Annual Consolidated & Company Financial Statements for the Year Ended 2022

CONTENTS

I. Company Information

Directors	Ioannis Papathanassiou - 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
	Nikolaos Vrettos - Member
	Lorraine Skaramaga - Member
	Panagiotis Tridimas - Member
Registered Office	8A Chimarras Str
	GR 151 25 - Marousi
General Commercial Registry	000296601000

II. Authorised signatories

The consolidated and Company financial statements for the year ended 31 December 2022 from page 1 to page 112 are presented in €'000, unless otherwise stated, and have been approved by the Board of Directors of HELLENiQ ENERGY Holdings S.A. on 24 February 2023.

Andreas Shiamishis	Vasileios Tsaitas	Stefanos Papadimitriou
Chief Executive Officer	Group CFO	Accounting Director

III. Consolidated Statement of Financial Position

	Note	31 December 2022	As at 31 December 2021
Assets			
Non-current assets			
Property, plant and equipment	6	3,639,004	3,484,805
Right-of-use assets	7	233,141	228,375
Intangible assets	8	518,073	228,659
Investments in associates and joint ventures	9	402,101	313,723
Deferred income tax assets	20	91,204	75,702
Investment in equity instruments	3	490	504
Derivative financial instruments	24	958	—
Loans, advances and long term assets	10	64,596	73,910
		4,949,567	**4,405,678**
Current assets			
Inventories	11	1,826,242	1,379,135
Trade and other receivables	12	866,109	694,606
Income tax receivable	30	14,792	16,479
Derivative financial instruments	24	5,114	92,143
Cash and cash equivalents	13	900,176	1,052,618
		3,612,433	**3,234,981**
Assets held for sale	14	—	191,577
Total assets		**8,562,000**	**7,832,236**
Equity			
Share capital and share premium	15	1,020,081	1,020,081
Reserves	16	297,713	249,104
Retained Earnings		1,341,908	795,468
Equity attributable to the owners of the parent		**2,659,702**	**2,064,653**
Non-controlling interests		67,699	64,402
Total equity		**2,727,401**	**2,129,055**
Liabilities			
Non- current liabilities			
Interest bearing loans and borrowings	18	1,433,029	1,516,531
Lease liabilities	19	177,745	172,296
Deferred income tax liabilities	20	202,523	89,478
Retirement benefit obligations	21	175,500	210,736
Derivative financial instruments	24	—	860
Provisions	22	36,117	26,959
Other non-current liabilities	23	22,662	27,801
		2,047,576	**2,044,661**
Current liabilities			
Trade and other payables	17	1,835,957	2,146,559
Derivative financial instruments	24	1,761	2,214
Income tax payable	30	432,385	4,488
Interest bearing loans and borrowings	18	1,409,324	1,474,493
Lease liabilities	19	30,372	29,499
Dividends payable		77,224	1,267
		3,787,023	**3,658,520**
Total liabilities		**5,834,599**	**5,703,181**
Total equity and liabilities		**8,562,000**	**7,832,236**

The notes on pages 12 to 112 are an integral part of these consolidated and Company financial statements.

IV. Statement of Financial Position of the Company

	Note	As at 31 December 2022	31 December 2021
Assets			
Non-current assets			
Property, plant and equipment		671	2,707,520
Right-of-use assets	7	10,817	26,547
Intangible assets		138	53,863
Investments in subsidiaries, associates and joint ventures	9	1,654,517	933,596
Deferred income tax assets		11,020	—
Investment in equity instruments		38	37
Loans, advances and long term assets	10	230,243	143,172
		1,907,444	**3,864,735**
Current assets			
Inventories		—	1,240,774
Trade and other receivables		86,159	569,077
Income tax receivables		—	13,898
Derivative financial instruments		—	92,143
Cash and cash equivalents		209,054	843,493
		295,213	**2,759,385**
Assets held for sale		—	122,301
Total assets		**2,202,657**	**6,746,421**
Equity			
Share capital and share premium	15	1,020,081	1,020,081
Reserves	16	281,104	260,642
Retained Earnings		765,156	714,744
Total equity		**2,066,341**	**1,995,467**
Liabilities			
Non-current liabilities			
Interest bearing loans & borrowings		—	1,149,696
Lease liabilities	19	9,611	16,532
Deferred income tax liabilities		—	60,807
Retirement benefit obligations		7,977	174,211
Provisions		—	22,248
Other non-current liabilities		174	11,956
		17,762	**1,435,450**
Current liabilities			
Trade and other payables		36,491	1,954,091
Derivative financial instruments		—	2,214
Income tax payable	30	3,582	416
Interest bearing loans & borrowings		—	1,349,300
Lease liabilities	19	1,257	8,216
Dividends payable	32	77,224	1,267
		118,554	**3,315,504**
Total liabilities		**136,316**	**4,750,954**
Total equity and liabilities		**2,202,657**	**6,746,421**

Comparable balances of 31 December 2021 relate to HELLENIC PETROLEUM S.A., prior to the demerger on 3 January 2022 (Notes 1 and 9). The notes on pages 12 to 112 are an integral part of these consolidated and Company financial statements.

V. Consolidated Statement of Comprehensive Income

		For the year ended	
	Note	**31 December 2022**	**31 December 2021**
Revenue from contracts with customers	**5**	**14,508,068**	**9,222,235**
Cost of sales	**25**	(12,557,681)	(8,346,317)
Gross profit / (loss)		**1,950,387**	**875,918**
Selling and distribution expenses	**25**	(393,350)	(326,588)
Administrative expenses	**25**	(194,765)	(151,798)
Exploration and development expenses	**26**	(26,548)	(3,636)
Other operating income and other gains	**27**	134,393	36,365
Other operating expense and other losses	**27**	(57,497)	(29,971)
Operating profit / (loss)		**1,412,620**	**400,290**
Finance income	**28**	3,315	5,356
Finance expense	**28**	(108,233)	(101,387)
Lease finance cost	**19,28**	(9,261)	(10,092)
Currency exchange gains / (losses)	**29**	2,499	16,246
Share of profit / (loss) of investments in associates and joint ventures	**9**	120,042	96,660
Profit / (loss) before income tax		**1,420,982**	**407,073**
Income tax	**30**	(526,004)	(65,916)
Profit / (loss) for the year		**894,978**	**341,157**
Profit / (loss) attributable to:			
Owners of the parent		889,501	337,444
Non-controlling interests		5,477	3,713
		894,978	**341,157**
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**	29,709	(15,254)
Changes in the fair value of equity instruments	**16**	14	(349)
Share of other comprehensive income / (loss) of associates	**16**	—	(3,930)
		29,723	**(19,533)**
Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):			
Share of other comprehensive income / (loss) of associates	**16**	658	—
Fair value gains / (losses) on cash flow hedges	**16**	5,733	24,973
Recycling of (gains) / losses on hedges through comprehensive income	**16**	(4,941)	(31,794)
Currency translation differences and other movements		(278)	97
		1,172	**(6,724)**
Other comprehensive income / (loss) for the year, net of tax		**30,895**	**(26,257)**
Total comprehensive income / (loss) for the year		**925,873**	**314,900**
Total comprehensive income / (loss) attributable to:			
Owners of the parent		920,330	311,165
Non-controlling interests		5,543	3,735
		925,873	**314,900**
Earnings / (losses) per share (expressed in Euro per share)	**31**	**2.91**	**1.10**

The notes on pages 12 to 112 are an integral part of these consolidated and Company financial statements.

VI. Statement of Comprehensive Income of the Company

	Note	For the year ended 31 December 2022	31 December 2021
Continuing Operations			
Revenue from contracts with customers		**38,167**	**3,729**
Cost of sales		(34,697)	(3,390)
Gross profit / (loss)		**3,470**	**339**
Administrative expenses		(7,628)	(2,567)
Other operating income and other gains	**27**	180,131	3,680
Other operating expense and other losses	**27**	(21,373)	(3,261)
Operating profit /(loss)		**154,600**	**(1,809)**
Finance income		6,761	3,400
Finance expense		(513)	—
Lease finance cost		(461)	(616)
Dividend income	**32**	234,069	14,525
Profit / (loss) before income tax from continuing operations		**394,456**	**15,500**
Income tax credit / (expense)		(3,558)	(3,410)
Profit / (loss) for the period from continuing operations		**390,898**	**12,090**
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		917	—
Other comprehensive income / (loss) for the year, net of tax		**917**	**—**
Total comprehensive income / (loss) for the year from continuing operations		**391,815**	**12,090**
Discontinued operations			
Total comprehensive income after tax for the period from discontinued operations		—	197,984
Total comprehensive income / (loss) for the period		**391,815**	**210,074**

The notes on pages 12 to 112 are an integral part of these consolidated and Company financial statements.

VII. 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 2021		**1,020,081**	**273,959**	**489,481**	**1,783,521**	**62,340**	**1,845,861**
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 year		**—**	**(25,606)**	**336,771**	**311,165**	**3,735**	**314,900**
Dividends to non-controlling interests		—	—	—	—	(1,673)	(1,673)
Dividends		—	—	(30,564)	(30,564)	—	(30,564)
Other equity 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**
Balance at 1 January 2022		**1,020,081**	**249,104**	**795,468**	**2,064,653**	**64,402**	**2,129,055**
Other comprehensive income / (loss)		—	30,829	—	30,829	66	30,895
Profit / (loss) for the period		—	—	889,501	889,501	5,477	894,978
Total comprehensive income / (loss) for the period		**—**	**30,829**	**889,501**	**920,330**	**5,543**	**925,873**
Transfers to statutory and tax reserves	**16**	—	19,545	(19,545)	—	—	—
Dividends to non-controlling interests		—	—	—	—	(2,246)	(2,246)
Dividends	**32**	—	—	(320,940)	(320,940)	—	(320,940)
Other equity movements		—	(1,765)	(2,576)	(4,341)	—	(4,341)
Balance at 31 December 2022		**1,020,081**	**297,713**	**1,341,908**	**2,659,702**	**67,699**	**2,727,401**

The notes on pages 12 to 112 are an integral part of these consolidated and Company financial statements.

VIII. Statement of Changes in Equity of the Company

	Note	Share Capital	Reserves	Retained Earnings	Total
Balance at 1 January 2021		**1,020,081**	**279,576**	**516,300**	**1,815,957**
Other comprehensive income / (loss)		—	(18,934)	(673)	(19,607)
Profit / (loss) for the period		—	—	229,681	229,681
Total comprehensive income / (loss) for the period		**—**	**(18,934)**	**229,008**	**210,074**
Dividends		—	—	(30,564)	(30,564)
Balance at 31 December 2021		**1,020,081**	**260,642**	**714,744**	**1,995,467**
Balance at 1 January 2022		**1,020,081**	**260,642**	**714,744**	**1,995,467**
Other comprehensive income / (loss)		—	917	—	917
Profit / (loss) for the period		—	—	390,898	390,898
Total comprehensive income / (loss) for the period		**—**	**917**	**390,898**	**391,815**
Transfers to statutory and tax reserves	**16**	—	19,545	(19,545)	—
Dividends	**32**	—	—	(320,941)	(320,941)
Balance at 31 December 2022		**1,020,081**	**281,104**	**765,156**	**2,066,341**

The notes on pages 12 to 112 are an integral part of these consolidated and Company financial statements.

IX. Consolidated Statement of Cash Flows

	Note	For the year ended 31 December 2022	31 December 2021
Cash flows from operating activities			
Cash generated from operations	33	630,118	262,342
Income tax received / (paid)	30	(6,499)	8,032
Net cash generated from/ (used in) operating activities		**623,619**	**270,374**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	6, 8	(512,175)	(400,441)
Proceeds from disposal of property, plant and equipment & intangible assets		14,167	6,370
Acquisition of share of associates and joint ventures	37	—	(2,400)
Purchase of subsidiary, net of cash acquired	37	3,053	6,296
Share capital issue expenses		—	(132)
Grants received		—	70
Interest received	28	3,315	5,356
Prepayments for right-of-use assets		(748)	(280)
Dividends received	9	—	6,525
Proceeds from disposal of assets held for sale		265,516	2,649
Net cash generated from/ (used in) investing activities		**(226,872)**	**(375,987)**
Cash flows from financing activities			
Interest paid on borrowings		(101,565)	(94,420)
Dividends paid to shareholders of the Company	32	(244,983)	(30,320)
Dividends paid to non-controlling interests		(2,240)	(1,635)
Proceeds from borrowings	18	1,102,636	586,620
Repayments of borrowings	18	(1,259,597)	(479,426)
Payment of lease liabilities - principal	19	(36,522)	(32,074)
Payment of lease liabilities - interest	19	(9,261)	(10,092)
Net cash generated from/ (used in) financing activities		**(551,532)**	**(61,347)**
Net increase/ (decrease) in cash and cash equivalents		**(154,785)**	**(166,960)**
Cash and cash equivalents at the beginning of the year	13	**1,052,618**	**1,202,900**
Exchange (losses) / gains on cash and cash equivalents		2,343	16,678
Net increase / (decrease) in cash and cash equivalents		(154,785)	(166,960)
Cash and cash equivalents at end of the year	13	**900,176**	**1,052,618**

The notes on pages 12 to 112 are an integral part of these consolidated and Company financial statements.

X. Statement of Cash Flows of the Company

	Note	For the year ended 31 December 2022	31 December 2021
Cash flows from operating activities			
Cash generated from / (used in) continuing operations	**33**	8,122	1,870
Cash generated from / (used in) discontinued operations	**33**	—	96,162
Income tax received / (paid)		—	13,145
Net cash generated from / (used in) operating activities		**8,122**	**111,177**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets		(112)	—
Proceeds from disposal of property, plant and equipment & intangible assets		10,960	—
Participation in share capital increase of subsidiaries, associates and joint ventures		(41,142)	(1,138)
Loans and advances to Group Companies		(128,197)	(22,252)
Interest received		3,713	3,400
Dividends received		208,354	46,525
Proceeds from disposal of assets held for sale		265,516	—
Net cash generated from / (used in) investing activities from discontinued operations		—	(107,943)
Net cash generated from / (used in) investing activities		**319,092**	**(81,408)**
Cash flows from financing activities			
Interest paid		(513)	—
Dividends paid to shareholders of the Company		(244,984)	(30,320)
Payment of lease liabilities - principal, net		(2,202)	(3,275)
Payment of lease liabilities - interest		(461)	(616)
Net cash generated from / (used in) financing activities from discontinued operations		—	(160,820)
Net cash generated from / (used in) financing activities		**(248,160)**	**(195,031)**
Net increase / (decrease) in cash and cash equivalents		**79,054**	**(165,262)**
Cash and cash equivalents at the beginning of the period		**843,493**	**992,748**
Exchange gain / (loss) on cash and cash equivalents from discontinued operations		—	16,007
Net cash outflow due to demerger	**9**	(713,493)	—
Net increase / (decrease) in cash and cash equivalents		79,054	(165,262)
Cash and cash equivalents at end of the period		**209,054**	**843,493**

The notes on pages 12 to 112 are an integral part of these consolidated and Company financial statements.

XI. Notes to the Consolidated and Company Financial Statements

1. General Information

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 HOLDINGS S.A. (former HELLENIC PETROLEUM S.A.) became the sole Shareholder of the Beneficiary Entity “HELLENIC PETROLEUM R.S.S.O.P.P. S.A.”, by acquiring all 130.100.000 common, registered shares issued by the Beneficiary Entity, with a nominal value of €10 each. Finally, Articles 1 (Name), 4 (Scope) and 19/paragraph 4 (Board of Directors) of the Articles of Association of the Demerged Entity were amended in accordance with the resolution of the EGM held on 10.12.2021.

