEMICALS" with the trade name "HELLENIC PETROLEUM R.S.S.O.P.P. S.A." and its Articles of Association were approved

HELLENIC PETROLEUM SA became the sole Shareholder of the Beneficiary Entity "HELLENIC PETROLEUM R.S.S.O.P.P. S.A.", by acquiring all 130.100.000 common, registered shares issued by the Beneficiary Entity, with a nominal value of €10 each.

Finally, Articles 1 (Name), 4 (Scope) and 19/paragraph 4 (Board of Directors) of the Articles of Association of the Demerged Entity were amended in accordance with the resolution of the EGM held on 10.12.2021. The new corporate name of the Demerged Entity is "HELLENIC PETROLEUM HOLDINGS SOCIETE ANONYME" and its trade name: "HELLENIC PETROLEUM HOLDINGS SA", while its shares will remain listed on the Main Market of the Athens Stock Exchange.

The recent geopolitical events in Ukraine, the military actions from Russia and the potential response from European countries and the United States in the form of economic sanctions could affect global energy markets and economic developments in general and specifically to the Group. Although the Group sources crude feed from Russia, Group's refineries feed can be replaced with other grades if required without affecting the refineries' operation. Furthermore, over the last few months and following increase in natural gas prices, the Group's refineries have minimized natural gas use as a feed, substituting with oil products to a significant extend. The Group is following developments around the crisis in Ukraine and is planning accordingly.

J.2. Board of Directors' Explanatory Report on the information of par. 7 article 4 Law 3556/2007 (in accordance with par. 8 of article 4 of Law 3556/2007)

The BoD submits to the Ordinary General Meeting of Shareholders an Explanatory Report on the information of par.7 of article 4 of Law 3556/2007, in accordance with the provisions of par.8 of article 4 of Law 3556/2007, as well as on the information as follows:

a) Restrictions to transferring Company shares

Following the amendment of the Company's Articles of Association in 2013, which took place pursuant to the provisions of the Legislative Act dated 07.09.2012, ratified by L. 4092/08.11.2012 (Government Gazette A 220), the mandatory, minimum percentage participation of the Greek State in its capital (35%) was abolished and there are no longer restrictions to its shares' transfer.

b) Significant direct or indirect holdings, in the meaning of articles 9 to 11 of Law 3556/2007

Shareholders (individuals or legal entities) holding, directly or indirectly, more 2% of the total number of the Company's shares as of 31.12.2021 are listed in the table below:

SHAREHOLDING (31.12.2021)			
Shareholder	Number of Shares	Capital Held share (%)	Voting Rights
Paneuropean Oil & Industrial Holdings SA	144.002.032	47,12	144.002.032
Greek State (HRADF)	108.430.304	35,48	108.430.304
Private & Institutional investors	53.202.849	17,41	53.202.849
TOTAL SHARES	**305.635.185**	**100**	**305.635.185**

c) Securities (including shares) conferring special control rights and description thereof

There are no Company securities (including shares) conferring special control rights to their holders.

d) Restrictions to the voting right

Following the amendment of the Company's Articles of Association by the Extraordinary General Meeting of 28th May 2021, the Greek State has the right to appoint four (4) BoD members on behalf of the Hellenic Republic Asset Development Fund ("HRADF"). In the event that this right is exercised, HRADF does not participate in the election of the other 7 BoD members by the General Meeting of the Company's shareholders (article 20 par. 2).

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e) Shareholders' agreements known to the Company, entailing restrictions to transferring shares or exercising voting rights.

There is an agreement between the shareholder Paneuropean Oil and Industrial Holdings SA and the Greek State (HRADF), dated 30/05/2003, which provides for restrictions on the transfer of shares by the contracting parties to it. The Company is not a party to this shareholders' agreement.

f) Rules on appointing and replacing BoD members and amending Articles of Association

The Company's Articles of Association (article 20), as amended in May 2021, within the framework of options provided by Law 4548/2018, as in force, provides the following regarding the appointment and replacement of the BoD members:

1. The Greek State, on behalf of the shareholder HRADF, has the right to appoint four (4) out of the eleven (11) BoD members, as long as it holds, directly or indirectly, via HRADF, at least 35% of the voting shares of the Company. This provision may be amended upon decision of the General Meeting, in which shareholders representing one half plus one of the total of the Company's voting shares, attend or are represented, and by a majority of one half plus one of the Company's voting shares. In case the Greek State's shareholding falls below 35% of the Company's voting shares, the provision may be amended following a decision of the General Meeting, which is taken by simple quorum and majority. Exercise of the right of appointment by the Greek State takes place according to the provisions of article 79 of Law 4548/2018 and once the Company has been informed that the suitability criteria, as per the Company's suitability policy, have been met by the appointed members.
2. The BoD may elect its members in replacement of members that resigned, deceased or lost their membership in any other way. Such election is possible on condition that the remaining members of the Board of Directors are at least three (3) and is effective for the rest of the term of the replaced member. The election decision is given the publicity of article 13 of Law 4548/2018, as in force, and is announced by the BoD to the immediately next General Meeting, which is entitled to replace the elected person, even if no such item is included in the agenda.
3. In case of resignation, demise or in any other way loss of membership by a member or members of the BoD, the other members may carry on with the Company's management and representation even without replacing the missing members, in accordance with paragraph 2 above, on condition that their number exceeds one half of the members in place before the event occurred.
4. In any case, the remaining BoD members, regardless of their number, may proceed to convening a General Meeting for the sole purpose of electing a new BoD.
5. The BoD members' replacement or substitution, in accordance with the above, takes place in conformance and subject to the application of the provisions of L. 4706/2020 regarding the participation of independent non-executive members in the BoD.

Apart from the special provision under paragraph (1) above, the rules provided in the Company's Articles of Association on amending its provisions do not diverge from the provisions in Law 4548/2018.

g) Power of the BoD or of certain members thereof for issuing new shares or for purchasing own shares

It is possible (article 6, paragraph 2 of the Company's Articles of Association) for the General Meeting to concede to the BoD the power to increase the Company's share capital; however, no such decision has been taken by the General Meeting of shareholders.

Regarding fiscal period 2021, no stock options were granted and no stock award plan is in force. As it has done in the past, the Company may set up and implement a mid and long-term goals' and associated variable remuneration plan, aiming to equate the executives' long-term personal pursuits to the Company's and its shareholders' interests. Depending on their kind, such plans shall receive all necessary approvals.

No decision has been taken by the General Meeting of shareholders about ceding to the BoD or to any other person the authority to purchase own shares up to 10% of the paid-in capital, under the terms and conditions set by such (General Meeting) decision, in accordance with the special terms and procedures of article 49 of Law 4548/2018.

h) Significant agreements put into effect, amended or terminated in the event of change of control following a public offer and these agreements' results.

There are no agreements that are put into effect, amended or terminated in the event of a change in the Company's control following a public offer.

It is noted that, loan agreements, which provide, as is usually the case with relevant agreements, for the lender banks' or the bondholders' right to demand, on conditions, repayment of the loans/bonds in case of a change in the Company's control.

i) Agreements with members of the Board of Directors or the staff, which provide for the payment of compensation especially in the event of resignation, or dismissal without a valid reason, or termination of their term of office or employment, on account of a public offer.

There are no agreements of the Company with members of its Board of Directors or its staff providing for the payment of compensation especially in the event of resignation, or dismissal without a valid reason, or termination of their term of office or employment, on account of a public offer.

