



ofc Aviation Fuel Services S.A.

Athens International Airport "El. Venizelos"

5th km Spata - Loutsas Road, 190 19 Spata

Tel.: +30 210 35 41 100, Fax: +30 210 35 41 120, email: info@ofc.gr, www.ofc.gr

**MANAGEMENT REPORT
OF THE BOARD OF DIRECTORS OF THE SOCIETE ANONYME
«OFC AVIATION FUEL SERVICES S.A.»
FOR THE TWENTH FIFTH FINANCIAL YEAR 01/01/2023– 31/12/2023
TO THE ANNUAL GENERAL ASSEMBLY OF THE SHAREHOLDERS**

Spata, 23/5/2024

Ladies and Gentlemen Shareholders,

Pursuant to the provisions of Law 4548/2018 , article 150, we have the honour to submit for approval the Management Report of the Board of Directors, with the attached financial statements of the Company, for the twenty-fifth (25th) fiscal year, from 1/1/2023 to 31/12/2023.

A. COMPANY TURNOVER FOR THE YEAR 2023

The budgeted fuel volume for 2023 was 750.000 m³. The actual volume was 854.384,92 m³, highlighting an increase of 13,92 % compared to the initially budgeted volume. The Company's total revenues, according to the Statement of Comprehensive Income as of 31 December 2023, amounted to 13.054.063,20€ and were derived cumulatively from:

- a. the amount of 12.815.773,50 € concerning the charge of the THROUGHPUT FEE,
- b. the amount of 65.167,01 € relating to income from the provision of services to third parties,
- c. the amount of 29.415,10 € concerning other income and revenue of previous years,
- d. the amount of 140.620,71 € concerning interest on deposits,

The total actual expenses for the financial year, including depreciation, amounted to 8.857.185,01 €.

Following the above, the actual profit before tax for the financial year 2023 amounted to € 4.196.878,19.

Finally, the total profit after tax for the financial year amounted to 3.271.501,94 €.

B. FIXED ASSETS

During the financial year 2023, purchases for fixed equipment of the amount of 3.309.892,78 € were made, relating to improvements and additions to the Company's fixed assets. Of these, an amount of 2.942.781,43€ relates to the Extension project of the Company's underground fuel distribution system in the new aircraft parking site of Athens International Airport in area Y2, which was completed in April 2024.



C. PROFIT DISTRIBUTION - DIVIDENDS

The proposed dividend to be distributed to the Company's Shareholders for the financial year 2023 amounts to 726.445€ in total, resulting from the projected dividend of 606.445€ under the current Concession Agreement and an additional 120.000€ from the Company's financial income.

D. BOND LOAN

On 6/4/2023, the Company issued a common bond loan of nominal value of 3.000.000€ with a ten-year repayment period and fully covered by the National Bank of Greece.

The purpose of the loan is to finance the expansion project of the aviation fuel facilities at Y2 area of Athens International Airport. The full amount was drawn in 2023 and repayment started in April 2024.

E. OPERATIONS RESULTS FOR THE YEAR 2023

1. OPERATIONAL MATTERS

1.1 Annual Fuel Quantity

The fuel quantity for aircraft refuellings for the year 2023 amounted to 854.384.923 litres (at 15°C), which is 8,47% more than the previous highest annual amount (2019).

1.2 Annual Operating Objectives

Year 2023 Objectives were met.

The main objectives were:

- a. Satisfaction of all observations raised during 2023 inspections.
- b. Customer satisfaction at 100% based on the requirements of the three Management Systems (ISO 9001, ISO 14001, and ISO 45001).
- c. Establishment of an electronic materials inventory management system.

1.3 Fuel Quality (JIG)

1.3.1 Fuel Deliveries via AAFPC pipeline from HEL.PE. (Aspropyrgos Refinery) and via road tank trucks from the Motor Oil Refinery.

1.3.2 Uninterrupted aircraft refuellings within JIG specifications.

1.4 Operations and Maintenance Budget

There was a 29.27% decrease in the budgeted O&M expenses for 2023 due to the following factors:

- Reduction in energy (electric power) costs due to a change in supply from DEH to NRG.
- No major equipment failures occurred due to efficient preventive maintenance.
- Reduction of maintenance costs by third parties.
- Reduction in vehicle running costs by introducing electro mobility.

Registered and conformed with:

ISO 9001 – Quality Management System

ISO 14001- Environmental Management System

ISO 45001 - Occupational Health & Safety Management System

BoD Report 31.12.2023_EN.docx





1.5 Trainings

The annual training schedule was fully implemented.

2. SAFETY, HEALTH, ENVIRONMENT

Major results:

2.1 No accidents occurred.

2.2 Employee Awards

As every year, two employees were awarded for 2023, one as the best employee in terms of overall performance and the other as the best employee in terms of Safety.

2.3 Fire Exercises

2.3.1 Fire Exercises

2.3.1.1 Annual Fire Exercise

The exercise, organized under the auspices of the Athens International Airport (AIA) on April 26, 2023, with the participation of all relevant Authorities (AIA, AIA Fire Brigade, Hellenic Police, EKAV-National Emergency Center, Civil Aviation Authority, etc.), was conducted with absolute success, as confirmed by the evaluation of the participating Bodies. Additionally, an unannounced Fire Readiness Exercise was also successfully carried out.