The new corporate name of the Demerged Entity is "HELLENIC PETROLEUM HOLDINGS SOCIETE ANONYME” and its trade name: "HELLENIC PETROLEUM HOLDINGS S.A.", while its shares will remain listed on the Main Market of the Athens Stock Exchange. The Company acts as a holding company and is providing administrative and financial services to its subsidiaries. The impact of the hive-down in the Statement of Financial Position of the Demerged Entity is presented in Note 9. Comparative information in the statement of comprehensive income and statement of cash flows have been amended at the level of the Company by the presentation of the operations of demerged sector as discontinued operations.

HELLENIC PETROLEUM Holdings S.A. was renamed to HELLENiQ ENERGY Holdings Société Anonyme and its distinctive title HELLENiQ ENERGY Holdings S.A. (the “Company”) as approved by the Extraordinary General Meeting of the Shareholders of the Company held on 20 September 2022. HELLENiQ ENERGY Holdings S.A. is the parent company of HELLENiQ ENERGY Group (the “Group”).

The aforementioned restructuring has no effect on the consolidated financial information for the current period or comparative figures.

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 Global Depositary Receipts (GDRs).

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 and Company financial statements for the year ended 31 December 2022 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 and Company on a going concern basis.

In determining the appropriate basis of preparation of the consolidated and Company financial statements, the Directors are required to consider whether the Group and the Company can continue in operational existence for the foreseeable future. It is noted that since the activity of the Company is directly related to the activity of its subsidiaries, the assessment of the going concern principle of the Company is directly related to the going concern of the Group.

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.

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

The future financial performance of the Group is dependent upon the wider economic environment in which it operates. The factors that particularly affect the environment and therefore the performance of the Group include macroeconomic conditions and supply and demand for crude oil and oil products that affect their pricing and consequently benchmark refining margins which is a key determinant of profitability, in the short term, as well as energy transition in the medium to long term. Furthermore, geopolitical developments, especially in the region can have an impact on the supply/demand balances and therefore the pricing of crude and oil products and refining margins, as well as natural gas and electricity pricing, as well as compliance costs associated arising principally from EU Emissions Trading System (ETS), which together will affect variable operating expenditure.

The aforementioned factors are to an extent independent from each other but at the same time are not mutually exclusive as such their parallel occurrence could impact the financial performance of the Group in opposite directions. In 2022 demand for oil products grew in line with the post pandemic global economic recovery leading to higher benchmark margins. At the same time the cost of electricity and Natural Gas adversely affected the cost base for refining and profitability.

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

The Group's financial forecasts were modelled over an 18-month period, ending 30 June 2024 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.

Management expects that all committed borrowings maturing within the next 12 months from the balance sheet date will be refinanced with similar terms. Discussions in relation to €250 million of borrowings maturing in the next 12 months from the balance sheet date are at the final stages for refinancing with the respective lenders, while for the remaining discussions are planned to commence in the near term and Management 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 €370 million without further approvals as well as from uncommitted facilities €375 million, subject to approvals from the respective financial institutions. In the 12-month period ending 31 December 2022, the Group successfully refinanced €900 million of maturing committed facilities at lower margins whilst improving the maturity profile of its debt liabilities.

At 31 December 2022, the Group held cash of €900 million and has a positive operating working capital position. Its total loans and borrowings amount to €2.842 million, €2.308 million relate to committed term facilities and €534 million to uncommitted short-term revolving facilities on demand. Of its total borrowings, an amount of €875 million of term loans and €534 million to uncommitted short-term revolving facilities fall due within the next 12 months from the balance sheet date. Details of these balances and their maturities are presented in Note 18.

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. Management has exercised judgement and concluded that, at the time of approving the consolidated and Company financial statements the expectation is that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these consolidated and Company 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 2021 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 2022. Amendments and interpretations that were applied for the first time in 2022 did not have a significant impact on the consolidated and company financial statements for the year ended 31 December 2022. These are also disclosed below.

- 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 previous version of the IASB's Conceptual Framework for Financial Reporting to the current version issued in 2018 without significantly 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 any proceeds from the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, a company recognizes 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. The amendments clarify, the costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to the contract activities.

- 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.

- 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.

Standards issued but not yet effective and not early adopted

The Group has not early adopted any of the following standard, interpretation or amendment that have been issued but are 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 and Company financial statements.

- IFRS 17 Insurance Contracts: The standard is effective for annual periods beginning on or after 1 January 2023 with earlier application permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17. This is a comprehensive new accounting standard for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 applies applies to all types of insurance contracts issued, as well as to certain guarantees and financial instruments with discretional participation contracts. The Group and the Company do not issue contracts in scope of IFRS 17; therefore its application does not have an impact on the Group's and the Company's financial performance, financial position or cash flows.

- 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.

- 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, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.

- 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. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. 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.

- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments): The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. 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 are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The amendments have not yet been endorsed by the EU.

- Amendment in IFRS 10 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.

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 the 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). The impairment is recognized within Share of profit / (loss) of investments in associates in the statement of profit or loss.

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.

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 • Other equipment	**30 – 50 years** **5 – 25 years**
• Wind Farms equipment • Solar Parks equipment	**20 - 30 years** **20 - 30 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

At inception of a contract, that is the earlier of the date of a lease agreement and the date of commitment by the parties to the principal terms and conditions of the lease, the Group assess whether the contract is, or contains, a lease. Also, 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 2022, all leases where the Group acts as an intermediate lessor were 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 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 presented separately from other property, plant and equipment and comprise of exploration and evaluation tangible assets as well as development expenditures associated with the production of proven 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 proven 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 license.

(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 5 - 30 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 2021 and for 2022.

(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 licenses. 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 CO_2 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 in addition to the cost 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.

Reclassification of comparative figures (Group and Company)

Purchases of EUAs are presented in intangible assets instead of being netted in the recognized liability for emissions (Note 12 and 21). The effect of the above change is summarized as follows:

• Group and Company Statement of financial position as at 31 December 2021: Intangible assets (increase) €52.8 million and Trade and other liabilities (increase) €52.8 million (Notes 8 and 17).

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.

Company specific

Following the demerger of the refining and petrochemicals segment to the newly established HELPE R.S.S.O.P.P., the scope and nature of the Company changed to providing services to the other Group entities. The Company recognizes two types of income:

– Revenue related to charges for services provided to other Group entities.

– Other income related to the reallocation of central expenses it incurs.

Company recognises revenue at a point in time.

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 Demerger of the refining and petrochemicals segment

The demerger was accounted for as a common control transaction and thus does not fall under the scope of IFRS 3 'Business combinations'. The refining and petrochemicals segment's assets and liabilities were transferred at book value and an investment in the newly established company was recognised in the parent company at the respective net book value of the assets and liabilities transferred.

2.30 Changes in accounting policies

The Group adopted the amendments described in paragraph 2.1.1 for the first time for the annual reporting period commencing 01 January 2022.

2.31 Comparative figures

No comparative figures have been reclassified to conform to changes in presentation in the current year, other than these mentioned above in this Note.

3. Financial Risk Management

3.1 Financial risk factors

The nature of operations of the Company on a stand-alone basis does not give rise to significant financial risks. Consequently, the Financial Risk Management Note covers risks and responses related to the Group.

The Group's activities are primarily centered on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products, electricity generation through renewable sources; with secondary activities relating to exploration of hydrocarbons and through its investments in Elpedison B.V., DEPA Commercial and DEPA International Projects, the Group also operates in the natural gas sector and in electricity generation (through gas-fired units) and trading. As such, the Group is exposed to a variety of financial and commodity markets' risks including foreign exchange and commodity price, credit, liquidity, cash flow and interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Group's overall risk management policies aim at reducing possible exposure to market volatility and/or mitigating its adverse effects on the financial position of the Group to the extent possible. In general, the key factors that impact the Group's operations are summarised as follows:

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

Prices: The Group is exposed to the risk of fluctuations in prevailing market prices. Commodity price risk management is supervised by the Supply and Trading Department. Non-commodity price risk management is carried out by the Finance Department under policies approved by the Board of Directors. Group Finance identifies and evaluates financial risks in close co-operation with the Group's operating units.

Continuous crude oil supplies: The Group procures crude oil from a number of suppliers, including national oil companies and international traders primarily in, but not limited to, the Middle East, North Africa and Black Sea region. The process of sourcing of crude oil is coordinated by the Supply and Trading department in line with production plans. Following the developments in Ukraine, and the imposition of economic sanctions against the Russian Federation, the Group has successfully substituted its crude oil and intermediary feedstock supply originating from the Russian Federation with equivalent quantities and grades from other sources. The Group's three coastal refineries' location, the flexibility provided by the configuration and technology of each refinery provide access to a wide range of feedstock sourcing opportunities, which enables the Group to respond to supply shortages of certain crude grades without materially affecting its operations and financial performance.

Financing of operations: The key priorities of the Group are the management of the 'Assets and Liabilities' maturity profile, funding in accordance with its strategic investment plan and the liquidity risk management for its operational needs. The vast majority of the Group's borrowings are committed credit facilities with financial institutions and debt capital markets. As of 31 December 2022, approximately 81% of total debt (about 80% as at 31 December 2021), is financed by committed credit lines while the remaining debt is being financed by short term revolving credit facilities (bilateral lines). 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 €4.7 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 operating working capital position of the Group as of 31 December 2022 was positive. 42% of total capital employed is financed through net debt excluding leases, while the remaining 58% is financed through shareholders equity.

(a) Market risk

(i) Foreign exchange risk

As explained in Note 2.5 "Foreign currency translation", 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:

a. 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 2022 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax results would have been approximately €33 million lower, as a result of foreign exchange gains on translation of US dollar-denominated receivables, payables, cash and borrowings.

b. 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.

c. 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 the value of inventory carried at the end of the reporting period. The Group policy is to report its inventory at the lower of historical cost and net realisable value, and the 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) Interest rate risk

Borrowings issued at variable rates expose the Group to cash flow interest rate risk, whilst borrowings issued at fixed rates protect the Group from potential interest rate fluctuations. The Group measures its borrowings at amortised cost, and thus, is not exposed to fair value valuation risk.

Approximately 21% of the Group's borrowings are at fixed rates of interest and are comprised of a €596 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 2022, 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 €11 million lower. The Group's subsidiary Aioliki Energeiaki Achladotopos S.A., 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 2022**	**31 December 2021**
A+	8	95
A-	68	—
BBB-	5	5
B+	648	901
B-	142	41
No rating	29	11
Total	**900**	**1,053**

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.

Contractual Term Facility Repayments	1H23	2H23	2023	Scheduled for repayment	Scheduled for refinancing
Revolving Credit Facility €400 million	340	—	340	—	340
Revolving Credit Facility €400 million	—	280	280	—	280
Revolving Credit Facility €100 million	100		100	—	100
Revolving Credit Facility €150 million	—	150	150	—	150
EKO Bulgaria	—	2	2	2	—
HELPE Renewable Wind Farms of Evia S.A.	2	2	3	3	—
Sagias Wind Park	1	1	2	2	—
Makrilakoma Wind Park	1	1	2	2	—
Total	**444**	**435**	**879**	**9**	**870**

Within Q4 2022, the Group refinanced revolving credit facilities amounting to €900 million on maturity, whose outstanding balance as at 31 December 2022 is €745 million. In February 2023, The Group refinanced the revolving credit facilities maturing in 2023 (Note 18).

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 revolving credit facilities.

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	Total
31 December 2022				
Borrowings	1,530,978	1,480,253	61,612	3,072,843
Lease liabilities (Note 19)	35,206	100,867	172,780	308,853
Derivative financial instruments	1,761	—	—	1,761
Trade and other payables	1,784,616	—	—	1,784,616
31 December 2021				
Borrowings	1,675,097	1,732,053	2,606	3,409,757
Lease liabilities (Note 19)	31,336	98,018	153,525	282,879
Derivative financial instruments	2,214	—	860	3,074
Trade and other payables	2,044,184	—	—	2,044,184

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.

The gearing ratios as at 31 December 2022 and 2021 were as follows:

		As at
	31 December 2022	**31 December 2021**
Total Borrowings (Note 18)	2,842,353	2,991,024
Less: Cash & Cash Equivalents (Note 13)	(900,176)	(1,052,618)
Less: Investment in equity instruments (Note 3.3)	(490)	(504)
Net debt (excl. Lease liabilities)	**1,941,687**	**1,937,902**
Total Equity	2,727,401	2,129,055
Total Capital Employed (excl. Lease liabilities)	**4,669,088**	**4,066,957**
Gearing ratio (excl. Lease liabilities)	**42 %**	**48 %**
Lease liabilities (Note 18)	208,117	201,795
Net debt (incl. Lease liabilities)	**2,149,804**	**2,139,697**
Total Capital Employed (incl. Lease liabilities)	**4,877,205**	**4,268,752**
Gearing ratio (incl. Lease liabilities)	**44 %**	**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 2022:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives at fair value through the income statement	—	5,114	—	5,114
Investment in equity instruments	—	958	—	958
Assets held for sale	490	—	—	490
	490	**6,072**	**—**	**6,562**
Liabilities				
Derivatives at fair value through the income statement	—	1,761	—	1,761
	—	**1,761**	**—**	**1,761**

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**

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 2022 and 31 December 2021, there were no transfers between levels.

The fair value of Euro denominated Eurobonds as at 31 December 2022 was €598 million (31 December 2021: €611 million), compared to its book value of €596 million (31 December 2021: €594 million). The fair value of the remaining borrowings, given they are all at a variable rate and the applicable credit ratings of the Group remain unchanged, approximate 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. 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, such as diminishing growth rates applied for time periods where there are no reliable forecasts, but policy objectives indicate that changes in the market are reasonably expected. Further, the Group constantly monitors the latest government legislation in relation to climate related matters. The key assumptions used to determine the recoverable amount for the different CGUs, or assets, including a sensitivity analysis on these assumptions, 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 2022 and 2021, management assessed forward-looking information specific to its trade debtors and the economic environment 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

(a) 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.

(b) 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 counselors 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).

(c) Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant: If there are significant penalties to terminate (or not extend), the 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

Group's Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The committee assesses performance taking into account 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.

To better reflect the way Management monitors the International Marketing segment and since its operations relate only to wholesale trading, OKTA AD Skopje balances have been reclassified from the Refining segment to the International Marketing segment, as compared to the consolidated annual financial statements for the year ended 31 December 2021. The respective change has been applied to the comparatives as well. The effect of this change for the prior year is presented in the below table:

For the year ended 31 December 2021	Refining	Marketing
Gross Sales	(32,418)	421,010
Inter-segmental Sales	(388,592)	
Revenue from contracts with customers	**(421,010)**	**421,010**
EBITDA	**(10,397)**	**10,397**
Depreciation & Amortisation (PPE & Intangibles)	2,518	(2,518)
Depreciation of Right-of-Use assets	162	(162)
Operating profit / (loss)	**(7,717)**	**7,717**
Currency exchange gains / (losses)	209	(209)
Finance (expense) / income - net	150	(150)
Lease finance cost	8	(8)
Profit / (loss) before income tax	**(7,350)**	**7,350**

The Group's key operating segments are:

a) Refining, Supply and Wholesale Trading (Refining)

- Activities in Greece revolve around the operation of the Group's three refineries located in Aspropyrgos, Elefsina and Thessaloniki, which account for approximately 65% of the country's total refining capacity. The three refineries combine a storage capacity of 6,65 million m^3 of crude oil and petroleum products. The refining segment additionally includes the assets and liabilities relating to Elpet Valkaniki and Vardax S.A..

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 1.655 petrol stations, 220 of which are company-operated.

- International activities: The Group operates through subsidiary companies in Cyprus, Bulgaria, Serbia, Montenegro and North Macedonia with a total network of 317 petrol stations. Furthermore,the Group is active in the wholesale trading of oil products through 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).

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) RES, Gas and Power

- RES: The Group is active in the production, trading and supply of power in Greece through its owned operations in the renewable energy sector.