Athens, 24 February 2022

On delegated authority by the Board of Directors

Ioannis Papathanassiou	Andreas Shiamishis	Georgios Alexopoulos
BoD Chairman	Chief Executive Officer	General Manager of Group Strategic Planning & New Business Activities and Executive Member of the BoD

Appendix

Group Structure

Company	Relation	%	Activities
HELLENIC PETROLEUM Holdings S.A.	Parent Company		
Hellenic Fuels and Lubricants Industrial and Commercial SA	- HELLENIC PETROLEUM INTERNATIONAL AG - HELLENIC PETROLEUM Holdings S.A.	64,41 35,59	Oil products trade
DIAXON SA	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	100	BOPP film production / trade
ASPROFOS SA	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	100	Energy sector engineering Services
HELPE DIGITAL S.A.	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	100	IT Services
HELLENIC PETROLEUM INTERNATIONAL AG	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	100	Holding company for the Group's investments abroad
POSEIDON MARITIME	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	100	Vessel-owning company
APOLLON MARITIME	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	100	Vessel-owning company
ELPET BALKANIKI S.A.	Shareholder: HELLENIC PETROLEUM Holdings S.A.	100	Crude oil pipeline construction and operation
HELLENIC PETROLEUM - RENEWABLE ENERGY SOURCES SA	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	100	Production, distribution, trading of renewable energy sources
HELPE – LARCO ENERGIAKI KOKKINOU	Shareholder: HELLENIC PETROLEUM RES S.A.	51	Production, distribution, trading of renewable

			energy sources
HELPE – LARCO ENERGIAKI SERVION	Shareholder: HELLENIC PETROLEUM RES S.A.	51	Production, distribution, trading of renewable energy sources
ENERGIAKI PYLOU METHONIS	Sole shareholder: HELLENIC PETROLEUM RES S.A.	100	Production, distribution, trading of renewable energy sources
HELPE RENEWABLE WIND FARMS OF EVIA S.A.	Sole shareholder: HELLENIC PETROLEUM RES S.A.	100	Holding company for Evia Wind Farms
AIOLIKI ENERGEIAKI EVOIAS S.A.	Sole shareholder: HELPE RENEWABLE WIND FARMS OF EVIA S.A.	100	Production, distribution, trading of renewable energy sources
AIOLIKI ENERGEIAKI ACHLADOTOPOS S.A.	Sole shareholder: HELPE RENEWABLE WIND FARMS OF EVIA S.A.	100	Production, distribution, trading of renewable energy sources
ATEN ENERGY S.A.	Sole shareholder: HELLENIC PETROLEUM RES S.A.	100	Production, distribution, trading of renewable energy sources
HELLENIC PETROLEUM FINANCE plc	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	100	Financing and other financial services
EKOTA KO SA	Shareholder: EKO S.A.	49	Construction, operation of fuel storage facilities
EKO KALYPSO MEPE	Sole shareholder: EKO S.A.	100	Retail trade of liquid fuels & LPG in Greece
EKO DIMITRA MARITIME COMPANY	Sole shareholder: EKO S.A.	100	Tanker operation
EKO ARTEMIS MARITIME COMPANY	Sole shareholder: EKO S.A.	100	Tanker operation
EKO ATHINA MARITIME COMPANY	Sole shareholder: EKO S.A.	100	Tanker operation

EKO IRA MARITIME COMPANY	Sole shareholder: EKO S.A.	100	Tanker operation
EKO AFRODITI MARITIME COMPANY	Sole shareholder: EKO S.A.	100	Tanker operation
HELLENIC PETROLEUM CYPRUS LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade, distribution and storage in Cyprus
SUPERLUBE LTD	Shareholder: HELLENIC PETROLEUM Cyprus	100	Production and marketing of lubricants
RAMOIL SA	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade, distribution and storage in Cyprus
HELPE COMPANY HOLDING LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Holdings company in Cyprus
EKO LOGISTICS S.A. (former YUGEN)	Sole shareholder: HELPE COMPANY HOLDING LTD	100	Oil products trade, distribution and storage in Cyprus
BLUE CIRCLE ENGINEERING LTD	Sole shareholder: HELPE COMPANY HOLDING LTD	100	LPG distribution in Cyprus
GLOBAL ALBANIA SA	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	96,96	Oil products trade and distribution in Albania
JUGOPETROL AD	Shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	54,35	Oil products trade, distribution and storage in Montenegro
HELLENIC PETROLEUM BULGARIA (Holdings) LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade and distribution in Bulgaria
HELLENIC PETROLEUM SERBIA (Holdings) LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade and distribution in Serbia
HELLENIC PETROLEUM CONSULTING	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Provision of consulting services to the Group's companies abroad
EKO BULGARIA EAD	Sole shareholder:	100	Oil products trade in Bulgaria

	HELLENIC PETROLEUM BULGARIA (Holdings) LTD		
EKO-SERBIA AD	Sole shareholder: HELLENIC PETROLEUM SERBIA (Holdings) LTD	100	Oil products trade in Serbia
OKTA CRUDE OIL REFINERY AD	Shareholder: EL.PE.T BALKAN S.A.	81,35	Crude oil refining, oil products import and trade in Skopje
VARDAX S.A.	Shareholder: EL.PE.T BALKAN S.A.	80	Crude oil pipeline operation Thessaloniki - Skopje (OKTA)
HELPE E&P Holdings S.A.	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	100	Holdings company for E&P activities
HELPE PATRAIKOS S.A.	Sole shareholder: HELPE E&P Holdings S.A.	100	Exploration and Production of Hydrocarbons
HELPE UPSTREAM S.A.	Sole shareholder: HELPE E&P Holdings S.A.	100	Exploration and Production of Hydrocarbons
HELPE ARTA PREVEZA S.A.	Sole shareholder: HELPE E&P Holdings S.A.	100	Exploration and Production of Hydrocarbons
HELPE NW PELOPONISSOS S.A.	Sole shareholder: HELPE E&P Holdings S.A.	100	Exploration and Production of Hydrocarbons
HELPE WEST KERKYRA S.A.	Sole shareholder: HELPE E&P Holdings S.A.	100	Exploration and Production of Hydrocarbons
HELPE SEA OF THRACE S.A.	Sole shareholder: HELPE E&P Holdings S.A.	100	Exploration and Production of Hydrocarbons
HELPE IONIO S.A.	Sole shareholder: HELPE E&P Holdings S.A.	100	Exploration and Production of Hydrocarbons
HELPE KIPARISSIAKOS GULF S.A.	Sole shareholder: HELPE E&P Holdings S.A.	100	Exploration and Production of Hydrocarbons
HELPE WEST CRETE S.A.	Sole shareholder: HELPE E&P Holdings S.A.	100	Exploration and Production of Hydrocarbons
HELPE SW CRETE S.A.	Sole shareholder:	100	

	HELPE E&P Holdings S.A.		Exploration and Production of Hydrocarbons
ELPEFUTURE	Sole shareholder:	100	Power Distribution
	HELLENIC PETROLEUM Holdings S.A.		
KOZILIO 1	Sole shareholder:	100	Production, distribution,
	HELLENIC PETROLEUM - RENEWABLE ENERGY SOURCES S.A.		trading of renewable
	-		energy sources
KOZILIO 2	Sole shareholder:	100	Production, distribution,
	HELLENIC PETROLEUM - RENEWABLE		trading of renewable
	ENERGY SOURCES S.A.		energy sources
CHRONUS 2	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
-	-		
CHRONUS 3	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 4	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
-	-		
CHRONUS 5	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 6	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources

-	-		
CHRONUS 7	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 8	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
-	-		
CHRONUS 9	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 10	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
-	-		
CHRONUS 11	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 12	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
-	-		
CHRONUS 13	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 14	Shareholder:		Production, distribution,

	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 15	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 16	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 17	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 18	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources
CHRONUS 19	Shareholder:		Production, distribution,
	KOZILIO 1	99,33	trading of renewable
	KOZILIO 2	0,67	energy sources

ASSOCIATES & JOINT VENTURES (equity accounting)

Company	Relation	%	Activities
DEPA Commercial S.A.	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	35	Wholesale trading of natural gas in Greece
DEPA Infrastructure S.A.	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	35	Distribution of natural gas in Greece
DEPA International Projects S.A.	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	35	International infrastructure for gas distribution
E.A.K.A.A S.A.	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	50	Aspropyrgos – Spata pipeline
HELPE THRAKI S.A.	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	25	Burgas – Alexandroupolis pipeline
DMEP HOLDCO LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	48	Operation of fuel storage facilities
ELPEDISON BV	Sole shareholder: HELLENIC PETROLEUM Holdings S.A.	5	Power generation and electricity supply
	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	45	
SAFCO A.E.	Sole shareholder: Hellenic Fuels and Lubricants Industrial and Commercial SA	33,3	Airplane Fuelling
VLPG Plant Ltd	Sole shareholder: EKO Logistics Ltd	32	Logistics and Distribution of LPG

BoD Members CVs

IOANNIS PAPATHANASIOU

CHAIRMAN, NON -EXECUTIVE MEMBER

He was born in Athens in 1954. He holds a degree in Electrical Engineering from the National Technical University of Athens.

