



ofc Aviation Fuel Services S.A.

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MANAGEMENT REPORT

**of the Board of Directors of OFC Aviation Fuel Services S.A.
for the 26th Corporate Fiscal Year 01/01/2024 – 31/12/2024
to the Annual General Assembly of Shareholders**

Spata, 22/05/2025

Ladies and Gentlemen Shareholders,

In accordance with Article 150 of Law 4548/2018, we are pleased to submit for approval the Management Report of the Board of Directors, including the Financial Statements of the Company for the 26th fiscal year from 01/01/2024 to 31/12/2024.

A. COMPANY TURNOVER FOR THE YEAR 2024

The Company's total revenues for, according to the Statement of Comprehensive Income as of 31 December 2024, which amounted to €15.479.639,55, derived:

- a.** The amount of €15.149.677,43 from Throughput fee charge
- b.** The amount of €23.287,65 from Services to third parties
- c.** The amount of €73.263,50 from Grants and other income
- d.** The amount of €233.411,17 from Interest from deposits

Total expenses, including interest and depreciation, amounted to €10.773.676,84.

Following the above, actual Profit before tax amounted to €4.705.962,71.

Finally Profit after tax was €3.667.919,26.

B. FIXED ASSETS

During the financial year 2024 fixed asset purchases (equipment) totaled €2.029.545,72, relating to improvements and additions to the Company's fixed assets. Of these, €391,853.94 for completing the underground fuel pipeline extension in Athens International Airport Area Y2, which was completed in April 2024 and an amount of €1,151,082.92 for constructing a new TK5 fuel tank (10,000m³), currently in progress to be completed in Q3 2025.

Registered and conformed with:

ISO 9001 – Quality Management System

ISO 14001- Environmental Management System

ISO 45001 - Occupational Health & Safety Management System

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C. PROFIT DISTRIBUTION - DIVIDENDS

The proposed dividend to be distributed to the Company's Shareholders for the financial year 2024 amounts to €936.092 in total, resulting from the projected dividend of €737.285 under the current Concession Agreement plus an additional €198.807 from the Company's financial income.

D. BOND LOANS

Following the implementation of the decision of the Extraordinary General Assembly of 09/01/2025, the Company proceeded to the issue of a common bond loan of EUR 5.000.000 with a ten-year repayment term and fully covered by the National Bank of Greece. The purpose of the loan is to finance the construction project of a new fuel tank TK-5, with a capacity of 10,000 m³, the extension of road tank truck unloading islands and the reconstruction of the company's auxiliary office building and training hall, for a total investment cost of eight million euros (€8.000.000). The loan disbursement was completed within March 2025 and repayment is scheduled to start in September 2025.

Also, from April 2024, the repayment of the common bond loan of nominal value of EUR 3.000.000, with a ten-year maturity and fully covered by the National Bank of Greece, taken out on 6/4/2023, started. The purpose of the loan was to finance the expansion project of the aviation fuel facilities in the Y2 area of Athens International Airport.

E. OPERATIONS RESULTS FOR THE YEAR 2024

1. OPERATIONAL MATTERS

1.1 Annual Fuel Quantity

The fuel quantity for aircraft refuellings for the year 2024 amounted to 1.009.979.790 litres (at 15°C), which is 18,21% more than the previous highest annual quantity (2023).

1.2 Annual Operating Objectives

Year 2024 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. Creation of an electronic materials' warehouse 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.

Registered and conformed with:

ISO 9001 – Quality Management System

ISO 14001- Environmental Management System

ISO 45001 - Occupational Health & Safety Management System

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1.4 Operations and Maintenance Budget

There was a 24,54% decrease in budgeted 2024 O&M expenses due to the following factors:

- Reduction in electricity costs.
- Reduction in third party maintenance costs.
- No major equipment failures occurred due to detailed preventive maintenance.

1.5 Training

The annual Training schedule was fully executed.