- Power: The Group is active in the production, trading and supply of power in Greece through its participation (50%) in the JV Elpedison B.V. (the remaining 50% is held by EDISON 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.

Financial information regarding the Group's operating segments for the year ended 31 December 2022 and 31 December 2021 is presented below:

							For the year ended 31 December 2022
Group	**Refining**	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**RES, Gas & Power**	**Other**	**Total**
Gross Sales	**13,086,983**	**6,295,683**	**—**	**380,360**	**37,497**	**79,408**	**19,879,931**
Inter-segmental Sales	(5,290,691)	(4,736)	—	—	(75)	(76,362)	(5,371,863)
Revenue from contracts with customers	**7,796,292**	**6,290,948**	**—**	**380,360**	**37,422**	**3,046**	**14,508,068**
EBITDA	**1,448,927**	**112,838**	**(31,794)**	**70,293**	**27,687**	**89,526**	**1,717,477**
Depreciation & Amortisation (PPE & Intangibles)	(188,534)	(47,055)	(239)	(6,342)	(14,099)	(8,807)	(265,076)
Depreciation of Right-of-Use assets	(3,392)	(31,402)	(28)	(3,663)	(466)	(830)	(39,781)
Operating profit / (loss)	**1,257,001**	**34,381**	**(32,061)**	**60,288**	**13,122**	**79,889**	**1,412,620**
Currency exchange gains / (losses)	1,367	1,126	—	—	—	6	2,499
Share of profit / (loss) of investments in associates & joint ventures	(1,137)	1,252	—	—	119,828	99	120,042
Finance (expense) / income - net	(87,956)	(7,278)	(101)	9	(17,079)	7,487	(104,918)
Lease finance cost	(437)	(8,364)	(13)	(40)	(251)	(147)	(9,261)
Profit / (loss) before income tax	**1,168,838**	**21,117**	**(32,175)**	**60,257**	**115,620**	**87,333**	**1,420,982**
Income tax expense							(526,004)
Profit / (loss) for the period							**894,978**
Profit / (loss) attributable to non-controlling interests							(5,477)
Profit / (loss) for the period attributable to the owners of the parent							**889,501**

							For the year ended 31 December 2021
Group	Refining	Marketing	Exploration & Production	Petro-chemicals	RES, Gas & Power	Other	Total
Gross Sales	**8,046,767**	**3,338,805**	**85**	**378,757**	**5,240**	**14,302**	**11,783,956**
Inter-segmental Sales	(2,546,262)	(3,198)	(82)	—	(47)	(12,133)	(2,561,721)
Revenue from contracts with customers	**5,500,505**	**3,335,607**	**3**	**378,757**	**5,193**	**2,169**	**9,222,235**
EBITDA	**423,472**	**117,910**	**(8,855)**	**130,230**	**145**	**(5,681)**	**657,221**
Depreciation & Amortisation (PPE & Intangibles)	(163,154)	(45,488)	(150)	(5,457)	(1,681)	(529)	(216,459)
Depreciation of Right-of-Use assets	(6,139)	(31,703)	(44)	(3,158)	(288)	860	(40,472)
Operating profit / (loss)	**254,179**	**40,719**	**(9,049)**	**121,615**	**(1,823)**	**(5,350)**	**400,290**
Currency exchange gains / (losses)	16,008	241	—	—	—	(3)	16,246
Share of profit of investments in associates & joint ventures	2,603	179	—	—	89,316	4,562	96,660
Finance (expense) / income - net	(54,507)	(9,773)	(620)	17	(1,469)	(29,679)	(96,031)
Lease finance cost	(1,071)	(8,952)	(3)	(45)	(180)	159	(10,092)
Profit / (loss) before income tax	**217,212**	**22,414**	**(9,673)**	**121,587**	**85,844**	**(30,311)**	**407,073**
Income tax expense							(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**

Other segment's EBITDA and Operating profit / (loss) for the year ended 31 December 2022 include the profit of €74 million from the sale of DEPA Infrastructure (Note 14).

* Other segment relates to Group entities, which provide treasury, consulting and engineering services and includes inter-segment eliminations for depreciation of right of use assets and lease finance cost.
** EBITDA is calculated as Operating profit/(loss) per the statement of comprehensive income plus depreciation and amortisation.

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

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

	For the year ended 31 December 2022					
Revenue from contracts with customers	**Refining**	**Marketing**	**Petro-chemicals**	**RES, Gas & Power**	**Other**	**Total**
Domestic	2,372,291	2,846,002	151,710	37,422	2,035	5,409,461
Aviation & Bunkering	1,000,074	1,459,169	—	—	—	2,459,243
Exports	4,423,929	2,038	228,648	—	1,011	4,655,626
International activities	—	1,983,738	—	—	—	1,983,738
Total	**7,796,292**	**6,290,948**	**380,360**	**37,422**	**3,046**	**14,508,068**

	For the year ended 31 December 2021					
Revenue from contracts with customers	**Refining**	**Marketing**	**Petro-chemicals**	**RES, Gas & Power**	**Other**	**Total**
Domestic	1,248,871	1,823,235	135,387	5,193	2,028	3,214,715
Aviation & Bunkering	455,824	584,167	—	—	—	1,039,991
Exports	3,795,810	15,731	243,369	—	144	4,055,055
International activities	—	912,473	—	—	—	912,473
Total	**5,500,505**	**3,335,607**	**378,757**	**5,193**	**2,172**	**9,222,235**

The segment assets and liabilities at 31 December 2022 and 2021 are as follows:

		As at
	31 December 2022	**31 December 2021**
Total Assets		
Refining	5,714,049	5,235,391
Marketing	1,481,625	1,268,662
Exploration & Production	23,172	21,108
Petro-chemicals	227,874	594,610
RES, Gas & Power	912,182	638,905
Other Segments	863,797	1,878,488
Inter-Segment	(660,700)	(1,996,504)
Assets held for sale (*) (Note 14)	—	191,577
Total	**8,562,000**	**7,832,236**
Total Liabilities		
Refining	4,538,447	3,597,427
Marketing	816,512	679,589
Exploration & Production	17,626	20,873
Petro-chemicals	123,682	23,753
RES, Gas & Power	512,806	321,859
Other Segments	689,265	1,677,204
Inter-Segment	(863,740)	(617,524)
Total	**5,834,599**	**5,703,181**

(*): The prior 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.

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 2022.

6. Property, Plant and Equipment

Group	Land	Buildings	Plant & Machinery	Transportation means	Furniture and fixtures	Assets Under Construction	Total
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							
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**
Cost							
As at 1 January 2022	**314,918**	**974,890**	**5,247,686**	**63,932**	**238,176**	**310,609**	**7,150,211**
Additions	20,990	51,397	14,731	1,072	8,702	236,364	333,257
Acquisition of subsidiaries	35	39,656	81,455	—	2	—	121,148
Capitalised projects	897	6,925	350,957	164	1,599	(360,542)	—
Disposals	(1,809)	(5,927)	(6,842)	(158)	(5,376)	(650)	(20,762)
Currency translation differences	66	197	232	3	9	(16)	492
Transfers and other movements	(8)	8	(15,362)	511	149	(24,022)	(38,724)
As at 31 December 2022	**335,090**	**1,067,147**	**5,672,857**	**65,524**	**243,260**	**161,744**	**7,545,622**
Accumulated Depreciation							
As at 1 January 2022	**4,147**	**555,200**	**2,879,973**	**42,511**	**182,023**	**1,551**	**3,665,405**
Charge for the year	1,033	29,019	204,334	2,147	13,152	—	249,685
Disposals	—	(5,677)	(6,702)	(152)	(5,713)	—	(18,245)
Impairment / Write off	405	—	8,776	—	1	—	9,182
Currency translation differences	—	156	205	3	8	—	372
Transfers and other movements	(1)	(4)	85	(1)	142	(2)	219
As at 31 December 2022	**5,584**	**578,693**	**3,086,670**	**44,508**	**189,613**	**1,549**	**3,906,618**
Net Book Value at 31 December 2022	**329,506**	**488,453**	**2,586,187**	**21,016**	**53,647**	**160,195**	**3,639,004**

1. Acquisition of subsidiaries include:

   a. Capital expenditures in the renewable energy sector of €121 million comprising of:

- Costs associated with the acquisition of wind parks companies in August 2022 (Note 37). The Group completed the acquisition of Makrilakkoma S.A. and Sagias S.A., with a total cost of investment equal to the total consideration of €91 million. The transaction was accounted for as an asset acquisition. The total surplus consideration of €62 million was allocated to the identifiable fixed assets at the acquisition date.

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

	EUR
Intangibles	37,590
Property, plant and equipment	112,815
Cash acquired	2,649
Loans (Note 18)	(63,941)
Other assets and liabilities - net	1,945
Acquisition consideration	**91,058**

- Costs associated with the acquisition of PV parks companies in February 2022 (Note 37). The Group completed the acquisition of Tanagra Solar Energeiaki S.A. and S.Aether Energeiaki S.A., with a total cost of investment of €20 million, net of shareholders loans acquired of €5 million. The transaction was accounted for as an asset acquisition. The total surplus consideration of €15 million was allocated to the identifiable fixed assets at the acquisition date.

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

	EUR
Intangibles	14,799
Property, plant and equipment	8,333
Cash acquired	404
Other LT assets	1,579
Other assets and liabilities - net	(55)
Acquisition consideration	**25,060**

2. Additions mainly include:

   a. Capital expenditures in the Renewables segment that mainly relate to the completion of the construction of the photovoltaic park in Kozani of €14 million.

   b. Capital expenditures in the refining segment that mainly relate to the below amounts that are included in assets under construction and are reclassified into the relevant asset class when the projects are completed:

      - works of the full turnaround at Elefsina and Thessaloniki Refinery, long-term maintenance and upgrades of the refining units (€149 million).

      - growth, safety, legislation and environmental expenditures (€43 million).

3. 'Capitalised projects' relate to completed assets under construction which are reclassified to their relevant category. The main items during current year relate to refining segment of €217 million and RES segment of €132 million which relate to the completion of the construction of the photovoltaic park in Kozani.

4. During 2022 an amount of €5 million (31 December 2021: €3,7 million) in respect of interest has been capitalised within Assets Under Construction relating to the refining segment, at an average borrowing rate of 3.11% (31 December 2021: 3,23%).

5. Disposals include a sale of a building and land of carrying value €0.5 million. The relevant gain is included in "Gains on disposal of non-current assets" within “Other income / (expenses) and other gains / (losses) (Note 27).

6. ‘Transfers and other movements’ for the year ended on 31 December 2022 include the transfer of computer software development costs to intangible assets €15 million (Note 8), cost of licenses and rights for the Kozani's photovoltaic park to intangible assets €7 million (Note 8) and the transfer of spare parts for the refinery units from fixed assets to inventories, amounting to €22 million (Note 11).

7. 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. The Group will adjust the key assumptions used in the assessment for indications of impairment and the value-in-use calculations, if any, in case a change is required in respect with climate related matters. Management considers the existence of indicators for impairment and performs an assessment for significant CGUs (Notes 2.1, 4).

    a. Refining, Supply, Trading and Petrochemicals CGU: Management Assessed the financial performance of the CGU and the future outlook of market conditions, taking into consideration the environmental regulatory consequences and concluded that there are no indicators for impairment as at 31 December 2022.

    b. Plant and machinery include inter alia the carrying value (€48m) 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. Within 2022 the Company has obtained the meters specifications and has submitted to the relevant authorities the required documentation to obtain all the necessary licenses for the operation of the pipeline. Within Q1 2023 the hydrotesting and in-line inspection of the pipeline is expected to be completed. 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 2023. 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 2022: Post-tax WACC of 6,63%, Growth 0,5%, Year of expected commencement of operation October 2023 (31 December 2021: Post-tax WACC of 4,78%, Growth 2%, Year of expected commencement of operation October 2022).

       Based on this impairment test, the Group concluded that the carrying amount of the asset should be written down by a further €8,8 million during 2022 (included in "Impairment / write offs") to its recoverable amount. This amount is recorded in the consolidated statement of comprehensive income in "Other operating expenses and other losses". The accumulated impairment as of 31 December 2022 is €20,3 million.

       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.

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	+0,5%	(5.21)%
Growth	(0.5)%	(3.48)%
Year of operation	+6-month delay	(2.69)%
Sales volumes	(5.0)%	(7.35)%

If these changes exceed the values above, or occur in combination, then additional impairment would have to be recognised.

c. As at 31 December 2022, 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. 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. For details refer to Note 9.

8. Depreciation expense of Property, plant and equipment of €250 million (31 December 2021: €208 million), depreciation expense of right-of-use assets of €40 million (31 December 2021: €40 million) and amortisation expense of €15 million (31 December 2021: €8 million) are allocated in the following lines of the Consolidated Statement of Comprehensive Income:

- Cost of Sales €211 million (31 December 2021: €161 million),
- Selling and distribution expenses €87 million (31 December 2021: €82 million),
- Administration expenses €7 million (31 December 2021: €14 million)

Current and prior year depreciation within Land represent the depreciation of previously recognised restoration costs undertaken in a land plot in Larnaka, Cyprus, owned by EKO Cyprus Ltd in preparation of further development of the asset.

7. Right of Use Assets

Group	Petrol station properties	Commercial Properties	Plant & Machinery	Motor Vehicles	Other	Total
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	**259,702**	**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**
Cost						
As at 1 January 2022	**259,702**	**41,747**	**15,611**	**37,621**	**1,425**	**356,107**
Additions	10,286	7,514	12,788	9,108	46	39,742
Derecognition	(5,718)	(20,391)	—	(177)	—	(26,286)
Modification	13,620	530	(1)	1,860	—	16,009
Currency translation effects	(10)	—	—	(19)	(3)	(32)
Other	—	41	—	—	—	41
As at 31 December 2022	**277,880**	**29,441**	**28,398**	**48,392**	**1,468**	**385,580**
Accumulated Depreciation						
As at 1 January 2022	**85,389**	**14,972**	**6,708**	**20,574**	**88**	**127,732**
Charge for the period	25,213	3,920	2,300	8,261	87	39,781
Derecognition	(3,267)	(11,345)	—	(488)	—	(15,100)
Currency translation effects	4	—	—	(2)	—	2
Other	—	23	—	—	—	23
As at 31 December 2022	**107,338**	**7,571**	**9,008**	**28,345**	**176**	**152,439**
Net Book Value at 31 December 2022	**170,542**	**21,870**	**19,390**	**20,047**	**1,292**	**233,141**

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.

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 2022, this is estimated at €734 thousand (31 December 2021: € 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 34, 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. as there is no requirement to pay compensation.

Parent Company

Company	Commercial Properties	Plant & Machinery	Motor Vehicles	Total
Cost				
As at 1 January 2021	**23,381**	**13,772**	**11,340**	**48,493**
Additions	—	—	3,955	3,955
Modification	35	1	(307)	(271)
As at 31 December 2021	**23,416**	**13,773**	**14,988**	**52,177**
Accumulated Depreciation				
As at 1 January 2021	**7,999**	**2,921**	**5,416**	**16,336**
Charge for the period	3,247	1,997	4,050	9,294
As at 31 December 2021	**11,246**	**4,918**	**9,466**	**25,630**
Net Book Value at 31 December 2021	**12,170**	**8,855**	**5,522**	**26,547**

Cost				
As at 1 January 2022	**23,416**	**13,773**	**14,988**	**52,177**
Additions	10,900	—	465	11,365
Derecognition	(23,416)	(13,773)	(14,038)	(51,227)
As at 31 December 2022	**10,900**	**—**	**1,415**	**12,315**
Accumulated Depreciation				
As at 1 January 2022	**11,246**	**4,918**	**9,466**	**25,630**
Charge for the period	2,460	—	200	2,661
Derecognition	(12,647)	(4,918)	(9,228)	(26,793)
As at 31 December 2022	**1,059**	**—**	**438**	**1,497**
Net Book Value at 31 December 2022	**9,840**	**—**	**977**	**10,817**

Company's 'Derecognition' for the year ended on 31 December 2022 includes the transfer of Right of use Assets (€15.7 million) to HELLENIC PETROLEUM R.S.S.O.P.P. S.A. due to the demerger and the termination of a lease (€9.0 million) of the Group's headquarters building that was acquired during the period.