Until 2002, he was Chairman and Managing Director of "J.D. Papathanassiou S.A.", a company engaged in the trading of technological equipment for buildings.

His political career started in 2000 when he was first elected as a Member of the Greek Parliament, with the New Democracy party. He was re-elected in 2004, 2007, 2009 and in May 2012. He served in several posts:

From March 2004 to September 2007, he was Deputy Minister of Development for Commerce and Consumers' issues, while in 2005 he was also assigned the Research and Technology issues of the Ministry.

From September 2007 to January 2009 he was Deputy Minister of Finance and Economy for Investments and Development.

From January to October 2009 he was Minister of Finance and Economy.

He was Secretary-General of the Athens Chamber of Commerce and Industry (ACCI) for six years (1987-1993) and President of the ACCI for seven years (1993-2000).

In 1993, he was appointed Vice Chairman of the BoD of Public Gas Corporation (DEPA) S.A., while in 1991-1992 he was advisor to the Minister of Industry on energy issues.

He chaired the BoD of HELLENIC PETROLEUM also during the period 27/2/2014 – 4/5/2015. He speaks English, French, and German.

ANDREAS SHIAMISHIS

CHIEF EXECUTIVE OFFICER, EXECUTIVE MEMBER

Holds an Economics degree specialising in Econometrics from the University of Essex England and is a Fellow (FCA) member of the Institute of Chartered Accountants in England and Wales (ICAEW).

He began his career in 1989 with KPMG in London, specializing in banking and large multinational Groups before joining the international food and drink group DIAGEO in 1993, to assume senior Greek and European positions in Finance and Business development. During 1998-1999 he also worked for the development of the food sector business (Pillsbury) in Middle East and North Africa. Between 2000-2002 he worked as Chief Financial Officer and Chief Restructuring Officer in an ASE listed high-tech company (part of LEVENTIS Group) and in 2003 he joined PETROLA HELLAS as Chief Financial and IT Officer.

After the legal merger and operational integration of PETROLA HELLAS with HELLENIC PETROLEUM, he was appointed as CFO of the new Group in 2005 and became a member of the Group's Executive Committee. In 2012 he assumed the responsibility for International subsidiaries and he was Deputy CEO during the period 2014-2015 and 2017- 2019 when he became CEO.

Since 2020, mr. A. Shiamishis serves as a board member of the Hellenic Federation of Enterprises (SEV) and sits on the board of SEV Council for Sustainable Development (BCSD). He is a founding member of the American Hellenic Chamber of Commerce (AMCHAM) board of Corporate Governance and is also a member in a number of professional bodies including the Economic Chamber of Greece and ICAEW specialized faculties.

GEORGIOS ALEXOPOULOS

EXECUTIVE MEMBER

As General Manager of Strategic Planning and New Business for the Group, he is responsible for the strategic planning and management of new business development in natural gas, electricity, renewable energy sources, exploration and production, strategic projects, and participations (DEPA/Elpedison/ASPROFOS) and the Group's representation in international organizations. He has been a member of the Board of Directors of the European Petroleum Refiners Association as a regular or alternate member since 2012. He joined HELLENIC PETROLEUM Group in 2007.

He held the position of Director of Strategic Planning and Development in an international group of companies (SETE S.A.), based in Geneva, Switzerland, from 1998 to 2006, where he was responsible for overseeing the group's energy portfolio.

Previously, he worked for a number of technical and executive positions at Stone & Webster, Molten Metal Technology, Merck, Dow Corning, and Dow Chemical in the United States between 1993 and 1997.

He holds an MBA degree (1998) from Harvard Business School and M.Sc. (1993) and B.Sc. (1992) degrees in Chemical Engineering from the Massachusetts Institute of Technology (MIT).

IORDANIS AIVAZIS

INDEPENDENT NON-EXECUTIVE MEMBER

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

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

Currently, he is Chair of the Special Liquidations Committee of the Bank of Greece and member of the Executive Board of the Hellenic Financial Stability Fund.

THEODOROS-ACHILLEAS VARDAS

NON-EXECUTIVE MEMBER

Mr. Theodoros-Achilleas Vardas is a Member of the Board of Directors of HELLENIC PETROLEUM since 2003. He also serves as Vice Chairman of the BoD of EKO SA, the Group's marketing company.

He was born in Athens in 1950. He has a Degree in Chemical Engineering from the Swiss Federal Institute of Technology in Zurich and a Ph.D. from the Systems Engineering Department of the same institute.

He began his professional career in 1979 at the Latsis Group, where he worked in key positions and in 1981 as General Manager of Petroleum Products Trading. At the same time, from 1988 to 2003, he was the Deputy CEO and Member of the BoD of Petrola Hellas SA.

Since October 2003, following the merger of Petrola Hellas SA and HELLENIC PETROLEUM until the end of 2016, he served as a Management Consultant of HELLENIC PETROLEUM.

He also served as a Member of the BoDs of Papastratos SA (1999-2003), DEPA SA (2004-2016), and ELPEDISON BV (2008-2016).

He is married and the father of two children.

NIKOS VRETTOS

INDEPENDENT NON-EXECUTIVE MEMBER

Mr. Vrettos was born in Athens in 1962. He obtained his diploma as a Chemical Engineer from the University of Karlsruhe (Germany) and a Ph.D. in Computational Solid-State Physics from Kyoto University (Japan).

From 1990 to 1991, he worked for the Bayer Group Japan, and then until 2014 at The Boston Consulting Group in Düsseldorf, New York, Athens, and Tokyo as a Senior Partner and Managing Director, specializing in a number of fields including energy, the financial sector, shipping, industrial goods, health care, telecommunications, retail, and airlines.

From 2013 until today he is a member of the Board of Directors and a seed investor in the German technology company nanoSaar AG, and since 2015 advisor and consultant to family offices.

He has been a member of the General Council of the Federation of Greek Industries, the Executive Committee of the Hellenic-American Chamber of Commerce, and the Board of Directors of the Federation of Young Entrepreneurs. He has also authored publications on economic studies, as well as articles on financial issues.

ANASTASIA (NATASHA) MARTSEKIS

NON-EXECUTIVE MEMBER

As an ex banking sector director, Natasa Martsekis has significant experience in the international equity and capital markets.

She was Head of Institutional Equity Sales in Alpha Finance/ Alpha Bank for 19 years where she led and managed the largest institutional international fund managers investing in Greece. Before that, she had similar managerial positions in Lehman Brother (New York & London), Citibank (Zurich), and Shell Oil.

Currently, she is an independent -non-executive member of the Board of Directors of FOURLIS TRADE ESTATES ΑΕΕΑΠ, a newly established real estate investment company.

In 2014, she founded Bright Blue, a company engaged in the tourist sector.

Natasa is a founding member and Secretary General of NED Club Greece, an independent entity aiming to promote the role of best corporate governance practices in Greek companies through the independent non-executive members of the Boards. She is also a member of the ESG Working Group of European ecoDA and has participated in educational programs of BoD members on issues of ESG and Corporate Governance.

She holds an MBA Degree from Columbia Business School, where she was a Fulbright Scholar and a Bachelor in Business Administration & Finance from the Athens University of Economics and Business (ASOEE). She graduated from Anavryta Lyceum.

She is a member of Woman on Boards UK Columbia Business School Women's Circle Club and an active volunteer in Safe Water Sports.

ALEXANDROS METAXAS

NON-EXECUTIVE MEMBER

Born in Athens in 1967. He studied law at the Law School of the National and Kapodistrian University of Athens, from which he graduated in 1990. During the years 1992-1993, he followed post-graduate studies and obtained a master's degree from the University of Southampton in UK in the field of Corporate Law, European Community Law, and Information Technology Law. His dissertation was on banking law and in particular on the collapse of BCCI bank in 1991, incorporated under the laws of England, and the relevant international regulatory legal framework.