2.4 Safety Day

The scheduled annual Safety Workshop, utilizing audio-visual material from "Shell Aviation," was held on December 13, 2023, with the theme "How do we fail Safely".

2.5 Implementation of periodic Safety Tool Box Talks by Supervisors to all Shift Personnel.

2.6 All required material has been prepared and will be used for the training of Personnel in Defensive Driving Techniques during 2024.

2.7 34 improvement proposals (unsafe situations, actions, near misses, etc.) were recorded, the implementation of which has been completed.

2.8 Collaboration with JIG for the improvement of the Greek translation of "HUMAN FACTORS", printing of relevant laminated cards and staff training.
Replacing the heating oil with a heat pump (electricity).

2.9 Ensuring that analytical results of all groundwater and surface water, as well as of the 10 monitoring wells (Apron and oil separator) are within the limits of the respective legal provisions.

2.10 Replacement of all light bulbs on the poles with LED fixtures.

2.11 Achieve a particularly high recycling rate of 80.4%

2.12 Training 35% of the personnel by AIA's Environmental Department.

3. EXTERNAL INSPECTIONS

The following external inspections were conducted:

3.1 IFQP Inspection

An external inspection was carried out by IFQP which resulted in zero findings and written confirmation of a very high level of operation, quality assurance and safety achieved by OFC.

3.2 JIG Inspection, on behalf of BP International LTD, on 11-12/10/2023, with the highest score.

3.3 Inspection by the air carrier SCOOT with nil findings.

Registered and conformed with:

ISO 9001 – Quality Management System

ISO 14001- Environmental Management System

ISO 45001 - Occupational Health & Safety Management System

BoD Report 31.12.2023_EN.docx





- 3.4** Inspection by air carrier Juneyao Air (Pre-flight audit) with nil findings.
- 3.5** Annual inspection of Management Systems ISO 9001, ISO 14001 και ISO 45001 by TÜV Austria Hellas with nil findings.
- 3.6** 3Y inspection of the HSSE Management System in relation to our compliance with the requirements of the JIG Standard.
- 3.7** Fire Safety Audit by AIA with zero findings.
- 3.8** Energy Management Audit by a certified inspector with nil findings.

4. FUEL STOCK MANAGEMENT

The result of the 6M fuel stock inventory indicated a surplus of 105.613 litres out of a total of 854.384.923 litres of the annual quantity handled, i.e. 0,012%, which is significantly below the 0.1% limit set by the JIG for the JET A-1.

5. ADDITIONAL RESULTS AND SERVICES

- 5.1** Provision of services to third parties, participation in conferences, etc.
 - 5.1.1 JIG and IATA Conferences:
 - 5.1.1.1 Participation at the JIG Workshop with the presentation of the topic «Risk Assessment».
 - 5.1.1.2 Participation at JIG Members Technical Forum with the presentation of the topic «Control of Works» (Work Permits).
 - 5.1.1.3 Participation at IATA Aviation Energy Forum in Abu Dhabi, on 5-10/11/2023.
 - 5.1.2 Active participation of OFC in the 2 International JIG Committees:
 - Common Processes and Best Industry Practices
 - HSSE by re-election for the period 2023-2025
 - 5.1.3 Active participation of OFC in AIA's Safety Committee and the Sustainable Aviation Fuels (SAF) Committee under the auspices of AIA's Environmental Department.
 - 5.1.4 Provision of Services to AAFPC
OFC continues to provide technical services to AAFPC for the maintenance of MF filters and other equipment at the Pipeline Fuel Receiving Station.
 - 5.1.5 Provision of Services to AIA (Area 21B)
OFC continues to provide technical services at AIA, specifically at Area 21B (JET A-1 Section), to meet JIG Standards requirements.

6. HYDRANT EXTENSIONS

- 6.1** Y2 Project (Hydrant Expansion)
The 1st Hydrant Extension Project in Y2 area of AIA's apron is complete by 95%. Remaining commissioning work on automation systems and filling, soak testing and flushing with fuel was completed in March 2024.
- 6.2** Tank TK5 Project
Following AIA's approval, the study for the expansion of the tank farm was commissioned, according to which a new tank (TK5) with a capacity of 9,000m³ will be constructed within the basin as well as an extension of the tank off-loading islands. The design (Outline Design) was executed by 80%.



6.3 New Hydrant Refuelling System (HRS) at AIA's West Area

Initial meetings were held with AIA to delineate the new study for aircraft refueling via HRS in AIA's NWA (North West Apron) area. The study (Outline Design) will be developed with a delivery time being the end of June 2024.

F. PENDING COMPANY LITIGATIONS AND PENDING COMPANY CASES

There are no pending third party claims against the Company, from which it would be estimated that financial charges may arise in the year 2023.