8. Intangible Assets

Group	Goodwill	Retail Service Stations Usage Rights	Computer software	Licences & Rights	Other	EU Allowances	Total
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
Purchase of EUAs	—	—	—	—	—	172,419	172,419
Surrender of EUAs	—	—	—	—	—	(119,667)	(119,667)
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**	**52,752**	**526,480**
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**	**52,752**	**228,659**
Cost							
As at 1 January 2022	**138,588**	**7,541**	**141,192**	**111,339**	**75,068**	**52,752**	**526,480**
Additions	—	1,800	6,202	58	58	—	8,118
Acquisition subsidiaries	—	—	—	52,354	—	—	52,354
Purchase of EUAs	—	—	—	—	—	316,128	316,128
Surrender of EUAs	—	—	—	—	—	(87,764)	(87,764)
Disposals	—	(900)	(220)	—	—	—	(1,120)
Currency translation effects	—	—	(10)	—	10	—	—
Other movements	—	—	16,250	566	—	—	16,816
As at 31 December 2022	**138,588**	**8,441**	**163,415**	**164,317**	**75,136**	**281,116**	**831,013**
Accumulated Amortisation							
As at 1 January 2022	**71,829**	**—**	**126,514**	**33,584**	**65,895**	**—**	**297,821**
Charge for the year	—	—	8,481	6,862	48	—	15,391
Disposals	—	—	(213)	—	—	—	(213)
Currency translation effects	—	—	286	(344)	—	—	(58)
As at 31 December 2022	**71,829**	**—**	**135,067**	**40,101**	**65,943**	**—**	**312,941**
Net Book Value at 31 December 2022	**66,759**	**8,441**	**28,348**	**124,215**	**9,193**	**281,116**	**518,073**

Reclassification: Balance of accrued expenses as at 31 December 2021 has been reclassified to exclude EU Allowances of €52.8 million, which is transferred from Trade and other Payables to intangible assets. More details on this change are included in Note 2.25.

1. The majority of the remaining balance of goodwill as at 31 December 2022 relates to the unamortised goodwill arising on the acquisition of EKO Cyprus Ltd (former 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 2022 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 6.25% 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 2022.

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 2022 if the free cash flow growth rate of EKO 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 6%. 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 8%. The sensitivity analysis resulted in recoverable values well in excess of the carrying value.

2. Acquisition of subsidiaries include:

   The acquisition of PV parks Tanagra Solar Energeiaki S.A. and S.Aether Energeiaki S.A., for which the Group recognised intangible assets of €14.8 million and which relate to the value of the power purchase agreement where the fixed tariff is defined (Notes 6 and 37).

   The acquisition of wind parks Makrilakkoma S.A. and Sagias S.A., for which the Group recognised intangible assets of €37.6 million and which relate to the value of the power purchase agreement where the fixed tariff is defined (Notes 6 and 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 represents 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' mainly include the carrying value of licenses as of 31 December 2022 related to renewable energy generation with their useful life ranging from 15 to 25 years.

5. 'Other movements' include completed IT software projects capitalised during 2022 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.

9. Investments in Subsidiaries, Associates and Joint Ventures

The amounts represent the Group's share of the net profit / (losses) from associated companies and joint ventures accounted for on an equity accounting basis, which are analysed as follows:

	As at	
	31 December 2022	31 December 2021
Beginning of the Year	**313,723**	**416,542**
Dividend income	(32,321)	(6,525)
Share of profit / (loss) of investments in associates & joint ventures	120,042	96,660
Share of other comprehensive income / (loss) of investments in associates	658	(3,930)
Participation in joint ventures	—	2,400
Share capital increase / (decrease)	—	150
Transfers from investments to Assets held for sale (Note 14)	—	(191,577)
Other movements	(1)	3
End of the year	**402,101**	**313,723**

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". Based on the improved results of Elpedison during the year ended on 31 December 2022 there is no indication of impairment.

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 2022**	**31 December 2021**
Statement of Financial Position		
Non-Current Assets	251,408	221,675
Cash and Cash Equivalents	10,029	10,864
Other Current Assets	628,314	428,557
Total Assets	**889,751**	**661,096**
Equity	**248,452**	**127,812**
Other Non-Current Liabilities	40,028	34,938
Short Term Borrowings	244,489	212,473
Other Current Liabilities	356,782	285,873
Total Liabilities	**641,299**	**533,284**
Total Liabilities and Equity	**889,751**	**661,096**
Investment in Elpedison BV as accounted in HELLENiQ ENERGY Group	**143,172**	**82,659**

		As at
	31 December 2022	**31 December 2021**
Statement of Comprehensive Income		
Revenue	2,966,421	1,495,553
EBITDA	**184,511**	**93,562**
Depreciation & Amortisation	(23,824)	(22,314)
EBIT	**160,687**	**71,248**
Interest Income	—	494
Interest Expense	(9,797)	(10,110)
Income / (loss) beforeTax	**150,890**	**61,632**
Income Tax	(27,954)	(9,066)
Income / (loss) after Tax	**122,936**	**52,566**
Share of gain / (loss) accounted in HELLENiQ ENERGY Group	**61,610**	**26,227**

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 plus 6 months optional extension. Elpedison's management is currently under procedures to refinance its loans. 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 2022 amounted to €245 million. (31 December 2021: €212,4 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 2022, the Group's share of the above was €107 million (31 December 2021: €106 million).

As at 31 December 2022, 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. Increased and continued volatility in electrical market was 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.

Associates

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

Following the signing of the sale and purchase agreement for the shares of DEPA Infrastructure with ITALGAS SpA on 10 December 2021, the investment has been classified in assets held for sale. 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, 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. As at 31 December 2022 the transaction has been completed and 100% of the shares were transferred (Note 14).

In January 2020, the HRADF launched an international public tender process for the sale of 65% in the share capital of DEPA Commercial S.A.. The privatisation procedure was suspended during the second quarter of 2021 and no further developments have been noted up to the year ended 31 December 2022. Consequently, the Group continues to account for DEPA Commercial as an associate.

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

DEPA Commercial Group	As at 31 December 2022	31 December 2021
Statement of Financial Position		
Non-Current Assets	188,615	149,923
Cash and Cash Equivalents	199,716	265,892
Other Current Assets	974,911	784,239
Total Assets	**1,363,242**	**1,200,054**
Equity	**638,909**	**557,175**
Non-Current Liabilities	36,035	35,136
Short Term Borrowings	6,000	4,000
Other Current Liabilities	682,298	603,744
Total Liabilities	**724,333**	**642,880**
Total Liabilities and Equity	**1,363,242**	**1,200,054**
Investment in DEPA Commercial Group as accounted in HELLENiQ ENERGY Group	**223,618**	**194,913**

	As at 31 December 2022	31 December 2021
Statement of Comprehensive Income		
Revenue	4,826,830	1,696,904
Operating profit / (loss)	**105,373**	**227,291**
Interest Income	13,693	9,928
Interest Expense	(10,362)	(2,052)
Profit / (loss) before Tax	**110,677**	**234,795**
Income Tax	(25,676)	(54,368)
Profit / (loss) from continuing operations	**85,000**	**180,426**
Share of profit/ (loss) accounted in HELLENiQ ENERGY Group	**58,666**	**63,089**
Share of other comprehensive loss accounted in HELLENiQ ENERGY Group	**1,754**	**(3,930)**

Within 2022, DEPA Commercial S.A. declared dividends amounting to € 90.6 million and the amount corresponding to HELLENiQ Energy Holdings is € 31.7 million. As at 31 December 2022 the dividends have not been received and are included in "Trade and Other Receivables" both in the Group's and the Company's balance sheet (Note 12). The cost of investment in DEPA Commercial as at 31 December 2022 is €85.7 million (31 December 2021: €85.7 million) and the carrying value for the Group is €223.6 million (31 December 2021: €194.9 million).

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 25 kMT (31 December 2021: 31 kMT), at a fee calculated in line with the legal framework. All Group's transactions with OTSM are included in Note 36.

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

	% interest held		As at 31 December 2022			
		Investment	Assets	Liabilities	Revenues	Profit after tax
Spata Aviation Fuel Company S.A.	33 %	999	5,886	1,667	7,964	2,215
Athens Airport Fuel Pipeline Company S.A.	50 %	3,912	10,846	3,022	3,706	921
DMEP Holdco	48 %	3,893	134,097	125,985	35,612	(3,279)

	% interest held		As at 31 December 2021			
		Investment	Assets	Liabilities	Revenues	Profit after tax
Spata Aviation Fuel Company S.A.	33 %	310	5,449	2,615	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

There are no contingent liabilities or commitments in relation to the group's interest in its associates, other than those disclosed in Note 34.

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 Italy S.p.A. - Greece, Patraikos Gulf
- Calfrac Well Services Ltd - Greece, Sea of Thrace concession
- Energean Hellas LTD - Greece, Block 2, West of Corfu Island.
- Exxon Mobil Exploration and Production Greece (Crete) B.V. - Greece, Block West Crete.
- Exxon Mobil Exploration and Production Greece (Crete) B.V. - Greece, Block South West Crete.

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.

Parent Company

The Company’s movement of investment in subsidiaries, associates and joint ventures is as follows:

Company		As at
	31 December 2022	31 December 2021
Beginning of the year	**933,596**	**1,064,566**
Recognition of investment in HELPE R.S.S.O.P.P.	702,304	—
Transfers due to demerger	(24,979)	—
Increase / (Decrease) in share capital of subsidiaries and JV	43,596	22,656
(Impairment) of investments / Reversal of impairment	—	(31,325)
Transfers from investments to "Assets held for sale"	—	(122,301)
End of the year	**1,654,517**	**933,596**

On 3rd January 2022 the new corporate structure was completed by way of a hive-down of its refining, supply and trading of oil products and petrochemicals sector and the establishment of a new subsidiary entity whose sole Shareholder is the Company (Note 1). As part of the hive-down, the Company transferred its investments in the subsidiaries Asprofos S.A., Diaxon S.A., HELPE Apollon Maritime Co, Global Albania S.A. and Athens Airport Fuel Pipeline Company S.A. to the new subsidiary and retained the remaining investments in subsidiaries and a new investment in HELPE R.S.S.O.P.P was recognised.

As at 31 December 2022 Hellenic Fuels S.A. ("HFL") management carried out an impairment test according to the requirements of IAS 36, based on the post-tax cash flows produced by the entity. The impact of the energy crisis and inflationary pressures combined with the volatility in market, in which the entity operates were considered to be indicators of impairment, as they could impact the future cash flows of its assets.

The valuation analysis considered HFL 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 7.05% (31 December 2021: 4.12%) and was estimated as the post-tax WACC of the entity. Based on this impairment test, the Company 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 characterised 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 (2023 - 2027), then the recoverable amount would have been lower by 10%. 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 13%. In both sensitivity analysis scenarios, representing reasonably possible changes in assumptions, the carrying amount of the Company's investment in HFL is recoverable.

The following table presents the split between continuing and discontinued operations for all the lines of the statement of comprehensive income of the Company:

			For the year ended 31 December 2021
	Continuing Operations	Discontinued Operations	Published
Revenue from contracts with customers	**3,729**	**8,421,806**	**8,425,535**
Cost of sales	(3,390)	(7,859,707)	(7,863,097)
Gross profit / (loss)	**339**	**562,099**	**562,438**
Selling and distribution expenses	—	(104,996)	(104,996)
Administrative expenses	(2,567)	(89,981)	(92,548)
Exploration and development expenses	—	(124)	(124)
Other operating income and other gains	3,680	22,043	25,723
Other operating expense and other losses	(3,261)	(46,865)	(50,126)
Operating profit /(loss)	**(1,809)**	**342,176**	**340,367**
Finance income	3,400	4,319	7,719
Finance expense	—	(92,775)	(92,775)
Finance expense - lease finance cost	(616)	(494)	(1,110)
Currency exchange gain / (loss)	—	16,007	16,007
Dividend income	14,525	8,284	22,809
Profit / (loss) before income tax	**15,500**	**277,517**	**293,017**
Income tax credit / (expense)	(3,410)	(59,926)	(63,336)
Profit / (loss) for the period	**12,090**	**217,591**	**229,681**
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	—	(12,940)	(12,940)
Share of other comprehensive income / (loss) of associates	—	(345)	(345)
Net other comprehensive income / (loss) that will not be reclassified to profit or loss (net of tax):	**—**	**(13,285)**	**(13,285)**
Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):			
Recycling of (gains) / losses on hedges through comprehensive income	—	25,472	25,472
Currency translation differences and other movements	—	(31,794)	(31,794)
Net other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):	**—**	**(6,322)**	**(6,322)**
Other comprehensive income / (loss) for the period, net of tax	**—**	**(19,607)**	**(19,607)**
Total comprehensive income / (loss) for the period	**12,090**	**197,984**	**210,074**

The following table presents the assets, liabilities and equity accounts transferred to "HELLENIC PETROLEUM R.S.S.O.P.P. S.A."

Opening Balances 3/1/2022	HELPE S.A. prior to demerger	Balances transferred to HELPE R.S.S.O.P.P. S.A.	Recognition of HELLENiQ ENERGY Holdings' S.A. participation in HELPE R.S.S.O.P.P. S.A.	HELLENiQ Energy Holdings S.A. Balances
Assets				
Non-current assets				
Property, plant and equipment	2,707,520	2,705,990	—	1,531
Right-of-use assets	26,547	15,705	—	10,841
Intangible assets	53,863	53,589	—	273
Investments in associates and joint ventures	933,594	24,979	702,304	1,610,919
Deferred income tax assets	—	—	—	10,996
Investment in equity instruments	—	—	—	—
Loans, advances and long term assets	143,172	41,126	—	102,046
	3,864,696	2,841,390	702,304	1,736,606
Current assets				
Inventories	1,345,606	1,345,606	—	—
Trade and other receivables	601,890	558,247	—	43,643
Income tax receivables	13,898	13,898	—	—
Assets held for sale	—	—	—	—
Derivative financial instruments	92,143	92,143	—	—
Cash and cash equivalents	843,493	713,493	—	130,000
	2,897,031	**2,723,388**	**—**	**173,643**
Assets held for sale	**122,338**	**—**	**—**	**122,338**
Total assets	**6,884,065**	**5,564,778**	**702,304**	**2,032,587**
Total equity	**1,994,635**	**702,304**	**—**	**1,994,634**
Liabilities				
Non-current liabilities				
Interest bearing loans & borrowings	1,149,696	1,149,696	—	—
Lease liabilities	16,532	8,245	—	8,288
Deferred income tax liabilities	60,807	71,803	—	—
Retirement benefit obligations	174,211	165,422	—	8,790
Provisions	22,248	22,248	—	—
Other non-current liabilities	11,956	6,737	—	5,219
	1,435,451	1,424,150	—	22,297
Trade and other payables	2,092,566	2,080,963	—	11,604
Derivative financial instruments	2,214	2,214	—	—
Income tax payable	416	416	—	—
Interest bearing loans & borrowings	1,349,300	1,349,300	—	—
Lease liabilities	8,216	5,431	—	2,785
Dividends payable	1,267	—	—	1,267
	3,453,979	3,438,324	—	15,657
Total liabilities	**4,889,430**	**4,862,474**	**—**	**37,953**
Total equity and liabilities	**6,884,065**	**5,564,778**	**—**	**2,032,587**

No material transactions took place in the period between the year end and the date of the hive down.