From 1993 he is attorney at law, member of the Athens Bar Association, and he is specialized in corporate law, banking law, and mergers & acquisitions, as well as in dispute resolution, before the competent courts, related to the above fields.

From 2004 until today he is partner of the Law Firm "Sarantitis Law Firm" and from 2018 deputy managing partner of the said law firm, whilst from 1994 until 2004 he was associate of the law office "Sarantitis & Partners".

LORRAINE SCARAMANGA

INDEPENDENT NON-EXECUTIVE MEMBER

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

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

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

PANAGIOTIS (TAKIS) TRIDIMAS

INDEPENDENT NON-EXECUTIVE MEMBER

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

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

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

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

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

From 2005-2013 he was an independent non-executive member of the Board of Directors of EFG Eurobank, and since February 2020, he is a non-executive member of the General Council of the Financial Stability Fund.

He has published numerous legal studies and has written important textbooks on European Law.

ALKIVIADES - CONSTANTINOS PSARRAS

NON-EXECUTIVE MEMBER

Born in Athens in 1964. Attorney at law graduated from the University of Athens, Law School (LL.B.) and the University of Kent at Canterbury, UK (LL.M on European Competition Law, Intellectual Property, International Business Transactions, and Ph.D.).

His fields of expertise include commercial law, competition law, electronic communications, and media, intellectual and industrial property law, information technology law with an emphasis on electronic payments, mergers, corporate law, and on corporate restructuring and financing.

During 2000 – 2004 he acted as the Head of the Legal Department of the Hellenic Telecommunications and Post Commission (EETT), and during 2005 - 2006 he served as a Board member in the Board of Directors of EETT. From 2004 up to 2007 he was a member of the Board of Directors of the Hellenic Copyright Organization (OPI), and from 2009 up to 2011, he acted as Vice-Chairman of the Board of Directors of the Hellenic Industrial Property Organisation (OVI). He has participated in various legislative committees (working on the drafting of legislation for societees anonymes, public procurement, electronic public procurements, consumer protection, intellectual property, electronic communications and competition).

Since 2003 he teaches electronic communications law in the Interdepartmental Post-Graduate Program of the Department of Informatics and Telecommunications and the Department of Economics of the National & Kapodistrian University of Athens, «Management and Economics of Telecommunication Networks». He has various publications on issues of commercial law in academic journals and in foreign newsletters on competition law and corporate law.

CHRISTINA STAMPOULTZI

COMPANY SECRETARY

Christina Stampoultzi joined the Company's Legal Services on February 2015 as senior legal counsel on finance, while from April 2015 is also the Company Secretary of HELPE and of several of the Group's companies.

From November 2011 until January 2015, she was legal advisor to the “Hellenic Republic Asset and Development Fund (HRADF) S.A.” where she was involved in concessions and share acquisition projects. Prior to that, she was legal advisor in financial and advisory services in Geniki Bank -Societe Generale Group (2002-2011), advisor to the Ministry of National Economy on privatization projects (1999-2002) and associate lawyer in law firms in Athens and London (1993-2002).

She has significant experience in corporate, commercial and finance law (M&As, project finance, corporate finance, securitizations and capital markets) and an extensive knowledge of privatizations. During the last few years she has been also involved in corporate governance, policy and regulatory reform issues.

Christina is a member of the Board of Directors of “Hellenic Petroleum Finance plc” and “Hellenic Petroleum International Consultant S.A.”

She holds a degree in Law from Aristotelion University of Thessaloniki and a Master of Laws (LL.M.) in European Legal Studies from the University of Exeter (UK).

3. Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report

Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report

(Pursuant to article 4 par. 2 of Law no. 3556/2007)

Pursuant to provisions of article 4, par. 2(c) of Law 3556/2007, we state that, to our best knowledge:

a. The Annual Financial Statements, which were prepared in accordance with the applicable International Financial Reporting Standards, fairly represent the assets and liabilities, the equity and results of the parent company HELLENIC PETROLEUM Holdings S.A. for 2021, as well as of the companies that are included in the consolidation taken as a whole.

b. The Annual Report of the Board of Directors fairly represents the performance, results of operations and financial position of the parent company HELLENIC PETROLEUM Holdings S.A. and of the companies included in the consolidation taken as a whole, as well as a description of the main risks and uncertainties they face.

Athens, 24 February 2022

By authority of the Board of Directors

Ioannis Papathanassiou	Andreas Shiamishis	Georgios Alexopoulos
Chairman	Chief Executive Officer	General Manager of Group Strategic Planning & New Business Activities and Executive Member of the BoD

4. Independent Auditor's Report on the Annual Financial Statements and the Annual Financial Report

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A., "the Company"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statements of total comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects the financial position of Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A.) and its subsidiaries ("the Group") as at 31 December 2021 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We remained independent of the Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter

Assessing impairment of non-current assets

At 31 December 2021, the consolidated statement of financial position includes property, plant and equipment of €3,5 billion, Right-of-Use assets of €228 million and investments in associates and joint ventures of €314 million.

Under IFRS, an entity is required to assess at the end of each reporting period whether impairment indicators exist for its assets.

Changes in the forecasted crude oil prices, the level of refining margins, the economic activity and the euro to dollar exchange rate, significantly affect the operations and financial position of the Group and could have a significant impact on the recoverable amounts of the Group's non-current assets.

Determining the recoverable amount of an asset or a cash generating unit involves exercise of significant management judgment and estimates. The volatility in refining margins caused by Covid-19 pandemic**,** the ensuing influence on demand for oil products related also to the energy transition, as well as the impact on cost base, primarily due to CO2 and electricity cost**,** increase the inherent uncertainty embedded in making estimates about future prices and cash flows.

Moreover, significant judgment may be required for the determination of the appropriate level at which the recoverable amount is to be determined, by assessing the lowest level of assets for which there are separately identifiable cash inflows.

Given the materiality of balances of non-current assets (property, plant and equipment, right-of-use assets, investments in associates and joint ventures) in the consolidated statement of financial position, and the inherent uncertainty in making estimates and assumptions in light also of the changing economic environment, we consider non-current assets' assessment for impairment a key audit matter.

The Group's disclosures regarding its accounting policy, judgments and estimates used in its assessment for impairment of its non-current assets are in notes 2.12, 4, 6, 7 and 9 of the consolidated financial statements.

Our work included, but was not limited to, the following procedures:

- We evaluated management's assessment of the potential impairment indicators, focusing on whether indicators exist, including by comparing actual performance to that budgeted, analyzing reasons for any deviations and considering whether these may affect future performance, as well as assessing historical accuracy of management's budgets and forecasts.
- For the assets where impairment indicators were identified, and hence an impairment test performed by management, we assessed with the assistance of our own internal specialists: (i) the assumptions and methodologies used by management to determine the recoverable amount of assets (or cash generating units) and (ii) the level at which the recoverable amount was determined (asset or cash generating unit).
- Where impairment tests were performed by the Group, we used external data, as applicable, in assessing the assumptions and estimates used by management, the most significant of which being the demand (both at local and international level), the refining margins, the exchange rate euro to dollar, CO2 cost and the discount rates. We compared the estimates used by management to externally available financial data, where available, as well as performed sensitivity analyses for possible reasonable changes to the most significant inputs.
- We also assessed the adequacy of the Group's disclosures in the consolidated financial statements with respect to the above matters.

