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: 8A CHIMARRAS STR, 15125 MAROUSI, GREECE

Index to the consolidated 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 30/6/2021) 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)**
Profit / (loss) attributable to:			
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)**
Total comprehensive income / (loss) attributable to:			
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

		For the year ended	
	Note	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 CO_2 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 m³ 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 CO2 emission rights, necessary to meet the Group's deficit as of 31 December 2021, following also the monetization of CO2 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	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:

<u>Extract from the consolidated 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
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 apicable

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.