10. Advances and Long Term Assets

Group		As at
	31 December 2022	31 December 2021
Loans and advances	58,185	67,144
Other long term assets	6,411	6,766
Total	**64,596**	**73,910**

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 6,74% (31 December 2021: 4,47%) over their respective lives.

Parent Company

Company		As at
	31 December 2022	31 December 2021
Loans and advances	229,400	139,529
Other long term assets	843	3,643
Total	**230,243**	**143,172**

Loans and advances of the Company include long-term loans given to subsidiaries of the Group, amounting to € 229.4 million (December 2021: € 139.5 million).

11. Inventories

		As at
	31 December 2022	31 December 2021
Crude oil	733,879	546,968
Refined products and semi-finished products	963,161	714,991
Petrochemicals	35,777	35,221
Consumable materials and other spare parts	145,555	115,211
- Less: Provision for consumables and spare parts	(52,130)	(33,256)
Total	**1,826,242**	**1,379,135**

No pledged inventories exist as of 31 December 2022.

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. The responsibility is passed on to all companies, including the HELLENiQ ENERGY Group, which import and sell in the domestic market who have the obligation to maintain and finance the appropriate stock levels. Such stocks are part of the operating stocks and are valued on the same basis. The Group has delegated part of compulsory stock obligations to OTSM (see also Note 9).

The cost of inventories recognised as an expense and included in Cost of sales amounted to €11 billion (31 December 2021: €7.7 billion). As at 31 December 2022, the Group wrote down inventories to their net realisable value, recording a loss of €26 million (31 December 2021: loss of €1 million included in Cost of Sales in the statement of comprehensive income).

As of 31 December 2022, following an extensive exercise for the classification of spare parts as fixed assets based on both quantitative and qualitative criteria, the Group has reassessed which of the spare parts can be categorized as critical for the refinery units and the respective provision for obsolescence. As a result, an amount of €22 million (net of cumulative provision) has been transferred from property, plant and equipment to inventories ((31 December 2021: €3,8 million transfer from inventories to fixed assets – see Note 6). The amount of additional provision for consumables and spare parts for the year ended 31 December 2022 is €8 million, with the remaining increase relating to the aformentioned reclassification.

12. Trade and Other Receivables

	As at	
Group	**31 December 2022**	**31 December 2021**
Trade receivables	660,810	654,369
- Less: Provision for impairment of receivables	(284,662)	(262,947)
Trade receivables net	**376,148**	**391,422**
Other receivables	473,224	312,457
- Less: Provision for impairment of receivables	(46,201)	(37,735)
Other receivables net	**427,023**	**274,722**
Accrued Income and other prepaid expenses	62,938	28,462
Total	**866,109**	**694,606**

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.

Other receivables include balances in respect of advances to suppliers, advances to personnel, VAT, withholding taxes and taxes paid (other than income taxes which are shown separately on the statement of financial position), as a result of tax audit assessments from the tax authorities during previous years. Balance as at 31 December 2022 mainly includes VAT €93 million (31 December 2021: €48 million), dividends receivable €32 million (31 December 2021: €0) and restricted cash mainly related to margin call accounts of €26 million (31 December 2021: €9.3 million). Additionally, other receivables include an amount of €54 million of VAT approved refunds (31 December 2021: €54 million), 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).

The table below analyses total trade receivables:

	As at	
	31 December 2022	**31 December 2021**
Not past due	285,636	286,719
Past due	375,174	367,650
Total trade receivables	**660,810**	**654,369**

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

	As at	
	31 December 2022	**31 December 2021**
Up to 30 days	84,941	74,327
30 - 90 days	5,543	8,387
Over 90 days	284,690	284,936
Total	**375,174**	**367,650**

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 %	4.17 %	99.87 %	43.08 %
Total gross carrying amount	370,577	5,543	284,690	660,810
Expected credit loss	100	231	284,331	284,662

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

		As at
	31 December 2022	31 December 2021
Balance at 1 January	**262,947**	**261,580**
- Exchange differences	204	24
- Additional provisions	23,773	11,312
- Unused amounts reversed	(1,706)	(9,584)
Receivables written off during the year as uncollectible	(45)	(385)
Other movements	(511)	—
Balance at 31 December	**284,662**	**262,947**

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

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

		As at
	31 December 2022	31 December 2021
Balance at 1 January	**37,735**	**45,416**
- Additional provisions	8,676	766
- Unused amounts reversed	(46)	(1,211)
- Receivables written off during the year as uncollectible	(243)	(7,263)
Other movements	79	27
Balance at 31 December	**46,201**	**37,735**

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

Parent Company

Variance in Trade and other receivables of the Company from 3 January 2022 (day of demerger, Note 9) to 31 December 2022 mainly relates to dividends receivable from associates of €32 million. (Note 9).

13. Cash and Cash Equivalents

		As at
	31 December 2022	31 December 2021
Cash at bank and on hand in USD (Euro equivalent)	149,255	317,493
Cash at bank and on hand in Euro	750,921	735,125
Cash and Cash Equivalents	**900,176**	**1,052,618**

The balance of US Dollars included in Cash at bank as at 31 December 2022 was $159 million (euro equivalent €149 million). The respective amount for the period ended 31 December 2021 was $360 million (euro equivalent €317 million).

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

		As at
	31 December 2022	31 December 2021
Euro	1.05 %	0.01 %
USD	0.01 %	0.01 %

14. Assets Held for Sale

On 10 December 2021, HELLENiQ ENERGY Group 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 the Group's participation corresponding to €256 million. Accordingly, as from 31 December 2021, DEPA Infrastructure investment was classified as an asset held for sale at its carrying value, which is lower than the fair value, being the consideration of the buyer mentioned above, less cost to sell. The carrying value before the sale of the asset in September 2022 for the Group was €192 million and for the Company €122 million. The business of DEPA Infrastructure was included in the RES, 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.

On 1 September 2022 the transfer of 100% of the shares of DEPA Infrastructure to Italgas SpA Group was completed. Consequently, the asset held for sale was derecognised (zero on 31 December 2022). The relevant net proceeds after costs to sale amounted to €266 million, being the aforementioned principal plus interest. and resulted to €74 million profit for the Group and €143 million for the Company. The transaction meets the criteria as provided by the Greek Corporate Income Tax Code and is considered to be tax exempt. This profit was recorded in other operating income and other gains.

15. Share Capital

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January & 31 December 2021	305,635,185	666,285	353,796	1,020,081
As at 31 December 2022	**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 2021: €2.18).

16. Reserves

		Statutory reserve	Special reserves	Hedging reserve	Tax free & Incentive Law Reserves	Other reserves	Total
As at 1 January 2021		**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**
Changes in the fair value of equity instruments		—	—	—	—	17	17
Recycling of gains / (losses) on hedges through comprehensive income	**24**	—	—	(4,941)	—	—	(4,941)
Transfers to statutory and tax reserves		19,545	—	—	—	—	19,545
Actuarial gains / (losses) on defined benefit pension plans		—	—	—	—	29,676	29,676
Fair value gains / (losses) on cash flow hedges	**24**	—	—	5,733	—	—	5,733
Currency translation differences and other movements	**13**	—	—	—	—	(314)	(314)
Share of other comprehensive profit / (loss) of associates		—	—	—	—	658	658
Other movements		—	—	—	—	(1,765)	(1,765)
Balance at 31 December 2022		**180,201**	**86,495**	**(320)**	**71,335**	**(39,999)**	**297,713**

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 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 within cost of sales. As at 31 December 2022 the fair value result in hedging reserve relates to transactions described in Note 3 for commodity price risk management.

Other reserves

Other reserves are almost entirely comprised of actuarial losses.

Other reserves include:

(i) 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, applicable for both the Group and the Company.

(ii) Changes in the fair value of investments that are classified as investments in equity instruments, applicable for the Group.

(iii) 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, applicable for the Company

Parent Company

Company	Statutory reserve	Special reserves	Hedging reserve	Tax-free & Incentive Law reserves	Other Reserves	Total
Balance at 1 January 2021	**160,656**	**86,495**	**5,709**	**71,255**	**(44,539)**	**279,576**
Other comprehensive income / (loss)	—	—	(6,322)	—	(12,612)	(18,934)
As at 31 December 2021	**160,656**	**86,495**	**(613)**	**71,255**	**(57,151)**	**260,642**
Balance at 1 January 2022	**160,656**	**86,495**	**(613)**	**71,255**	**(57,151)**	**260,642**
Transfers to statutory and tax reserves	19,545	—	—	—	—	19,545
Actuarial gains / (losses) on defined benefit pension plans	—	—	—	—	917	917
Transfer due to demerger to HELPE RSSOPP S.A.	—	(80,525)	613	(71,255)	—	(151,167)
Demerger reserve	—	151,167	—	—	—	151,167
As at 31 December 2022	**180,201**	**157,137**	**—**	**—**	**(56,234)**	**281,104**

Reserves' categories Hedging, part of the Special reserves and Tax-free & Incentive Law reserves that relate to the Company (former HELLENIC PETROLEUM S.A.) were transferred on the demerger to the new established company (HELPE R.S.S.O.P.P. S.A.) as they relate to the respective sector (Refining and Petchems) (Notes 1 and 9). Subsequently, an additional reserve of equal value was created in the special reserves category for the parent company.

17. Trade and other Payables

		As at
	31 December 2022	31 December 2021
Trade payables	1,282,070	1,667,358
Accrued expenses	456,546	365,503
Other payables	97,341	113,698
Total	**1,835,957**	**2,146,559**

Reclassification: Balance of accrued expenses as at 31 December 2021 has been reclassified to exclude EU Allowances of €52.8 million, which is transferred to intangible assets. More details on this change are included in Note 2.25.

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

Trade payables, as at 31 December 2022 and 31 December 2021, include amounts in respect of crude oil imports from Iran, which were received between December 2011 and March 2012 as part of a long term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes through the international banking system between January and June 2012, it was not possible to do so. In the period from 16 January 2016 up to 8 May 2018, when sanctions were suspended, the 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 2022, include an amount of €303 million (31 December 2021: €280 million) relating to the estimated cost of the CO_2 emission rights, necessary to meet the Group's deficit as of 31 December 2022.

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 2022	31 December 2021
Non-current interest bearing loans and borrowings		
Committed Revolving Credit facilities	753,820	894,598
Eurobonds	595,923	593,725
Committed term loans (Project Finance)	83,287	28,208
Total non-current interest bearing loans and borrowings	**1,433,029**	**1,516,531**
Current interest bearing loans and borrowings		
Committed Revolving Credit Facilities	867,922	882,256
Revolving credit facilities	534,009	589,298
Committed term loans (Project Finance)	7,393	2,939
Total current interest bearing loans and borrowings	**1,409,324**	**1,474,493**
Total interest bearing loans and borrowings	**2,842,353**	**2,991,024**

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

		As at
	31 December 2022	31 December 2021
Between 1 and 2 years	726,306	797,533
Between 2 and 5 years	660,496	703,251
Over 5 years	46,227	15,747
Total	**1,433,029**	**1,516,531**

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

The weighted average effective margins are as follows:

			As at
Borrowings	**Currency**	**31 December 2022**	**31 December 2021**
Short-term			
- Floating Euribor + margin	Euro	2.45 %	2.47 %
- Floating Libor + margin	US Dollar	2.40 %	2.40 %
- Floating Belibor + margin	Serbian Dinar	— %	1.45 %
- Floating Reference Rate + margin	Bulgarian Lev	1.10 %	1.21 %
Long-term			
- Floating Euribor + margin	Euro	2.09 %	2.64 %
- 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 2022	31 December 2021
Euro	2,810,535	2,956,532
US Dollar	6,344	9,792
Serbian Dinar	—	4,763
Bulgarian Lev	25,474	19,937
Total interest bearing loans and borrowings	**2,842,353**	**2,991,024**

The carrying amount of the borrowings which are denominated in USD relates to recourse factoring. 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 HELLENiQ ENERGY Holdings S.A.to act as the central treasury vehicle of the HELLENiQ ENERGY Group.

Borrowings of the Group by maturity as at 31 December 2022 and 31 December 2021 are summarised in the table below (amounts in € million):

			Balance as at	
	Company	Maturity	31 December 2022	31 December 2021
1. €100 million RCF 2023	HELPE R.S.S.O.P.P. S.A.	Mar. 2023	100	100
2. €400 million Syndicated RCF Jun 2023	HELPE R.S.S.O.P.P. S.A.	Jun. 2023	339	397
3. €150 million RCF 2023	HELPE R.S.S.O.P.P. S.A.	Oct. 2023	150	—
4. €400 million RCF Dec 2023	HELPE R.S.S.O.P.P. S.A.	Dec. 2023	279	398
5. €100 million RCF 2024	HELPE R.S.S.O.P.P. S.A.	Oct. 2024	100	100
6. Eurobond €599m	HPF Plc	Oct. 2024	596	594
7. €30 million RCF 2024	EKO Bulgaria	Dec. 2024	11	11
8. €400 million RCF May 2025	HELPE R.S.S.O.P.P. S.A.	May 2025	348	399
9. €400 million Syndicated RCF Dec 2025	HELPE R.S.S.O.P.P. S.A.	Dec. 2025	292	384
10. PF Evia 2	HELPE RENEWABLE WIND FARMS OF EVIA S.A.	Dec. 2030	17	19
11. PF Evia1	HELPE RENEWABLE WIND FARMS OF EVIA S.A.	Dec. 2032	10	12
12. PF Mani 1	SAGIAS WIND PARK S.A.	Jul. 2037	29	—
13. PF Mani 2	MAKRYLAKKOMA WIND PARK S.A.	Jul. 2037	34	—
14. €30 million (Syndicated) RRF Dec 2037	HELPE Digital S.A.	Dec. 2037	3	—
15. Bilateral lines	Various	Various	534	578
Total			**2,843**	**2,991**

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 2022 (none as at 31 December 2021).

All loans that were refinanced within 2022 were done so upon maturity and thus had no impact in the profit or loss of the Group.

Significant movements in borrowings for the year ended 31 December 2022 are as follows:

Revolving Credit Facility €100 million maturing in March 2023

In December 2022 Hellenic Petroleum R.S.S.O.P.P. S.A. extended the €100 million revolving credit facility for three months. The outstanding balance as at 31 December 2022 was €100 million. Hellenic Petroleum R.S.S.O.P.P. S.A. refinanced the facility in February 2023.

Revolving Credit Facility €150 million maturing in October 2023

In October 2021 Hellenic Petroleum R.S.S.O.P.P. S.A. issued a new €150 million revolving credit facility with a tenor of 2 years. The outstanding balance as at 31 December 2022 was €150 million (31 December 2021: €0). Hellenic Petroleum R.S.S.O.P.P. S.A. refinanced the facility in February 2023.

Revolving Credit Facility €100 million maturing in October 2024

In October 2021 Hellenic Petroleum R.S.S.O.P.P. S.A. issued a new €100 million revolving credit facility with a tenor of 3 years. The outstanding balance as at 31 December 2022 was €100 million. Hellenic Petroleum R.S.S.O.P.P. S.A. refinanced the facility in February 2023.

Revolving Credit Facility €30 million maturing in December 2024

In December 2022, EKO Bulgaria extended the €30 million revolving credit facility for 2 years. The outstanding balance as at 31 December 2022 was €11 million.

Revolving Credit Facility €400 million maturing in May 2025

In November 2022, Hellenic Petroleum R.S.S.O.P.P. S.A. refinanced a €400 million revolving credit facility with a new facility of the same principal amount maturing in 2.5 years and 1 year extension option. The outstanding amount of the facility as at 31 December 2022 was €350 million.

Syndicated Revolving Credit Facility €400 million maturing in December 2025

In December 2022, Hellenic Petroleum R.S.S.O.P.P. S.A. refinanced a €400 million revolving syndicated credit facility with a new facility of the same principal amount maturing in 3 years and 1 year extension option. The outstanding amount of the facility as at 31 December 2022 was €295 million.