Key audit matter	How our audit addressed the key audit matter
Recoverability of trade receivables	
Included in the gross balance of trade receivables in note 12 of the consolidated financial statements as at 31 December 2021 is an amount of €324 million relating to the Group's marketing operations in Greece, against which provision for impairment amounting to €160 million is recorded. Management assesses the recoverability of trade receivables, and estimates a loss allowance for expected credit losses, considering, among others, its experience with collection trends in the marketing segment, the current economic conditions and the securities and collaterals obtained from specific customers. The assessment for impairment of trade receivables requires significant management judgment in assessing the trade debtors' ability to pay, the expected time of collection, the valuation of collaterals held, and an estimation of future market conditions. Moreover, considering the current economic environment, significant management judgment is required to incorporate in this assessment the potential effects of the developments of Covid-19, in assessing any significant increase in credit risk and other forward-looking information. Thus, we have considered the recoverability of trade receivables a key audit matter. The Group's disclosures regarding trade receivables, the related risks such as credit risk and the aging of trade receivables are included in notes 3.1(b) and 12 of the consolidated financial statements, while note 4 discloses the Group's significant accounting judgments and estimates.	Our work included, but was not limited to, the following procedures: - We obtained an understanding of the Group's process to monitor trade receivables, including its credit control procedures and the factors considered in estimating the provision for expected credit losses. We evaluated whether the process is in line with IFRS. - We evaluated the Group's policy and key assumptions used for recording a provision for expected credit losses on trade receivables, including the valuation of collaterals obtained from specific customers with the involvement of our specialists in the valuation of real estate market. In this process we evaluated whether there are any significant changes to the valuation of collaterals taking into consideration possible effects of Covid-19 developments. - We reviewed minutes of the Group's credit review committee and obtained and assessed legal letters, where applicable, to corroborate management's assumptions on recoverability of trade receivables. - We also assessed the adequacy of the Group's disclosures in the consolidated financial statements with respect to the above matters.

Key audit matter	How our audit addressed the key audit matter
Uncertain tax positions	
As disclosed in note 34 of the consolidated financial statements as of 31 December 2021, the Group has certain open disputes mainly (but not solely) relating to tax audits by the Greek tax authorities. In addition, the tax authorities reserve the right for future tax audits within the statute of limitation deadlines. The accounting for uncertain tax positions requires significant judgment by management mainly in assessing whether it is probable that the taxation authorities will accept an uncertain tax treatment and how to reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses or unused tax credits. Given the complex and changing tax environment, and the time taken for the judicial process to result in a final position in case of a dispute, high level of management judgment and estimates are involved in assessing uncertain tax positions, thus we considered the uncertain tax positions as a key audit matter. The Group's disclosures about Uncertain Tax Positions are included in notes 30 and 34 of the consolidated financial statements, while notes 2.21 and 4 refer to the Group's accounting policies and significant judgments and estimates.	Our work included, but was not limited to, the following procedures: - Together with our professionals specialized in tax matters we updated our prior years' assessment of the Group's open tax audits and the relevant legal cases. - We assessed the outcome of tax and legal cases concluded in 2021, comparing to the estimates and assumptions made by management in previous years. - We evaluated management's estimates for the uncertain tax and related legal positions considering legal advice (from external and internal lawyers) and tax advice received by the Group, as considered necessary. - We also assessed the adequacy of the Group's disclosures in the consolidated financial statements with respect to the above matters.

Other information

Management is responsible for the other information in the Annual Financial Report. The other information, includes the Board of Directors Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", the Statements of the Members of the Board of Directors, and any other information either required by law or voluntarily incorporated by the Company in its Annual Financial Report prepared in accordance with Law 3556/2007, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/2018.
b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 153 -154 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying consolidated financial statements for the year ended December 31, 2021.
c) Based on the knowledge and understanding concerning Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A.) and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. *Additional Report to the Audit Committee*

Our opinion on the consolidated financial statements is consistent with our Additional Report to the Audit Committee of Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A.), in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

Non-audit services provided by us to the Group during the year ended December 31, 2021, are disclosed in note 25 of the consolidated financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Group by the General Assembly on June 23, 2017. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 5 years.

5. Rules of Procedure

Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A.) has in place Rules of Procedure, the context of which is in accordance with the provisions of article 14 of Law 4706/2020.

6. Reasonable Assurance report on the European Single Electronic Format

We have examined the digital files of Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A., "the Company"), prepared in accordance with the European Single Electronic Format ("ESEF") as defined in the EU Delegated Regulation 2019/815, as amended by the (EU) Delegated Regulation 2020/1989 of the European Commission (hereinafter referred to as "the ESEF Regulation"), that comprise an XHTML file "213800YUBJMZYR1SNG35-2021-12-31.xhtml" which includes the consolidated financial statements for the year ended 31 December 2021 and XBRL files "213800YUBJMZYR1SNG35-2021-12-31-en.zip" with appropriate tagging of the consolidated financial statements.

Regulatory Framework

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation and the Interpretative Communication of the European Commission 2020/C 379/01 dated 10 November 2020, as required by Law 3556/2007 and the relevant communications of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter referred to as the "ESEF Regulatory Framework").

This Framework provides, among others, the following requirements:

- all annual financial reports should be prepared in XHTML format.
- for the consolidated financial statements prepared in accordance with International Financial Reporting Standards, the financial information in the statement of total comprehensive income, the statement of financial position, the statement of changes of equity and the statement of cash flows should be marked-up (XBRL tags), according to the Taxonomy of ESEF (ESEF Taxonomy) as applicable. The technical specifications for ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the ESEF Regulatory Framework provide appropriate criteria for us to express a reasonable assurance conclusion.

Responsibilities of Management and Those Charged With Governance

Management is responsible for the preparation and submission of the consolidated financial statements of the Company for the year ended 31 December 2021, in accordance with the requirements set out in the ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of the digital files that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities

Our responsibility is to plan and perform this assurance engagement in accordance with the Decision 214/4/11-02-2022 of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board and the “Guiding instructions to auditors in connection with their assurance engagement on the European Single Electronic Format (ESEF) of public issuers in regulated Greek markets”, as issued by the Institute of Certified Public Accountants of Greece on 14 February 2022 (hereinafter referred to as “ESEF Guiding Instructions”), in order to obtain reasonable assurance that the consolidated financial statements prepared by management in accordance with ESEF comply, in all material respects, with the ESEF Regulatory Framework.

Our work was performed in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, and we have fulfilled our other ethical independence responsibilities in accordance with Law 4449/2017 and the EU Regulation 537/2014.

The assurance engagement we performed, in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements Other Than an Audit or Review of Historical Financial Information", is limited to the objectives included in the ESEF Guiding Instructions. Reasonable assurance is a high level of assurance, but it is not a guarantee that this reasonable assurance engagement will always detect a material misstatement with respect to non-compliance with the requirements of the ESEF Regulatory Framework when it exists.

Conclusion

Based on the procedures performed and the evidence obtained, we express the conclusion that the consolidated financial statements of the Company for the year ended 31 December 2021, in XHTML file format "213800YUBJMZYR1SNG35-2021-12-31.xhtml", as well as the required XBRL files "213800YUBJMZYR1SNG35-2021-12-31-en.zip" with relevant tagging on the consolidated financial statements, have been prepared and presented, in all material respects, in accordance with the ESEF Regulatory Framework.

Athens, 24 February 2022

Christiana Panayidou
SOEL R.N. 62141

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras
151 25 Maroussi, Greece
Company SOEL R.N. 107

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A.)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A., the "Company"), which comprise the statement of financial position as at 31 December 2021, and the statements of total comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated in Greek 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 remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessing impairment of non-current assets	
At 31 December 2021, the statement of financial position includes property, plant and equipment of € 2,7 billion and investments in subsidiaries, associates and joint ventures of €934 million. Under IFRS, an entity is required to assess at the end of each reporting period whether impairment indicators exist for its assets. Changes in the forecasted crude oil prices, the level of refining margins, the economic activity, and the euro to dollar exchange rate, significantly affect the operations and financial position of the Company and could have a significant impact on the recoverable amounts of the Company's non-current assets. Determining the recoverable amount of an asset or a cash generating unit involves exercise of significant management judgment and estimates. The volatility in refining margins caused by Covid-19 pandemic, the ensuing influence on demand for oil products related also with the energy transition, as well as the impact on cost base, primarily due to CO_2 and electricity cost, increase the inherent uncertainty embedded in making estimates about future prices and cash flows. Moreover, significant judgment may be required for the determination of the appropriate level at which the recoverable amount is to be determined, by assessing the lowest level of assets for which there are separately identifiable cash inflows. Given the materiality of balances of non-current assets (property, plant and equipment, investments in subsidiaries, associates and joint ventures) in the statement of financial position, and the inherent uncertainty in making estimates and assumptions in light also of the changing economic environment, we consider non-current assets' assessment for impairment a key audit matter. The Company's disclosures regarding its accounting policy, judgments and estimates used in its assessment for impairment of its non-current assets are in notes 2.11, 4, 6, and 9 of the financial statements.	Our work included, but was not limited to, the following procedures: - We evaluated management's assessment of the potential impairment indicators, focusing on whether indicators exist, including by comparing actual performance to that budgeted, analyzing reasons for any deviations and considering whether these may affect future performance, as well as assessing historical accuracy of management's budgets and forecasts. - For the assets where impairment indicators were identified, and hence an impairment test performed by management, we assessed with the assistance of our own internal specialists: (i) the assumptions and methodologies used by management to determine the recoverable amount of assets (or cash generating units) and (ii) the level at which the recoverable amount was determined (asset or cash generating unit). - Where impairment tests were performed by the Company, we used external data, as applicable, in assessing the assumptions and estimates used by management, the most significant of which being the demand (both at local and international level), the refining margins, the exchange rate euro to dollar, CO_2 cost and the discount rates. We compared the estimates used by management to externally available financial data, where available, as well as performed sensitivity analyses for possible reasonable changes to the most significant inputs. - We also assessed the adequacy of the Company's disclosures in the financial statements with respect to the above matters.