G. FINANCIAL RISK MANAGEMENT

The Company's management has assessed the impacts on financial risk management that may arise due to the overall condition of the business environment in Greece. In general, as stated below in the management of individual risks, it does not consider that any negative developments in the Greek economy will significantly affect the smooth operation of the Company.

The events and military actions in Ukraine as well as the sanctions against Russia that affected the international energy markets did not have a significant impact on the Company's operations.

Regarding the impact of the increase in energy costs, it is clarified that the operation and the achievement of the Company's objectives have not been affected and are not expected to be significantly affected.

While the situation in the Middle East is inherently volatile and further escalation cannot be ruled out, the Company can manage all possible scenarios and does not foresee any significant future impact.

a. Capital Risk Management

The Company manages its capital to ensure that it remains viable. Under the New Fuel Supply Concession Agreement between the Company and AIA, annual returns, in the form of dividends, are guaranteed provided that the Company meets its contractual obligations to AIA, which to date has been fully achieved.

b. Financial Risk Management

The Company does not enter into transactions in financial instruments, including financial derivatives, for speculative purposes. On the contrary, it ensures maximum return on its funds through interest on deposits at zero risk.

c. Credit Risk

The Company's credit risk relates mainly to receivables from customers and other receivables and is significantly limited because:

- The Company's assets are deposited in branches of the National Bank of Greece, which is considered one of the most reliable Greek banks.



- The Company has a significant concentration of receivables, a large proportion of which relate to a limited number of customers.
- The Company has entered into contracts that define its transactions with its customers, whereby the collection of receivables is made simultaneously with the monthly completion of the services provided.
- The Company receives bank letters of guarantee from its customers to secure its receivables equal to at least twice the monthly amount due from them.

d. Liquidity Risk

There is no liquidity risk due to the considerable amount available in the Company's bank accounts.

**H. KEY FINANCIAL RATIOS
(Compared to previous year)**

	2023	2022
1.		
<u>Current Assets</u>	79,84 %	95,11 %
Total Assets		
2.		
<u>Tangible Fixed Assets</u>	20,16 %	4,89 %
Total Assets		
	2023	2022
3.		
<u>Equity</u>	282,62 %	525,20 %
Total Liabilities		
4.		
<u>Total Liabilities</u>	26,14 %	15,99 %
Total Liabilities & Equity		
5.		
<u>Equity</u>	73,86 %	84,01 %
Total Liabilities & Equity		
6.		
<u>Current Assets</u>	683,20%	646,72 %
Short-Term Liabilities		

Depicts the general company liquidity, i.e., the percentage by which current assets can cover for the short-term liabilities.



7.	$\frac{\text{Cash}}{\text{Short-Term Liabilities}}$	664,76 %	599,26 %
----	---	----------	----------

Depicts the special liquidity of the company. It determines whether the maturing liabilities are covered for at a given time (31/12/2023) by company cash.

RETURN ON EQUITY RATIOS:

8.	$\frac{\text{Net Income before taxes}}{\text{Equity}}$	28,66 %	29,49 %
9.	$\frac{\text{Gross Income}}{\text{Sales of Services}}$	41,44 %	42,38 %
10.	<i><u>Net Profit Margin Ratio:</u></i> $\frac{\text{Net Profits before taxes}}{\text{Sales of Services}}$	32,58 %	31,14 %

The above ratios depict the company's gross and net profit margin. The higher the ratios, the better is the company's financial position, in terms of profit.

MANAGEMENT POLICY RATIOS:

	2023	2022
11. <i><u>Debtors' Ratio:</u></i> $\frac{\text{Trade Receivables}}{\text{Sales on Credit (Services)}} \times 360$	19,14 days (2023)	17,38 days (2022)
12. <i><u>Creditors' Ratio:</u></i> $\frac{\text{Trade Payables}}{\text{Purchases on credit (Inventory & Services)}} \times 360$	64,15 days (2023)	65,43 days (2022)

The above mentioned ratios depict company credit policy towards customers and suppliers.



I. ANTICIPATED COURSE OF THE COMPANY IN 2024

For the current year, the forecast for the fuel volume to be handled through the facility is approximately 820.000 m³.

The Throughput Fee for the year 2024 will remain unchanged at 15,00 €/m³.

J. Going Concern

Despite the adverse market conditions, the energy crisis and the war in Ukraine, in combination with the current inflationary pressures, the company's Management estimates that it has sufficient resources to ensure the smooth operation as a Going Concern in the foreseeable future, mainly due to the continuously increasing passenger traffic at Athens International Airport, which results in a significant increase in the aviation fuel volume handled.

K. Events after the Reporting Period

No event has occurred that could have a material effect on the financial structure or the business of the Company from 1/1/2024 until the date of this report.

By authorization of the Board of Directors of "OFC Aviation Fuel Services S.A."

**Chairman
of the Board of Directors**

**Vasilios Tsiatouras
ID No. AN 590404**

Chief Executive Officer

**Nikolaos Kontaxis
ID No. AP 549070**

Financial Manager

**Petros Katros
ID No. AM 638650
Lic. No. OEE 2830/ A'
Class**