2. SAFETY – HEALTH - ENVIRONMENT

Key results:

2.1 No accidents occurred.

2.2 Employee Awards

As every year, two employees were awarded for 2024; 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

Held under the auspices of Athens International Airport on 20/3/2024 with the participation of all relevant Authorities (AIA, AIA's Fire Department, the Hellenic Police, EKAV – The National Emergency Centre, Civil Aviation Authority, etc.). The exercise was accompanied by a large number of Observers, including the Greek Army Air Force, Civil Protection and East Attika Prefecture delegates, Airline Representatives, Fuel Suppliers, etc. The exercise was a complete success, as confirmed by the evaluating Participating Bodies.

Two Unannounced Fire Safety Readiness Exercises were also successfully conducted.

2.4 Safety Day

The planned annual Safety Day, using “Shell Aviation” supervisory material, was held on 18/12/2024 with the theme “Before I Start Work”, providing staff with additional ideas to further improve OFC's safety culture.

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

2.6 Replacement of the outdated BRA (Best Business Practices) with the new version by JIG.

2.7 JIG's long-standing Business Risk Assessment (BRA) was put on course to be replaced with the new software received from JIG; the new version provides more statistics and significantly improved insight into the results.

- 2.8** Recording of 34 improvement proposals (unsafe situations, actions, near misses, etc.), the implementation of which has been completed.
- 2.9** Ensuring analysis results of all groundwater and surface water, as well as of the 11 monitoring wells (Valve Vaults - 9 pcs. and oil separator - 2 pcs.) within the limits of the respective legal provisions.
- 2.10** Replacement of 50% of the lighting lamps on the masts with LED lamps.
- 2.11** Achievement of a particularly high recycling rate of 80,4%, the highest in OFC's history.
- 2.12** Training of 45% of the staff by the Environmental Department of AIA, on 28.11.2024.

3. EXTERNAL INSPECTIONS

The following external inspections were conducted:

- 3.1** JIG Inspection on 24 & 25 April 2024, on behalf of EKO, with nil findings.
- 3.2** Inspection by American Airlines conducted by the Senior Quality Assurance Auditor, on 4/6/2024, with nil findings.
- 3.3** Inspection by Air Arabia, on 18/10/2024, with nil findings.
- 3.4** AIA Safety Audit on 4/3/2024 by AIA's Safety Department with nil findings.
- 3.5** Annual inspection of Management Systems ISO 9001, ISO 14001 and ISO 45001 by TUV Austria Hellas, on 1/7/2024, with nil findings.

4. FUEL STOCK MANAGEMENT

The result of six-month fuel inventory counts showed a surplus of 131.661 litres out of a total of 1.009.979.790 litres of the annual quantity handled, equal to 0,013%, which is significantly below the 0,1% limit set by JIG for the management of JET A-1 at airports.

5. ADDITIONAL RESULTS AND SERVICES

- 5.1** Provision of services to third parties, participation in conferences, e.tc.
 - 5.1.1** JIG and IATA Conferences:
 - JIG Workshop in Dublin, 9-10/4/2024.
 - JIG Members Technical Forum in Lisbon, 11-13/6/2024.
 - IATA Aviation Energy Forum in Vienna, 28-30/5/2024.
 - Stock-Expo exhibition (Tank Farm Equipment) in Rotterdam, the Netherlands.

- 5.1.2 Active participation of OFC in 2 JIG committees:
- Common Processes and Best Industry Practices
 - HSSE
- 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, as well as in AIA's Environment Day held on 13/12/2024.
- 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 Training workshop to Hellenic Air Force (HAF) students with a presentation of topics related to aircraft refueling on 23/2/2024 (33 students and 2 Professors).
- 5.1.6 IFQP Training. 5-day training of candidate inspectors IFQP, 20-24/5/2024.

6. HYDRANT EXPANSION

- 6.1** Y2 Project (Hydrant Expansion)
The first Hydrant Extension Project in AIA Y2 area was completed within 2024. The commissioning of automation systems and filling, soak testing and flushing with fuel was carried out in March 2024.
- 6.2** Tank TK5 Project
Completion and approval by the Civil Aviation Authority (ΑΠΑ) of the project's Detailed Design for the construction of the new tank TK5 / tank truck off-loading island (No.6) and reconstruction of the company's auxiliary office building and training room, as well as the start of construction, aiming for completion in the second half of 2025.
- 6.3** New Hydrant Refuelling System (HRS) in AIA's West Area
Completion and approval by the Civil Aviation Authority (ΑΠΑ) of the Outline Design for the construction of the new Hydrant to meet aircraft refueling needs at AIA's 32NWA (North West Apron) under construction.