Key audit matter	How our audit addressed the key audit matter
Uncertain tax positions	
As disclosed in note 34 of the financial statements as of 31 December 2021, the Company has certain open disputes mainly (but not solely) relating to tax audits by the Greek tax authorities. In addition, the tax authorities reserve the right for future tax audits within the statute of limitation deadlines. The accounting for uncertain tax positions requires significant judgment by management mainly in assessing whether it is probable that the taxation authorities will accept an uncertain tax treatment and how to reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses or unused tax credits. Given the complex and changing tax environment, and the time taken for the judicial process to result in a final position in case of a dispute, high level of management judgment and estimates are involved in assessing uncertain tax positions, thus we considered the uncertain tax positions as a key audit matter. The Company's disclosures about Uncertain Tax Positions are included in notes 30 and 34 of the financial statements, while notes 2.20 and 4 refer to the Company's accounting policies and significant judgments and estimates.	Our work included, but was not limited to, the following procedures: - Together with our professionals specialized in tax matters we updated our prior years' assessment of the Company's open tax audits and the relevant legal cases. We assessed the outcome of tax and legal cases concluded in 2021, comparing to the estimates and assumptions made by management in previous years. - We evaluated management's estimates for the uncertain tax and related legal positions considering legal advice (from external and internal lawyers) and tax advice received by the Company, as considered necessary. - We also assessed the adequacy of the Company's disclosures in the financial statements with respect to the above matters.

Other information

Management is responsible for the other information in the Annual Financial Report. The other information, includes the Board of Directors Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", the Statements of the Members of the Board of Directors, and any other information either required by law or voluntarily incorporated by the Company in its Annual Financial Report prepared in accordance with Law 3556/2007, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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, as incorporated in Greek Law, 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.

As part of an audit in accordance with ISAs as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement that is included therein according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/2018.
b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 151 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended December 31, 2021.
c) Based on the knowledge and understanding concerning Hellenic Petroleum Holdings S.A. (former Hellenic Petroleum S.A.) and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. Additional Report to the Audit Committee

Our opinion on the financial statements is consistent with our Additional Report to the Audit Committee of the Company, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

Non-audit services provided by us to the Company during the year ended December 31, 2021, are disclosed in note 25 of the financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on June 23, 2017. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 5 years.

5. Rules of Procedure

The Company has in place Rules of Procedure, the context of which is in accordance with the provisions of article 14 of Law 4706/2020.

6. Reasonable Assurance report on the European Single Electronic Format

We have examined the digital file of the Company, prepared in accordance with the European Single Electronic Format ("ESEF") as defined in the EU Delegated Regulation 2019/815, as amended by the (EU) Delegated Regulation 2020/1989 of the European Commission (hereinafter referred to as "the ESEF Regulation"), which includes the financial statements of the Company for the year ended 31 December 2021 in XHTML format "213800YUBJMZYR1SNG35-2021-12-31.xhtml".

Regulatory Framework

The digital file of the European Single Electronic Format is prepared in accordance with the ESEF Regulation and the Interpretative Communication of the European Commission 2020/C 379/01 dated 10 November 2020, as required by Law 3556/2007 and the relevant communications of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter referred to as the "ESEF Regulatory Framework").

This Framework provides, among others, that all annual financial reports should be prepared in XHTML format.

The requirements set out in the ESEF Regulatory Framework provide appropriate criteria for us to express a reasonable assurance conclusion.

Responsibilities of Management and Those Charged With Governance

Management is responsible for the preparation and submission of the financial statements of the Company for the year ended 31 December 2021, in accordance with the requirements set out in the ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of the digital file that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to plan and perform this assurance engagement in accordance with the Decision 214/4/11-02-2022 of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board and the "Guiding instructions to auditors in connection with their assurance engagement on the European Single Electronic Format (ESEF) of public issuers in regulated Greek markets", as issued by the Institute of Certified Public Accountants of Greece on 14 February 2022 (hereinafter referred to as "ESEF Guiding Instructions"), in order to obtain reasonable assurance that the financial statements prepared by management in accordance with ESEF comply, in all material respects, with the ESEF Regulatory Framework.

Our work was performed in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, and we have fulfilled our other ethical independence responsibilities in accordance with Law 4449/2017 and the EU Regulation 537/2014.

The assurance engagement we performed, in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements Other Than an Audit or Review of Historical Financial Information", is limited to the objectives included in the ESEF Guiding Instructions. Reasonable assurance is a high level of assurance, but it is not a guarantee that this reasonable assurance engagement will always detect a material misstatement with respect to non-compliance with the requirements of the ESEF Regulatory Framework when it exists.

Conclusion

Based on the procedures performed and the evidence obtained, we express the conclusion that the financial statements of the Company for the year ended 31 December 2021, in XHTML file format "213800YUBJMZYR1SNG35-2021-12-31.xhtml", have been prepared and presented, in all material respects, in accordance with the ESEF Regulatory Framework.

Athens, 24 February 2022

Christiana Panayidou
SOEL R.N. 62141

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras
151 25 Maroussi, Greece
Company SOEL R.N. 107

5. Complementary information and data pursuant to decision no. 7/448/11.10.07 of the Capital Market Commission

5.1 Information required as per article 10 of L. 3401/2005

Pursuant to decision 7/448/11.01.2007 article 1 of the Capital Market Commission's Board of Directors and the provision of article 10 of L. 3401/2005, the Company informs investors of the following announcements issued to the Athens Stock Exchange and Capital Market Commission supervisory authorities, in accordance with applicable law during the financial year 2021.

The full text of these announcements can be found on the Company's website at the following electronic address: www.helpe.gr.

A) FINANCIAL STATEMENTS

25.02.21	HELPE S.A. & GROUP 2020 Annual Financial Statements
27.05.21	HELPE S.A. & GROUP 1Q 2021 Interim Financial Statements
26.08.21	HELPE S.A. & GROUP 1st Half /2Q 2021 Interim Financial Statements
11.11.21	HELPE S.A. & GROUP nine month/3Q 2021 Interim Financial Statements

B) PRESS RELEASES REGARDING THE FINANCIAL STATEMENTS

25.02.21	Press release for the annual results of financial year 2020
27.05.21	Press release for the 1st quarter results of financial year 2021
26.08.21	Press release for the 1st half/ 2nd quarter results of financial year 2021
11.11.21	Press release for the nine month/3rd quarter results of financial year 2021

C) GENERAL SHAREHOLDERS' MEETINGS / GENERAL MEETING RESOLUTIONS /DIVIDENDS

29.04.21	Invitation to Extraordinary General Meeting 20.05.21
20.05.21	Announcement of Postponement of the Extraordinary General Meeting
28.05.21	Resolution of the Extraordinary General Meeting 28.05.21
31.05.21	Follow up to the Announcement of Resolutions of EGM 28.05.21
09.06.21	Invitation to the Annual Ordinary General Meeting on 30.06.2021
30.06.21	Resolution of the Annual Ordinary General Meeting 30.06.21
30.06.21	Announcement for the Dividend Payment 2020
18.11.21	Invitation to Extraordinary General Meeting 10.12.21
10.12.21	Resolution of the Extraordinary General Meeting 10.12.21