Syndicated RRF maturing in December 2037

In August 2022 HELPE Digital S.A., 100% subsidiary of HELLENiQ ENERGY Holdings S.A. signed a new €30 million facility, with the participation of the Resilience and Recovery Fund (RRF). The outstanding balance as at 31 December 2022 was €3 million.

Bilateral facilities

In June 2022, Hellenic Petroleum Real Estate Properties S.A., 100% subsidiary of HELLENiQ ENERGY Holdings S.A. signed a new €50 million short-term bilateral facility. The outstanding balance as at 31 December 2022 was €50 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 Hellenic Petroleum R.S.S.O.P.P. S.A..

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

	1 January 2022	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 2022
	€000	€000	€000	€000	€000	€000	€000	€000
Current interest-bearing loans and borrowings	**1,474,494**	380,553	—	(454,273)	—	—	8,550	**1,409,324**
Non-current interest-bearing loans and borrowings	**1,516,530**	658,142	63,941	(800,324)	(5,000)	—	(261)	**1,433,029**
Total	**2,991,025**	**1,038,695**	**63,941**	**(1,254,597)**	**(5,000)**	**—**	**8,289**	**2,842,353**

	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	**744,562**	334,059	—	(474,051)	(4,625)	—	874,548	**1,474,493**
Non-current interest-bearing loans and borrowings	**2,131,370**	220,000	32,561	—	(750)	—	(866,650)	**1,516,531**
Total	**2,875,932**	**554,059**	**32,561**	**(474,051)**	**(5,375)**	**—**	**7,898**	**2,991,024**

Certain loan facilities amounting to €91 million as of 31 December 2022 (31 December 2021: €31 million) and associated with the four subsidiaries acquired by the Group during 2022 (Aioliko Parko Makrilakkoma S.A. and Aioliko Parko Sagias S.A.) and during 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. It is noted that these facilities are non-recourse project finance facilities.

19. Lease Liabilities

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

Group	Note	31 December 2022	31 December 2021
As at 1 January		**201,796**	**201,136**
Additions		38,994	19,935
Derecognition		(11,471)	(3,248)
Modification		15,315	16,338
Interest Cost	28	9,259	10,090
Repayment (capital and interest)		(45,781)	(42,166)
Foreign exchange difference		(13)	1
Other		18	(291)
As at 31 December		**208,117**	**201,795**
Current		**30,372**	**29,499**
Non-current		**177,745**	**172,296**

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

	Note	2022	2021
Depreciation expense for right-of-use assets	7	39,781	40,472
Interest expense on lease liabilities	28	9,259	10,090
Expense relating to short-term leases		1,599	1,094
Expense relating to leases of low-value assets		92	33
Variable lease payments		950	508
Total amount recognised in statement of comprehensive income		**51,681**	**52,197**

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

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
As at 31 December				
Lease liabilities	35,206	100,867	172,780	308,853

Parent Company

Parent	31 December 2022	31 December 2021
As at 1 January	**24,748**	**30,563**
Additions	11,324	3,955
Derecognition	(23,003)	—
Modification	—	(272)
Interest Cost	461	1,110
Repayment (capital and interest)	(2,663)	(10,381)
Other	1	(227)
As at 31 December	**10,868**	**24,748**
Current	**1,257**	**8,216**
Non-current	**9,611**	**16,532**

	Note	31 December 2022	31 December 2021
Depreciation expense for right-of-use assets	7	2,661	9,294
Interest expense on lease liabilities		461	1,110
Expense relating to short-term leases		—	59
Total amount recognised in statement of comprehensive income		**3,122**	**10,463**

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 2022	31 December 2021
Deferred income tax assets	91,204	75,702
Deferred income tax liabilities	(202,523)	(89,478)
	(111,319)	**(13,776)**

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

		As at
	31 December 2022	31 December 2021
As at 1 January	**(13,776)**	**39,589**
Income statement charge	(89,536)	(60,141)
Charged / (released) to equity	(7,500)	4,548
Restatement of equity (IAS 19)	—	903
Other movements	(507)	1,325
As at 31 December	**(111,319)**	**(13,776)**

Deferred tax related to the following types of temporary differences:

	As at	
	31 December 2022	31 December 2021
Intangible and tangible fixed assets	(234,199)	(231,702)
Inventory valuation	12,764	11,031
Unrealised exchange gains	(3,649)	(5,120)
Employee benefits provision	35,485	43,417
Provision for bad debts	34,533	33,002
Derivative financial instruments at fair value	(738)	(20,099)
Interest cost carried forward (thin capitalisation)	6,208	39,103
Tax losses carried forward	10,154	48,726
Environmental provisions	4,687	46,846
Impairment of investments	11,603	15,762
Unearned profit in stock	(912)	496
Other temporary differences relating to provisions and accruals	10,967	3,978
Leases (IFRS 16)	1,778	783
End of year	**(111,319)**	**(13,776)**

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 2022, the Group's deferred tax assets on tax losses carried forward amounted to €10 million (31 December 2021: €49 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 €6 million as at 31 December 2022 (31 December 2021: €39 million), which can be offset against future taxable profits without any time constraints.

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 2022	31 December 2021
Statement of Financial Position obligations for:		
Pension benefits	175,500	210,736
Liability in the Statement of Financial Position	**175,500**	**210,736**

		For the year ended
	31 December 2022	31 December 2021
Statement of Comprehensive Income charge for:		
Pension benefits	24,718	21,212
Total as per Statement of Comprehensive Income	**24,718**	**21,212**
Statement of Other Comprehensive Income charge for:		
Pension benefits	(36,994)	17,876
Tax	7,285	(2,622)
Total as per Statement of Other Comprehensive Income	**(29,709)**	**15,254**

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

		As at
	31 December 2022	31 December 2021
Present value of funded obligations	38,674	33,014
Fair value of plan assets	(14,779)	(11,975)
Deficit of funded plans	**23,895**	**21,039**
Present value of unfunded obligations	151,605	189,698
Liability in the Statement of Financial Position	**175,500**	**210,736**

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.

The movement in the defined benefit obligation is as follows:

	Present Value of Obligation	Fair Value of Plan Assets	Total
As at 1 January 2021	**210,738**	**(11,979)**	**198,759**
Current service cost	10,189	—	10,189
Interest expense/(income)	1,561	(55)	1,506
Past service costs and (gains)/losses on settlements	9,517	—	9,517
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 2021	**222,712**	**(11,975)**	**210,736**
As at 1 January 2022	**222,712**	**(11,975)**	**210,736**
Current service cost	11,053	—	11,053
Interest expense/(income)	2,672	(104)	2,568
(Gains)/losses on settlements	4,395	—	4,395
Past service costs	6,701	—	6,701
Statement of comprehensive income charge (P&L)	**24,822**	**(104)**	**24,718**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest (income)/ expense	—	904	904
- Loss/ (Gain) from change in financial assumptions	(43,000)	—	(43,000)
- Experience (gains)/losses	5,102	—	5,102
Statement of comprehensive income charge (OCI)	**(37,898)**	**904**	**(36,994)**
Benefits paid directly by the group/Contributions paid by the group	(16,991)	(6,212)	(23,203)
Benefit payments from the plan	(2,608)	2,608	—
Settlement payments from the plan	243	—	243
As at 31 December 2022	**190,280**	**(14,779)**	**175,500**

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

Balance at 31 December 2022	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Pension Benefits	19,214	26,440	40,051	163,786	**249,491**

Plan assets are comprised as follows:

				2022				2021
	Quoted	**Unquoted**	**Total**	**%**	**Quoted**	**Unquoted**	**Total**	**%**
Equity Instruments	1,640	129	1,769	12 %	3,420	—	3,420	18 %
Debt Instruments								
- Government bonds	1,435	1,330	2,765	19 %	1,214	—	1,214	11 %
- Corporate bonds	3,865	1,744	5,609	38 %	3,999	—	3,999	34 %
Investment funds	1,421	301	1,722	12 %	1,437	—	1,437	17 %
Real Estate / Property	1,351	—	1,351	9 %	1,351	—	1,351	12 %
Cash and cash equivalents	1,456	107	1,563	11 %	54	500	554	9 %
Total	**11,168**	**3,611**	**14,779**	**100 %**	**11,475**	**500**	**11,975**	**100 %**

The principal actuarial assumptions used were as follows:

		As at
	31 December 2022	31 December 2021
Discount Rate	3.78 %	0.84 %
Future Salary Increases	2,50% - 2,60%	2,05% - 2,50%
Inflation	2.60 %	2.05 %
Average future working life in years	8.77	9.92

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	0.50 %	(3.81)%	4.10 %
Future Salary Increases	0.50 %	3.98 %	Not applicable

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.

Expected contributions to defined benefit plans for the following year amount to €0,7 million. The weighted average duration of the defined benefit obligation is 9 years.

22. Provisions

The movement for provisions for 2022 and 2021 is as follows:

	Provisions for other liabilities and charges
At 1 January 2021	**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**
At 1 January 2022	**26,959**
Charged / (credited) to the statement of comprehensive income:	
- Additional provisions	10,056
- Unused amounts reversed	(273)
- Utilized during year	(651)
- Unwinding of discount	15
Other movements / reclassifications	11
At 31 December 2022	**36,117**

Long-term provisions as at 31 December 2022 mainly comprise of provision for environmental restoration costs of €24 million (31 December 2021: €16 million) and litigation provision of €14 million (31 December 2021: €11 million). Additional provisions for current year mainly relate to €9 million environmental related provisions of which €3.1 million are included in "Other operating expenses and other losses".

23. Other Non-Current Liabilities

		As at
	31 December 2022	31 December 2021
Government grants	8,156	8,831
Other payables	14,506	18,970
Total	**22,662**	**27,801**

Government grants

Advances by the Government to the Group's entities relate to grants for the purchase of property plant and equipment. Amortisation for 2022 amounted to €0.7 million (31 December 2021: €0.6 million).

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. The 2021 figure included €5 million relating to the contingent consideration from the acquisition of Elpet Balkaniki. Following the Arbitration's decision in favor of Elpet Balkaniki (for more details refer to Note 34), this amount has been classified as a current liability, included in the Note 17 "Trade and other payables".

24. Derivative Financial Instruments

Commodity derivative type	31 December 2022 Notional Amount		Assets	Liabilities	31 December 2021 Notional Amount		Assets	Liabilities
	MT'000	Bbls'000	€	€	MT'000	Bbls'000	€	€
Commodity Swaps - EUAs	5,000	—	5,114	—	2,400	—	92,143	—
Commodity Swaps - Crude and other oil products	—	2,178	—	1,761	34	1,680	—	1,428
Total	**5,000**	**2,178**	**5,114**	**1,761**	**2,434**	**1,680**	**92,143**	**1,428**

Commodity derivative type	31 December 2022 Notional Amount		Assets	Liabilities	31 December 2021 Notional Amount		Assets	Liabilities
	MT'000	Bbls'000	€	€	MT'000	Bbls'000	€	€
Commodity Swaps - Crude and other oil products	—	—	—	—	—	230	—	786
Interest rate swaps	—	—	958	—	—	—	—	860
Total	**—**	**—**	**958**	**—**	**—**	**230**	**—**	**1,646**
Grand Total	**5,000**	**2,178**	**6,072**	**1,761**	**2,434**	**1,910**	**92,143**	**3,074**

	31 December 2022 Assets	Liabilities	31 December 2021 Assets	Liabilities
Non-current portion				
Commodity swaps	958	—	—	860
	958	**—**	**—**	**860**
Current portion				
Commodity swaps	5,114	1,761	92,143	2,214
	5,114	**1,761**	**92,143**	**2,214**
Total	**6,072**	**1,761**	**92,143**	**3,074**

As of 31 December 2022, derivative financial instruments include an asset amounting to €1,0 million associated with a loan owed by the Group's subsidiary Aioliki Energeiaki Achladotopos S.A., 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 2022 amounts transferred to the statement of comprehensive income, relating to contracts that were settled during the year, amounted to a gain of €4,9 million, net of tax (31 December 2021: €31,8 million gain, net of tax).

The remaining cash flow hedges are highly effective and the movement in their fair value, amounting to a gain of €5.7 million net of tax as at 31 December 2022, (31 December 2021: €25 million gain, net of tax), is included in the hedging reserve (see Note 16).

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

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

25. Expenses by Nature

	For the year ended	
	31 December 2022	31 December 2021
Raw materials and consumables used	11,750,018	7,741,829
Employee costs	318,817	298,664
Depreciation	289,484	248,833
Amortisation	15,391	8,116
Transportation and warehouse costs	169,478	117,214
Production overheads	257,486	226,476
SWAPS gains / (losses)	36,759	(37,312)
Stock devaluations	25,767	574
Other expenses	284,172	220,309
Total cost of sales, distribution cost and administrative expenses	**13,145,796**	**8,824,703**

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 2022, amount to €414 thousand.

Employee costs

Employee costs are set out in the table below:

	For the year ended	
	31 December 2022	31 December 2021
Wages and salaries	214,479	202,996
Social security costs	46,639	45,008
Pension costs	16,532	12,959
Other employment benefits	41,166	37,701
Total	**318,816**	**298,664**

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

26. Exploration and Development Expenses

Geological and geophysical costs are expensed as incurred (31 December 2022: €27 million and 31 December 2021: €3.6 million) and relate mainly to exploration operations including environmental and geological studies in the Block 2, Ionio, Block 10, SW Crete and West Crete.

In the Ionian Block and Block 10, the 2D seismic acquisition has been successfully completed and a tender for a 3D seismic acquisition has been conducted. In West Crete and Southwest Crete blocks the 2d seismic acquisition are in progress.

Exploration license costs relating to 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)

Group	Note	For the year ended	
		31 December 2022	31 December 2021
Other operating income and other gains			
Income from Grants		128	830
Services to 3rd parties		2,733	3,297
Rental income		8,911	7,117
Insurance compensation		37	158
Gains on disposal of non-current assets		11,386	3,150
Gains from discounting of long-term receivables and liabilities		1,194	3,627
Profit from disposal of asset held for sale		74,000	—
Other		36,004	18,186
Total		**134,393**	**36,365**
Other operating expenses and other losses			
COVID-19 related expenses		5,658	14,274
Loss on disposal of non-current assets		318	797
Impairment of fixed assets	6	9,182	1,834
Loss from discounting of long-term receivables and liabilities		1,765	1,307
Voluntary retirement scheme cost		4,529	—
Provision for environmental restoration		3,149	—
Other		32,896	11,759
Total		**57,497**	**29,971**

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

Other category in other operating income and other gains includes various items of a non-trading nature, the most significant of which relate to income from arbitration decision of €21.4 million relating to Elpet Balkaniki S.A. (Note 34) as well as income from state reserve maintained of North Macedonia €3.3 million.

Other category in other operating expenses and other losses includes €15 million for a litigation provision of HFL S.A. and HELPE R.S.S.O.P.P. S.A. which relates to receivable accounts (Note 34) and €1.6 million a litigation provision of OKTA.

COVID-19 related expenses of €5.7 million (31 December 2021: €14.2 million) comprise of €0.7 million (31 December 2021: €6.1 million) payroll costs mainly related to required modifications in the working shifts in the refineries and €4.7 million for protective measures in Group's premises (31 December 2021: €6.7 million). In Addition, an amount of €0.3 million relates to other expenses related to COVID-19 during the period ended (31 December 2021: €1.5 million).