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 2024.

G. FINANCIAL RISK MANAGEMENT

The Company's management has assessed the impact on the management of financial risks that may arise in the business environment in which the Company operates in Greece. In general, as stated below in the management of individual risks, the Company does not believe that any negative developments in the Greek economy will have a significant impact on the smooth operation of the Company.

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

With respect to the impact of the continued maintenance of increased energy costs, it is clarified that the Company's operations and the achievement of its objectives have not been and are not expected to be materially 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 anticipate any significant future impacts.

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 receivable 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)

	2024	2023
1.		
$\frac{\text{Current Assets}}{\text{Total Assets}}$	78,92 %	79,84 %
2.		
$\frac{\text{Tangible Fixed Assets}}{\text{Total Assets}}$	21,08 %	20,16 %

	2024	2023
3.		
$\frac{\text{Equity}}{\text{Total Liabilities}}$	450,18 %	282,62 %
4.		
$\frac{\text{Total Liabilities}}{\text{Total Liabilities \& Equity}}$	18,18 %	26,14 %
5.		
$\frac{\text{Equity}}{\text{Total Liabilities \& Equity}}$	81,82 %	73,86 %
6.		
$\frac{\text{Current Assets}}{\text{Short-term Liabilities}}$	883,71%	683,20%
Depicts the general Company liquidity, i.e. the percentage by which current assets can cover for the short-term liabilities.		
7.		
$\frac{\text{Cash}}{\text{Short-term Liabilities}}$	863,53 %	664,76 %

Depicts the special liquidity of the Company. It determines whether the maturing liabilities are covered for at a given time (31/12/2024) by Company cash.

RETURN ON EQUITY RATIOS:

8.	$\frac{\text{Net Income before Taxes}}{\text{Equity}}$	20,85 %	28,66 %
9.	$\frac{\text{Gross Income}}{\text{Sales of Services}}$	38,53 %	41,44 %
10.	<i><u>Net Profit Margin Ratio:</u></i> $\frac{\text{Net Profits before Taxes}}{\text{Sales of Services}}$	31,02 %	32,58 %

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:

	2024	2023
11. <i><u>Debtors' Ratio:</u></i> $\frac{\text{Trade Receivables}}{\text{Sales on Credit (Services)}} \times 360$	10,97 days (2024)	19,14 days (2023)
12. <i><u>Creditors' Ratio:</u></i> $\frac{\text{Trade Payables}}{\text{Purchases on credit (Goods and Services)}} \times 360$	55,12 days (2024)	64,15 days (2023)

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



I. ANTICIPATED COURSE OF THE COMPANY IN 2025

For the current year, the forecast for the fuel volume to be handled through the facility is approximately 1.000.000 m³.

The Throughput Fee for the year 2025 will remain unchanged at 15,00 €/m³.

J. Going Concern

Despite the adverse market conditions, the energy crisis, the ongoing hostilities in Ukraine, the situation in the Middle East which is inherently unstable and further escalation cannot be ruled out, combined with existing inflationary pressures, the Company's management believes that it has sufficient resources to ensure the smooth continuation of its operations as a "Going Concern" for the foreseeable future, mainly due to the continuously increasing passenger traffic at Athens International Airport, which results in a significant increase in the volume of aviation fuel handled.

K. EVENTS AFTER THE REPORTING PERIOD

In January 2025, by convening an Extraordinary General Assembly, the issuance of a common bond of up to Euro five million (€5.000.000) was approved for the purpose of financing the construction of a new tank TK5 and the modification of the road tank truck offloading island (No.6) at OFC's facilities.

Other than the foregoing, no event has occurred that has materially affected the financial structure or business of the Company from 1/1/2025 to the date of this report.

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

**The CHAIRMAN
Board of Directors**

**Chief Executive
Officer**

Financial Manager

**Vasilios
Tsiatouras
ID No. AN 590404**

**Nikolaos Kontaxis
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