D) SENIOR EXECUTIVES AND ORGANISATIONAL CHANGES

18.05.21	Announcement for replacement of BoD members
21.05.21	Announcement for new BoD composition
30.06.21	Announcement for new BoD composition

E) ANNOUNCEMENT OF REGULATED INFORMATION, PURSUANT TO LAW 3556/2007

27.12.21	Announcement of Regulated Information, pursuant to Law 3556/2007

https://www.helpe.gr/en/investor-relations/corporate-governance/regulated-information/tradeacknowledgements/

E) VARIOUS

25.02.21	Financial Calendar 2021
29.04.21	Financial Calendar 2021 (Amendment)
06.05.21	Response to press reports on new HELPE Group strategy
15.07.21	Binding offers submission for DEPA Infrastructure
15.07.21	Election of the members of the Audit Committee – formation of the Audit Committee as a body
29.07.21	Announcement of HELLENIC PETROLEUM for the initiation of hive down
13.08.21	Announcement regarding the onshore areas of "Arta – Preveza" and "NW Peloponnese"
02.09.21	Unsealing of the financial offers for the sale of DEPA Infrastructure
09.09.21	Preferred Bidder for the sale of DEPA Infrastructure S.A.
30.09.21	Approval of the draft demerger deed through hive down of the refining, supply & trading and petrochemical business and the establishment of a new company
13.10.21	Availability of documents relating to the Corporate Transformation to the shareholders
13.10.21	Completion of publication formalities of the Draft Demerger Deed – Availability of the Draft Demerger Deed
02.11.21	Announcement for the initiation of the consent solicitation procedure by "HELLENIC PETROLEUM FINANCE PLC" in respect of the guaranteed notes €599.900.000 due 2024
24.11.21	Approval of proposed amendments in respect of the guaranteed notes €599.900.000 due 2024
26.11.21	Information Memorandum on the Hive Down (available only in Greek) – Announcement
02.12.21	Acquisition of 37,2 MW RES projects in South Evia
10.12.21	Signing of agreement for the sale of DEPA Infrastructure

5.2 Published Summary Financial Statements

HELLENIC PETROLEUM HOLDINGS S. A. (former HELLENIC PETROLEUM S. A.)

General Commercial Registry 000296601000 (A.R.M.A.E. 2443/06/B/86/23)

FINANCIAL DATA AND INFORMATION FOR THE YEAR FROM **1 JANUARY 2021** TO **31 DECEMBER 2021** (Published in compliance to L.4/507/28.4.2009 for companies that prepare annual financial statements in accordance with IFRS)

The following financial data and information are only for general information purposes with regard to the financial position and results of HELLENIC PETROLEUM Group and the parent company. We, therefore, recommend to the reader, before making any investment decision, or proceeding to any transaction with the company, to refer to the company's internet address, where the interim financial statements in accordance with International Financial Reporting Standards are available, together with the auditors' report.

COMPANY

Head office Address:	8A, CHIMARRAS STR. - 15125 MAROUSI
Website :	http://www.helpe.gr
Approval date of the annual financial statements by the Board of Directors:	24 FEBRUARY 2022

Board of Directors :

Ioannis Papathanasiou - Chairman of the Board
Andreas Shiamishis - Chief Executive Officer
Georgios Alexopoulos - Member
Theodoros-Achilleas Vardas - Member
Alexandros Metaxas - Member
Iordanis Aivazis - Member
Alkiviadis-Konstantinos Psarras - Member
Anastasia Martseki - Member (From 17/05/2021)
Nikolaos Vrettos - Member (From 30/6/2021)
Lorraine Skaramaga - Member (From 30/6/2021)
Panagiotis Tridimas - Member (From 30/6/2021)

Other Board Members during the year

Michail Kefalogiannis - Member (Until 17/05/2021)
Loukas Papazoglou - Member (Until 17/05/2021)
Theodoros Pantalakis - Member (Until 30/06/2021)
Spiridon Pantelias - Member (Until 30/06/2021)
Georgios Papakonstantinou - Member (Until 30/06/2021)
Konstantinos Papagiannopoulos - Member (Until 30/06/2021)
Anastasia Makarigaki - Member (From 17/05/2021 until 30/06/2021)

STATEMENT OF FINANCIAL POSITION

(Amounts in thousands €)

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
ASSETS				
Property, plant and equipment	3.484.805	3.379.813	2.707.520	2.766.635
Right-of-use assets	228.375	235.541	26.547	32.157
Intangible assets	175.907	105.841	1.111	8.094
Other non-current assets	463.335	560.379	1.076.768	1.107.522
Inventories	1.379.135	694.410	1.240.774	599.613
Trade and other receivables	694.606	544.795	569.077	489.979
Income tax receivable	16.479	37.699	13.898	33.830
Assets held for sale	191.577	2.466	122.301	0
Derivative financial instruments	92.143	9.945	92.143	9.945
Cash, cash equivalents and restricted cash	1.052.618	1.202.900	843.493	992.748
Investment in equity instruments	504	959	37	587
TOTAL ASSETS	**7.779.484**	**6.774.748**	**6.693.669**	**6.041.110**
EQUITY AND LIABILITIES				
Share capital	666.285	666.285	666.285	666.285
Share premium	353.796	353.796	353.796	353.796
Retained earnings and other reserves	1.044.572	766.416	975.386	800.051
Equity attributable to equity holders of the parent	**2.064.653**	**1.786.497**	**1.995.467**	**1.820.132**
Non-controlling interests	64.402	62.340	-	-
TOTAL EQUITY	**2.129.055**	**1.848.837**	**1.995.467**	**1.820.132**
Interest bearing loans and borrowings	1.516.531	2.131.371	16.532	21.279
Lease liabilities	201.795	201.136	62.074	4.026
Provisions and other long term liabilities	355.834	281.784	1.621.617	2.456.081
Short-term Interest bearing loans and borrowings	1.474.493	744.561	8.216	9.284
Other short-term liabilities	2.101.776	1.567.059	4.614.682	2.437.125
Total liabilities	**5.650.429**	**4.925.911**	**6.323.121**	**4.927.795**
TOTAL EQUITY AND LIABILITIES	**7.779.484**	**6.774.748**	**8.318.588**	**6.747.927**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

(Amounts in thousands €)

	GROUP		COMPANY	
	1/1/2021-31/12/2021	1/1/2020-31/12/2020	1/1/2021-31/12/2021	1/1/2020-31/12/2020
Revenue from contracts with customers	9.222.235	5.781.791	8.425.535	5.114.813
Gross profit / (loss)	875.918	(35.982)	562.438	(302.364)
Operating profit / (loss)	400.290	(501.404)	340.367	(477.277)
Profit / (loss) before Income Tax	407.073	(581.716)	293.017	(515.141)
Less : Taxes	(65.916)	185.101	(63.336)	176.377
Profit / (loss) for the year	**341.157**	**(396.615)**	**229.681**	**(338.764)**
Profit attributable to:				
Owners of the parent	337.444	(395.827)		
Non-controlling interests	3.713	(788)		
	341.157	**(396.615)**		
Other comprehensive income / (loss) for the year, net of tax	(26.257)	(3.036)	(19.607)	(3.530)
Total comprehensive income for the year	**314.900**	**(399.651)**	**210.074**	**(342.294)**
Total comprehensive income/(loss) attributable to:				
Owners of the parent	311.165	(398.840)		
Non-controlling interests	3.735	(811)		
	314.900	**(399.651)**		
Basic and diluted earnings per share (in Euro per share)	**1,10**	**(1,30)**	**0,75**	**(1,11)**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**657.221**	**(253.425)**	**515.303**	**(310.666)**

STATEMENT OF CHANGES IN EQUITY

(Amounts in thousands €)

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Total equity at beginning of the year 1/1/2021 & 1/1/2020	**1.848.837**	**2.326.573**	**1.820.132**	**2.238.835**
Total comprehensive (loss) / income for the year	314.900	(399.651)	210.074	(342.294)
Dividends to shareholders of the parent	(30.564)	(76.409)	(30.564)	(76.409)
Dividends to non-controlling interests	(1.673)	(1.432)	-	-
Other Movements	(2.445)	(244)	(4.175)	-
Total equity at the end of the year	**2.129.055**	**1.848.837**	**1.995.467**	**1.820.132**