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

Parent Company

Company	For the year ended	
	2022	2021
Other operating income and other gains		
Services to 3rd Parties	447	1,759
Recharges to Subsidiaries	25,008	—
Rental income	1,057	1,921
Profit from disposal of asset held for sale	143,276	—
Other	10,343	—
Total from continuing operations	**180,131**	**3,680**
Other operating income and other gains from discontinued operations	—	22,043
Total	**180,131**	**25,723**
Other operating expenses and other losses		
COVID-19 related expenses	(351)	—
Centralised Group expenses	(21,022)	—
Other	—	(3,261)
Total from continuing operations	**(21,373)**	**(3,261)**
Other operating expenses and other losses from discontinued operations	—	(46,865)
Total	**(21,373)**	**(50,126)**

Recharges to subsidiaries relate to centralized Group expenses and other administrative expenses, such as legal, finance and procurement expenses, that the Company incurs which are subsequently invoiced at cost.

Other category of other operating income and other gains mainly includes the profit amount of €10 million on sale of property.

28. Finance Income / (Expense)

	For the year ended	
	31 December 2022	31 December 2021
Interest income	3,315	5,466
Interest expense	(88,157)	(75,961)
Other finance costs	(20,078)	(25,538)
Lease finance cost	(9,259)	(10,090)
Finance costs -net	**(114,179)**	**(106,123)**

Finance costs amounting to €5 million (31 December 2021: €3,7 million) have been capitalised (Note 6).

29. Currency Exchange Gains / (Losses)

Group consolidated foreign currency exchange gains of €2.5 million reported for the year ended 31 December 2022, mainly relate to unrealized losses arising from the valuation of bank accounts denominated in foreign currency (mostly USD). The corresponding amount for the year ended 31 December 2021 was a gain of €16.2 million.

30. Income Tax

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

Group	For the year ended	
	31 December 2022	31 December 2021
Current tax	(438,817)	(8,193)
Prior year tax	2,349	2,418
Deferred tax (Note 20)	(89,536)	(60,141)
Income Tax (expense) / credit	**(526,004)**	**(65,916)**

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

					For the year ended	
			31 December 2022			31 December 2021
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Share of other comprehensive income of associates	658	—	658	(3,930)	—	(3,930)
Investment in equity	6	8	14	(193)	(156)	(349)
Cash flow hedges	1,015	(223)	792	(8,903)	2,082	(6,821)
Currency translation differences	(278)	—	(278)	97	—	97
Actuarial gains/ (losses) on defined benefit pension plans	36,994	(7,285)	29,709	(17,876)	2,622	(15,254)
Other comprehensive income	**38,395**	**(7,500)**	**30,895**	**(30,805)**	**4,548**	**(26,257)**

The corporate income tax rate of legal entities in Greece for the period ended 31 December 2022 is 22% (31 December 2021: 22%). 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 €90 million included within income taxes mainly relates to the utilization of tax losses that arose during previous years and carried forward, as well as utilisation of deferred tax asset relating to thin capitalization. As at 31 December 2022 the deferred tax asset on tax losses carried forward was €10 million (31 December 2021: €48.7 million).

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, which as at 31 December 2022 was €6 million (31 December 2021: €39.1 million).

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

a. Assurance 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 with regards to 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 2021 inclusive. The management expects that the same will also apply for the year ended 31 December 2022.

b. Audits by Tax Authorities

The parent company and its most significant subsidiaries are audited by the tax authorities for the following financial years:

Company name	
HELLENIQ ENERGY HOLDINGS S.A. (former Hellenic Petroleum S.A.)	Financial years up to (and including) 2011 and financial year 2014
EKO S.A.	Financial years up to (and including) 2010
HELLENIC FUELS & Lubricants SA (former HELLENIC FUELS S.A.)	Financial years up to (and including) 2011

According to the general provisions, financial years up to (and including) 2016 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 and Company financial statements as of 31 December 2022.

As of 31 December 2022, the income tax receivables include an amount of €14.0 million advanced by the Group, relating to uncertain tax positions (as explained in Note 34) relating to income taxes and related interest and penalties (31 December 2021: €14.0 million). The timing of the finalization of these disputes cannot be estimated and the Group has classified these amounts as current assets.

c. Temporary Solidarity Contribution

On October 6th, the Council Regulation (EU) 2022/1854 was issued regarding an emergency intervention to address high energy prices.

In Greece the relevant Law 5007/2022 was issued in December 2022, providing details of the enforcement of the temporary solidarity contribution, which is imposed on companies with activities in the crude petroleum, natural gas and refinery sectors. The contribution is calculated on the taxable profits (as determined under national tax rules) in the fiscal year 2022, which are above a 20% increase of the average taxable profits in the four fiscal years starting on or after January 1st 2018, at a rate of 33% in addition to the existing income tax rate.

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

	For the year ended	
	31 December 2022	31 December 2021
Profit/(loss) before tax	1,420,982	407,073
Solidarity Contribution	(303,913)	—
Tax (expense) at Greek corporation tax rate of 22%* (2021: 22%)	(245,755)	(89,556)
Difference in overseas tax rates	5,306	3,868
Tax exempt results of shipping companies	881	175
Tax on expenses not deductible for tax purposes	(8,481)	(9,367)
Adjustments to Deferred tax due to changes in tax rate	—	(2,371)
Utilization of previously unrecognized tax losses	65	161
Tax losses for which no deferred income tax was recognised	(6,796)	(4,676)
Adjustments for deferred tax of prior periods	—	2,589
Tax on income from associates not subject to corporate tax	26,409	21,265
Adjustment for prior year taxes	(5,856)	3,879
Adjustment for share of profit of disposal of associate	15,772	—
Solidarity Contribution	(303,913)	—
Other	(3,637)	8,117
Tax (Charge) / Credit	**(526,004)**	**(65,916)**
Effective tax rate	**37 %**	**16 %**

*Tax expense calculated at Greek corporation tax rate excludes solidarity contribution.

Parent Company

Company	For the year ended	
	31 December 2022	31 December 2021
Current tax	(3,582)	(3,410)
Deferred tax	24	—
Total credit / (expense) from continuing operations	**(3,558)**	**(3,410)**
Total tax credit / (expense) from discontinued operations	—	(59,926)
Total credit / (expense) from discontinued operations	**—**	**(59,926)**
Total credit / (expense)	**(3,558)**	**(63,336)**

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

	For the year ended	
	31 December 2022	31 December 2021
Profit/(loss) before tax	**394,456**	**293,017**
Tax (expense) at Greek corporation tax rate of 22%* (2021: 22%)	(86,780)	(64,464)
Tax on expenses not deductible for tax purposes	206	(5,605)
Adjustments to deferred tax due to changes in tax rate	—	1,257
Adjustments for tax of prior periods	—	(5)
Dividend Income	51,495	5,018
Adjustment for share of profit of disposal of associate	31,521	—
Other	—	463
Tax (Charge) / Credit	**(3,558)**	**(63,336)**
Effective tax rate	**1 %**	**22 %**

31. Earnings / (Losses) per Share

		For the year ended
	31 December 2022	31 December 2021
Earnings per share / (Loss) attributable to the Company Shareholders (expressed in Euro per share):	2.91	1.10
Net income/ (Loss) attributable to ordinary shares (Euro in thousands)	889,501	337,444
Weighted average number of ordinary shares	**305,635,185**	**305,635,185**

Basic earnings / (losses) per share are calculated by dividing the net profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding the weighted average number of treasury shares. As of 31 December 2022 and 31 December 2021, there were no treasury shares. Diluted earnings / (losses) per share equal basic earnings (losses) per share.

32. Dividends

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 distribute an amount of €0.30 per share from prior year retained earnings as well as to propose to the AGM a final dividend of €0.10 per share for the financial year 2021. The total dividend amounts to €122.3 million, of which an amount of € 92 million (€0.30 per share) was paid on May 2022. The final dividend for the financial year 2021, which amounts to €31.6 million, was approved by the AGM on 9 June 2022 and was paid in July 2022.

At its meeting held on 29 September 2022, the Board of Directors proposed an amount of €0.40 per share for the financial year 2022. The total dividend amounts to €122.3 million and was paid in November 2022.

At its meeting held on 10 November 2022, the Board of Directors decided to distribute an interim dividend of €0.25 per share for the financial year 2022, which amounts to €76.4 million and is included in the Annual Consolidated and Company Financial Statements for the year ended 2022 and was paid in January 2023.

At its meeting held on 24 February 2023, the Board of Directors decided to propose a final dividend of €0.50 per share for the fiscal year 2022, which amounts to €152.8 million. The total dividend for the fiscal year 2022 is €1.15 per share, amounting to €351.5 million. The final dividend for the financial year 2022 is subject to approval by the AGM on 15 June 2023.

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 2023.

Parent Company

Dividend income relates to receivable dividend from the below subsidiaries and associates of the Company:

- amount of €200 million from the 100% subsidiary company HELPE R.S.S.O.P.P. S.A. which was collected in December 2022.
- amount of €2 million from the 100% subsidiary company Hellenic Petroleum International GmbH.
- amount of €32 million from the associate company DEPA Commercial S.A. which was collected in February 2023.

33. Cash Generated from / (used in) Operations

Group		For the year ended	
	Note	31 December 2022	31 December 2021
Profit/ (loss) before tax		**1,420,982**	**407,073**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	**6.7**	298,647	249,280
Amortisation and impairment of intangible assets	**8**	15,391	9,485
Amortisation of grants	**27**	(675)	(830)
Finance costs - net	**28**	114,179	106,233
Share of operating profit of associates	**9**	(120,042)	(96,660)
Provisions for expenses and valuation charges	**17**	11,283	216,409
Foreign exchange (gains) / losses	**29**	(2,499)	(16,245)
(Gains)/ Losses from discounting of long-term receivables and liabilities	**27**	571	(2,320)
Gains / (losses) on assets held for sale	**27**	(74,000)	(205)
(Gains) / losses on sales of property, plant and equipment		(11,068)	(2,353)
		1,652,769	**869,867**
Changes in working capital			
(Increase) / decrease in inventories		(443,942)	(690,373)
(Increase) / decrease in trade and other receivables		(70,030)	(144,076)
Increase / (decrease) in trade and other payables		(508,679)	226,924
		(1,022,652)	**(607,526)**
Net cash generated from operating activities		**630,118**	**262,342**

Parent Company

Company		For the year ended	
	Note	31 December 2022	31 December 2021
Profit/ (Loss) before tax from continuing operations		**394,456**	**15,500**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets		2,842	3,673
Amortisation and impairment of intangible assets		205	—
Finance costs / (income) - net		(5,787)	(2,778)
Dividend Income	32	(234,069)	(14,525)
(Gain) / loss on assets held for sale	14	(143,216)	—
(Gain) / loss on disposal of property, plant and equipment	27	(10,403)	—
		4,028	**1,870**
Changes in working capital from continuing operations			
(Increase) / decrease in trade and other receivables		(13,753)	—
Increase / (decrease) in trade and other payables		17,847	—
		4,094	**—**
Cash generated from / (used in) operating activities from continued operations		8,122	1,870
Profit/ (Loss) before tax from discontinued operations		—	277,517
Adjustments for discontinued operations		—	472,026
Changes in working capital from discontinued operations		—	(653,381)
Cash generated from / (used in) operating activities from discontinued operations		**—**	**96,162**

34. Contingencies and Litigation

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

(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 and Company Financial Statements are required.

Helpe S.A. (currently for Helpe R.S.S.O.P.P. S.A.) has filed on 29.09.2014 a lawsuit versus the Greek State claiming the amount of €7.4 million from undue retentions effected in favor of the pension funds of the Armed Forces on the price of products sold to the Army during 2011 and 2012. The First Instance Court has rejected the lawsuit by virtue of Decision No. 1661/2019 and such decision has been upheld by virtue of Decision No. 4781/2022 the Appellate Court that has ruled on the case further to an appeal filed by the company. Management has decided not to appeal further before the Supreme Court. The amount of €7.4 million has been posted to "Other operating expenses and other losses" (Note 27).

Municipalities

During the 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 HELPE R.S.S.O.P.P. S.A. within the boundaries of each respective municipality. As at 31 December 2022, the total amounts imposed amount to € 55.6 million (31 December 2021: €53.3 million). In order to appeal against these, and in accordance with the legislation, the Group has paid an amount of €27.8 million (31 December 2021: €19.4 million), which is included in Trade and 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 favorable.

During the 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 Helpe R.S.S.O.P.P. owns 50% of the share capital and consolidates through the equity method. As at 31 December 2022, EAKAA has exercised all available legal recourses relating to these cases and and the Athens Appellate Administrative Court has issued a decision in favour of the company.

By virtue of article 79 of L. 4986/2022 which has amended article 25 of L. 3054/2002 on the operation of the EAKAA pipeline. The amended article provides that said company from 2022 onwards will not be burdened with the municipal duties of article 13 of R.D. 14-9/20-10-1958, but with an annual fee in favor of the Greek State, which will be allocated to the relevant Municipalities and will not exceed 3% of the annual turnover of EAKAA.

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. The above decision became unappealable and the relevant amounts were fully refunded to the company on March 2022.

EKO subsidies

EKO AVEE has filed lawsuits before the Athens Administrative First Instance Court (AAFIC) by which it sought payment by the Greek State of the amounts of €2.6 million and €0.5 million as compensation under Article 105 of the Introductory Law of the Civil Code, and alternatively as undue enrichment (Articles 104 ff. of the Civil Code), for the restitution of damages suffered from the illegal omission of state services to pay the rebates, provided by Article 19 of L. 3054/2002 for the transportation of petroleum products in remote areas during the period from 01/11/2013 until 31/12/2014. The AAFIC rendered its Decisions Nos A16361/2022 and A16359/2022, rejecting EKO's lawsuits on the basis that some of the relevant petitions for the receipt of the rebates were filed untimely and others were inadequately substantiated. EKO has appealed the above decisions claiming the amounts of €1.9 million and €0.1 million respectively, corresponding to the petitions that have been timely filed. However, given the uncertainty of the outcome of the appeal decisions, the company has raised a provision amounting to €3.1 million.

EKO has also filed two more lawsuits claiming the amounts of €2.0 million and €0.3 million corresponding to the rebates of Article 19 of L. 3054/2002 for the time period between 01/01/2015 and 31/08/2015. After the rendering of Decisions Nos A17827/2022 and A17828/2023 that have rejected the lawsuits on the same aforementioned grounds, EKO has filed appeals, claiming the amounts of €1.3 million and €0.1 million respectively, corresponding to the petitions that have been timely filed. However, given the uncertainty of the outcome of the appeal decisions, the company has raised a provision amounting to €2.3 million.

(ii) Guarantees

The 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 2022 was the equivalent of €793 million (31 December 2021: €783 million). Out of these, €685 million (31 December 2021: €676 million) are included in consolidated borrowings of the Group and are presented as such in the consolidated and company financial statements.

As at 31 December 2022, the Company has also provided guarantees in favour of banks as security for guarantees issued by them in favour of subsidiaries and associates of the Group amounting to €19 million (31 December 2021: €19 million) and €1.7 million (31 December 2021: €15.6 million) respectively, and corporate guarantees amounting to €12 million (31 December 2021: €7.9 million). Also, as at 31 December 2022, 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 2021: €170.3 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 and Company 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 EKO Cyprus Ltd. On 29 April 2021 the competent Court has sustained the appeal of EKO Cyprus and has annulled the fine. The Commission for the Protection of Competition has appealed the decision, yet the legal advisors of EKO Cyprus view is that such appeal will be rejected by the competent Court.

Arbitration of ELPET vs the Republic of North Macedonia

On 5 December 2018, Elpet Balkaniki S.A. (Elpet) filed a Request for Arbitration before the International Court of Arbitration of the ICC versus the Republic of North Macedonia (RNM), seeking payment of an amount of $31.6 million for violation of article 10 of the share purchase and concession agreement signed on May 8th 1999 ("SPCA") and article 2 of the state performance guarantee signed on the 9th July 1999 ("SPG"), both between Elpet and the RNM, providing for certain clear obligations relating to the minimum consumption of mazut.