STATEMENT OF CASH FLOW

(Amounts in thousands €)

	GROUP		COMPANY	
	1/1/2021-31/12/2021	1/1/2020-31/12/2020	1/1/2021-31/12/2021	1/1/2020-31/12/2020
Cash flows from operating activities				
(Loss) / Profit before Tax	407.073	(581.716)	293.017	(515.141)
Adjustments for:				
Depreciation and impairment of property, plant and equipment and right-of-use assets	249.280	247.272	169.359	161.976
Amortisation and impairment of intangible assets	9.485	8.717	5.577	5.872
Amortisation of grants	(830)	(1.110)	(662)	(797)
Finance expense	106.233	115.088	86.166	94.385
Share of operating profit of associates	(96.660)	(29.827)	-	-
Provisions for expenses and valuation charges	216.409	140.003	238.677	119.937
(Gain)/Loss from disposal of available for sale financial assets	(2.320)	6.240	-	-
Foreign exchange (gains) / losses	(16.245)	(4.950)	(16.007)	(4.988)
Amortisation of long-term contracts costs	(205)	54	(1.912)	6.488
(Gain)/Loss from disposal of Non Current Assets	(2.353)	(1.590)	7	(3.518)
	869.867	**(101.819)**	**774.222**	**(135.786)**
Changes in working capital				
(Increase) / decrease in inventories	(690.373)	315.524	(642.101)	298.461
(Increase) / decrease in trade and other receivables	(144.076)	192.071	(174.616)	178.198
Increase / (decrease) in payables	226.924	21.354	163.336	22.769
Less:				
Income tax paid	8.032	23.133	13.145	33.170
Net cash generated from / (used in) operating activities	**270.374**	**450.263**	**133.986**	**396.812**
Cash flows from investing activities				
Purchase of property,plant and equipment & intangible assets	(400.441)	(295.261)	(112.261)	(208.118)
Cash from sale of property, plant and equipment & tangible assets	6.370	2.803	43	4.846
Grants received	70	337	-	-
Interest received	5.356	5.646	7.719	9.727
Dividends received	6.525	9.465	54.809	161.533
Investment in associates - net	-	-	(9.465)	(12.043)
Share capital issue expenses	(132)	(51)	-	-
Proceeds from disposal of investments in equity instruments	-	-	-	-
Settlement of consideration of acquisition of further equity interest in subsidiary	(2.400)	-	-	-
Proceeds from disposal of assets held for sale	2.649	-	-	-
Prepayments for right-of-use assets	(280)	(1.035)	-	-
Purchase of subsidiary, net of cash acquired	6.296	-	-	-
Net cash used in investing activities	**(375.987)**	**(278.096)**	**(59.156)**	**(44.055)**
Cash flows from financing activities				
Interest paid	(94.420)	(100.003)	(87.728)	(98.323)
Dividends paid to shareholders of the Company	(30.320)	(152.647)	(30.320)	(152.647)
Dividends paid to non-controlling interests	(1.635)	(1.401)	-	-
Participation of minority shareholders in share capital increase of subsidiary	-	34	-	-
Proceeds from borrowings	586.620	1.419.247	470.647	1.412.971
Payment of lease liabilities	(42.166)	(44.477)	(10.381)	(11.781)
Repayments of borrowings	(479.426)	(1.167.609)	(537.249)	(1.342.771)
Net cash generated from / (used in) financing activities	**(61.347)**	**(46.856)**	**(195.031)**	**(192.551)**
Net (decrease) / increase in cash & cash equivalents	**(166.960)**	**125.312**	**(165.262)**	**160.206**
Cash and cash equivalents at the beginning of the year	**1.202.900**	**1.088.198**	**992.748**	**888.564**
Exchange gains / (losses) on cash and cash equivalents	16.678	(10.608)	16.007	(4.489)
Net (decrease) / increase in cash and cash equivalents	(166.960)	125.312	(165.262)	108.673
Cash and cash equivalents at end of the year	**1.052.618**	**1.202.902**	**843.493**	**992.748**

ADDITIONAL INFORMATION

1. Note **No. 37** of the annual consolidated financial statements includes all subsidiary and associated companies and their related information. 2. No company shares, (treasury shares), are owned either by the parent company or any of the subsidiaries as at the end of the period 3. With regards to tax audits carried out by Certified Auditors, all Group companies based in Greece have received unqualified Tax Compliance Reports by their respective statutory auditor, for fiscal years up to 2020 (inclusive). With regards to tax audits carried out by the Tax Authorities, tax audits have been completed as follows: a) for Hellenic Petroleum S.A for years up to and including 2011 as well as 2014, b) for former Hellenic Fuels SA for years up to and including 2011, c) for EKO S.A for years up to and including 2010. Notwithstanding the possibility of future tax audits, the Group's management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognised in the consolidated financial statements for the year ended 31 December 2020 (**Note 30** of the annual consolidated financial statements). 4. The consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union ("EU"), as outlined in Note **2.1** of the annual consolidated financial statements. Where necessary, comparative figures have been reclassified to conform to changes in the presentation of the current financial year. 5. As mentioned in Note **34** of the annual consolidated financial statements, the Group's entities are involved in a number of legal proceedings and have various unresolved claims pending arising in the ordinary course of business. Based on currently available information, Management believes that no additional material liability will arise over and above the tax liabilities and provisions already recognised in the consolidated financial statements as at 31 December 2021. 6**.** Number of employees at 31 December 2021 in Greece: Company: 2.102, Group: 2.923 **(**31/12/2020: Company: 2.148, Group: 2.956).

10. The amount of provisions included in the Statement of Financial Position are as follows:

	GROUP	COMPANY
a) for pending legal cases	13.296	7.318
β) for tax matters	155	155
c) for SLI	210.736	174.211
d) for other provisions relating to expenses	161.369	161.369

11. Other comprehensive income for the period, net of tax, for the Group and the parent company is as follows:

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Currency translation differences and other movements	97	145	-	-
Reduction in value of land	-	-	-	-
Actuarial losses on defined benefit pension plans	(15.254)	(7.381)	(1.163)	(2.938)
Fair value gains on cash flow hedges	24.973	(22.008)	29.802	(27.398)
Derecognition of gains on hedges through comprehensive income	(31.794)	25.077	(31.794)	25.077
Share of other comprehensive income of associates	(3.930)	1.440	-	-
Net income/(expense) recognised directly in equity	**(26.257)**	**(3.036)**	**(3.500)**	**(5.668)**

12. Transactions and balances with related parties for the Group and the parent company (in thousands of €) are as follows:

	GROUP	COMPANY
Sales of goods and services	418.900	2.838.792
Purchases of goods and services	724.804	754.385
Receivables	95.111	233.321
Payables	15.999	27.264
Board members and senior management remuneration & other benefits	5.818	5.724
Amounts due to/(from) Board members and senior management	-	-

Athens, 24th of February 2022

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	ACCOUNTING DIRECTOR
ANDREAS N. SHIAMISHIS	VASILEIOS G. TSAITAS	STEFANOS I. PAPADIMITRIOU
ID. NUmber AA 010147	ID. Number AO 552310	ID. Number AK 553436

5.3 Website

The annual financial statements of the HELLENIC PETROLEUM Group and the parent company on a consolidated and non-consolidated basis, the Independent Auditors' Report and the Annual Report of the Board of Directors are available on the internet at **www.helpe.gr**. Since year end 2021, the Annual Financial Report, is prepared in compliance with the European Single Electronic Format (ESEF) in xHTML and inline XBRL format and it is available on its website.

The financial statements of the consolidated companies under EKO S.A. are available online at **www.eko.gr**.

On HELLENIC PETROLEUM's website https://www.helpe.gr/investor-relations/quarterly-results/financial-statements/financial-statements-of-subsidiary-companies/, there is a list of subsidiaries that are fully consolidated in the Group's financial statements; these companies also have their own website through which their financial statements can be accessed. The financial statements of the other subsidiaries can be viewed at the above address.