By the Final Award rendered on the above case (ICC Case No. 24112/GR/PAR) dated 15 December 2022, the Tribunal accepted Elpet's claim that, pursuant to Article 10 of the SPCA, together with clause 2 of the SPG, the RNM is liable to pay Elpet for the shortfall in the minimum consumption of mazut.

The Tribunal therefore accepted that the RNM is liable to pay $27 per ton of the shortfall in mazut consumption during the relevant period 2008 - 2011.

It is therefore held that the RNM:

- shall pay to Elpet the amount of $21.5 million, plus simple interest on this amount since 22 December 2015 to the date of full payment at the 12 months EURIBOR rate for US Dollars as prevailing from time to time, on a yearly basis
- shall bear 2/3 (two thirds) of the costs of the arbitral proceedings and shall accordingly pay to Elpet $0.1 million and €0.8 million.

As a result of the above developments, the Group's consolidated statement of total comprehensive income includes the amount of €21.4 million recorded in "Other Operating Income".

(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:

- Financial years up to and including the year ended 31 December 2016 are time-barred. The Tax audit reports for HELLENiQ ENERGY Holdings S.A. 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 a minimum 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 already 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.

Within 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 hearing was initially set for 11 October 2022 and then postponed for 7 February 2023 and then postponed again, the new hearing date is expected to be set.

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:

- Hellenic Fuels S.A. (currently HFL 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. Within July 2022, notifications for audit have been received for the years 2019 and 2020 and the audit is expected to commence. 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 S.A.. The process followed is identical to the one described above for Hellenic Petroleum S.A. 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. The Authorities have filed cassation recourses for the stamp duty cases, which were in favor of the company. The cases were heard in December 2022 and the court decision is expected. For the Real Estate tax dispute of 2010 amounting to €0.1 million, which was not in favor, the subsidiary has filed cassation recourse. 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 million plus the equivalent interest, which were fully refunded to the company.

EKO Kalypso M.E.P.E. received in July 2022 notifications for the audit for the years 2017 and 2018, and the audit is in progress.

As indicated above, even though the Companies dispute the additional taxes and surcharges imposed, they were obliged to pay a minimum 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 consolidated and Company financial statements for the year ended 31 December 2022. 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 2021, the Group's Greek legal entities obtained "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 Tax Compliance Reports for all Group entities are "unqualified". The management expects that the same will also apply for the year ended 31 December 2022.

(ii) Assessments of customs 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 Helpe R.S.S.O.P.P. S.A. 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 was postponed to 15 December 2021, then postponed again for 26 October 2022 and then postponed again for 1 March 2023. 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, while a new hearing took place on 6 April 2022 and the relevant decision is pending.

Management of Helpe R.S.S.O.P.P considers that the above amounts will be recovered.

Customs – other

As at 31 December 2022 there are pending appeals against court decisions that have been filed against the Group by the State, concerning alleged 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 2021: €13.3 million).

With regards to EKO S.A.'s cases (currently HFL S.A.), 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 (currently HFL S.A.) 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.

With regards to the audit conducted during 2019 by the customs authorities in Northern Macedonia for the fiscal years 2014 -2018, the amount imposed on OKTA as of 31 December 2022 is €18million and has been fully paid.

On 21 September 2022 OKTA received a customs notification with regards to the period January - May 2019, mentioning that similar tax assessment will be imposed to the company. Until December 2022, the customs authorities issued additional decisions amounting to €0.4 million which OKTA has paid. Additionally, a provision was included in the consolidated statement of financial position, amounting to €0.9 million corresponding to the amount that is expected to be further imposed by the relevant customs authorities for 2019.

OKTA retains its position that it has acted at all times in full compliance with all relevant laws, also as per expert's opinions received, and intends to contest all such decisions to the ultimate judicial level, in both local and if possible, international levels.

35. Commitments

(a) Capital commitments

Significant contractual commitments of the Group amount to €46 million as at 31 December 2022 (31 December 2021: €61 million), which mainly relate to improvements in refining assets.

(b) Exploration costs

Contractual commitments of the Group for exploration costs amount to €6 million as at 31 December 2022 (31 December 2021: €4.3 million).

(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 period end, the Group is not liable to settle the letter of credit and hence no such liability exists as at the period end. As at the end of the current year, there were open letters of credit relating to purchase orders of total amount €186.8 million.

(d) Put and call option

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

36. Related Party Balances and Transactions

Included in the statement of comprehensive income are proceeds, costs and expenses, that 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 International Projects S.A.
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- D.M.E.P. HOLDCO
- VLPG Plant LTD

Group		For the year ended
	31 December 2022	31 December 2021
Sales of goods and services to related parties		
Associates	101,444	124,683
Joint ventures	10,141	63,187
Total	**111,585**	**187,870**
Purchases of goods and services from related parties		
Associates	151,535	559,802
Joint ventures	182,990	129,888
Total	**334,525**	**689,690**

Group		As at
	31 December 2022	31 December 2021
Balances due to related parties		
Associates	13,925	15,768
Joint ventures	926	134
Total	**14,851**	**15,902**
Balances due from related parties		
Associates	12,997	9,609
Joint ventures	15,226	48,349
Total	**28,223**	**57,958**

The Company has provided guarantees in favour of third parties and banks as security for loans granted by them to Elpedison B.V. The outstanding amount of these as at 31 December 2022 was €107 million (31 December 2021: €106 million).

Dividend income amount of €32 million for 2022 relates to the dividend declared by the associate company DEPA Commercial S.A. (Note 32).

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.

- Hellenic Armed Forces
- Road Transport S.A.
- Public Power Corporation Hellas S.A.
- Lignitiki Megalopolis S.A. (up to 01.06.2022 when the entity was fully absorbed by PPC S.A.)
- Lignitiki Melitis S.A. (up to 01.06.2022 when the entity was fully absorbed by PPC S.A.)
- Hellenic Distribution Network Operator S.A. (HEDNO)

Following the harmonisation of the Company's Articles of Association in accordance with the provisions of law L. 4706/2020 in June 2021 and the subsequent amendments of the Board of Directors composition, the company below does not meet the criteria of related parties as per IAS 24 as from July 2021.

- Hellenic Gas Transmission System Operator S.A. (DESFA) - (up to 30 June 2021)

During the year ended on 31 December 2022, transactions and balances for the Group with the above government related entities are as follows:

- Sales of goods and services amounted to €625 million (31 December 2021: €231 million)
- Purchases of goods and services amounted to €3 million (31 December 2021: €35 million)
- Receivable balances of €106 million (31 December 2021: €37 million)
- Payable balances of €0,1 million (31 December 2021: No payable balances).

There were no transactions and balances between the Company and the above government related entities following the demerger (Note 1) and up to 31 December 2022. The below relevant balances and transactions relate to discontinued operations of the Company for the year ended on 31 December 2021.

- Sales of goods and services amounted to €96 million
- Purchases of goods and services amounted to €35 million
- Receivable balances of €9 million
- No payable balances

c) Key management includes directors (Executive and Non-Executive Members of the board of HELLENiQ ENERGY Holdings S.A.) and General Managers. The compensation paid or payable for the year ended on 31 December 2022 to the aforementioned key management is as follows:

Group		For the year ended
	31 December 2022	31 December 2021
Short-term employee benefits	6,329	5,633
Post-employment benefits	197	185
Termination benefits	172	—
Total	**6,698**	**5,818**

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

- Energean Italy S.p.A. (Greece, Patraikos Gulf)
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Energean Hellas LTD (Greece, Block 2)
- Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block West Crete)
- Exxon Mobil Exploration and Production Greece (Crete) B.V. (Greece, Block South West Crete)

Parent Company

Transactions and balances with related parties:

Company		For the year ended
	31 December 2022	31 December 2021
Sales of goods and services to related parties - * 2021 figures relate to discontinued operations		
Group entities	38,167	2,546,112
Associates	4	123,959
Joint ventures	428	62,622
Total	**38,599**	**2,732,693**
Purchases of goods and services to related parties - * 2021 figures relate to discontinued operations		
Group entities	15,779	38,884
Associates	—	553,592
Joint ventures	978	126,849
Total	**16,757**	**719,325**

Company		As at
	31 December 2022	31 December 2021
Balances due to related parties (Trade and other creditors)		
Group entities	14,258	11,925
Associates	—	15,329
Joint ventures	4	—
Total	**14,262**	**27,254**
Balances due from related parties (Trade and other debtors)		
Group entities	15,655	170,802
Associates	—	5,284
Joint ventures	41	48,069
Total	**15,696**	**224,155**

Balances above relate to transactions between the Company and other Group's companies.

Key management compensation:

Company		For the year ended
	31 December 2022	31 December 2021
Short-term employee benefits	4,835	5,539
Post-employment benefits	188	185
Termination benefits	172	—
Total	**5,195**	**5,724**

37. List of Principal Consolidated Subsidiaries and Associates Included in the Financial Statements

Company Name	Activity	Country Of Registration	Effective Participation Percentage	Method Of Consolidation
		Refining & Petrochemicals		
HELLENIC PETROLEUM R.S.S.O.P.P. S.A.	Refining / Petrochemicals	GREECE	100.00 %	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	100.00 %	FULL
VARDAX S.A	Pipeline	GREECE	80.00 %	FULL
DIAXON S.A.	Petrochemicals	GREECE	100.00 %	FULL
E.A.K.A.A S.A.	Pipeline	GREECE	50.00 %	EQUITY
DMEP HOLDCO LTD	Trade of crude/ products	U.K	48.00 %	EQUITY
		Marketing		
HELLENIC FUELS AND LUBRICANTS INDUSTRIAL AND COMMERCIAL S.A.	Marketing	GREECE	100.00 %	FULL
EKO KALYPSO M.E.P.E.	Marketing	GREECE	100.00 %	FULL
EKOTA KO S.A.	Marketing	GREECE	49.00 %	FULL
EKO IRA MARITIME COMPANY	Marketing / Vessel owning	GREECE	100.00 %	FULL
EKO AFRODITI MARITIME COMPANY	Marketing / Vessel owning	GREECE	100.00 %	FULL
OKTA CRUDE OIL REFINERY A.D	Marketing	FYROM	81.51 %	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Holding	CYPRUS	100.00 %	FULL
EKO BULGARIA EAD	Marketing	BULGARIA	100.00 %	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Holding	CYPRUS	100.00 %	FULL
EKO SERBIA AD	Marketing	SERBIA	100.00 %	FULL
EKO CYPRUS LTD (former HELLENIC PETROLEUM CYPRUS LTD)	Marketing	U.K	100.00 %	FULL
R.A.M.OIL Cyprus LTD	Marketing	CYPRUS	100.00 %	FULL
EKO LOGISTICS LTD (former YUGEN LTD)	Marketing	CYPRUS	100.00 %	FULL
HELPE COMPANY HOLDING LTD	Marketing	CYPRUS	100.00 %	FULL
SUPERLUBE LTD	Lubricants	CYPRUS	100.00 %	FULL
BLUE CIRCLE ENGINEERING LIMITED	Marketing	CYPRUS	100.00 %	FULL
VLPG PLANT LTD	Logistics & Distribution of LPG	CYPRUS	32.00 %	EQUITY
JUGOPETROL AD	Marketing	MONTENEGRO	54.35 %	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99.96 %	FULL
SAFCO S.A.	Airplane Fuelling	GREECE	33.33 %	EQUITY
		RES, Power & Gas		
HELLENiQ RENEWABLES SINGLE MEMBER S.A. (former HELPE R.E.S. S.A.)	Energy	GREECE	100.00 %	FULL
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
TANAGRA SOLAR ENERGEIAKI S.A.	Energy	GREECE	100.00 %	FULL
S.AETHER ENERGEIAKI S.A.	Energy	GREECE	100.00 %	FULL
HELLENIC PETROLEUM RENEWABLE WIND FARMS OF MANI S.A.	Energy	GREECE	100.00 %	FULL

AIOLIKO PARKO MAKRYLAKKOMA S.A.	Energy	GREECE	100.00 %	FULL
AIOLIKO PARKO SAGIAS S.A.	Energy	GREECE	100.00 %	FULL
FENSOL HOLDING LTD	Energy	CYPRUS	100.00 %	FULL
FENSOL S.M.	Energy	CYPRUS	100.00 %	FULL
ATEN ENERGY S.A.	Energy	GREECE	100.00 %	FULL
KOZILIO 1	Energy	GREECE	100.00 %	FULL
WINDSPUR Private Company	Energy	GREECE	100.00 %	FULL
HELPE ENERGY FINANCE CYPRUS LIMITED	Energy	CYPRUS	100.00 %	FULL
HELPE RENEWABLES CYPRUS LIMITED	Energy	CYPRUS	100.00 %	FULL
DEPA COMMERCIAL S.A. (former DEPA S.A.)	Natural Gas	GREECE	35.00 %	EQUITY
DEPA INTERNATIONAL PROJECTS S.A.	Natural Gas	GREECE	35.00 %	EQUITY
ELPEDISON B.V.	Power Generation	NETHERLANDS	50.00 %	EQUITY
	E&P			
HELPE E&P HOLDINGS S.A.	E&P of hydrocarbons	GREECE	100.00 %	FULL
HELPE ARTA PREVEZA S.A.	E&P of hydrocarbons	GREECE	100.00 %	FULL
HELPE NW PELOPONISSOS S.A.	E&P of hydrocarbons	GREECE	100.00 %	FULL
HELPE WEST KERKYRA S.A.	E&P of hydrocarbons	GREECE	100.00 %	FULL
HELPE SEA OF THRACE S.A.	E&P of hydrocarbons	GREECE	100.00 %	FULL
HELPE IONIO S.A.	E&P of hydrocarbons	GREECE	100.00 %	FULL
HELPE KIPARISSIAKOS GULF S.A.	E&P of hydrocarbons	GREECE	100.00 %	FULL
HELPE WEST CRETE S.A.	E&P of hydrocarbons	GREECE	100.00 %	FULL
HELPE SW CRETE S.A.	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
	Other			
HELLENIC PETROLEUM INTERNATIONAL GmbH	Holding	AUSTRIA	100.00 %	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100.00 %	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100.00 %	FULL
ASPROFOS S.A	Engineering	GREECE	100.00 %	FULL
HELPE DIGITAL S.A.	IT Services	GREECE	100.00 %	FULL
ELPEFUTURE	Energy	GREECE	100.00 %	FULL
HELPE REAL ESTATE S.A.	Real Estate	GREECE	100.00 %	FULL
HELLENIC PETROLEUM (UK) LIMITED	Dormant	UK	100.00 %	FULL

- Following the demerger on 3rd January 2022, the Group established the new company HELPE R.S.S.O.P.P. (Note 9).
- During the current period, the Group established a new company in Greece, Helpe Real Estate S.A. whose purpose is to manage the real estate properties of the Group.

- During the current period, the Group completed the acquisition of two wind parks companies in Greece, “MAKRYLAKKOMA S.A.” and “SAGIAS S.A.”, by “HELLENIC PETROLEUM RENEWABLE WIND FARMS OF MANI S.A.”, a wholly owned subsidiary of HELPE RENEWABLES S.A. established in July 2022. The wind farms have a total installed capacity of 55.2 MW. Total consideration net of cash acquired was €88 million which is mainly allocated in intangible assets (Note 8) and property, plant and equipment (Note 6).

- During the current period, the Group completed the acquisition of two PV parks companies, in Greece, from Trina Solar Co. Ltd., Tanagra Solar Energeiaki S.A and S. Aether Energeiaki S.A., with a total planned installed capacity of 16.1 MW. Total consideration net of cash acquired was €25 million which is mainly allocated in intangible assets (Note 8) and property, plant and equipment (Note 6).

38. Events Occurring after the Reporting Period

Other than the events already disclosed in Notes 18 and 32, no other significant events took place after the end of the reporting period and up to the date of the publication of the consolidated and Company financial statements.